

# MANISTEE CITY COUNCIL

## MEETING AGENDA

TUESDAY, OCTOBER 16, 2012 – 7:00 P.M. – COUNCIL CHAMBERS

**I. Call to Order.**

- a.) PLEDGE OF ALLEGIANCE.
- b.) ROLL CALL.

**II. Public Hearings.**

**III. Citizen Comments on Agenda Related Items.**

**IV. Consent Agenda.** All agenda items marked with an asterisk (\*) are on the consent agenda and considered by the City Manager to be routine matters. If the Mayor or any member of the Council wishes to discuss an item on the consent agenda, it will be deleted from the consent agenda and considered in its regular order on the agenda. Consent agenda items include:

- V. Approval of Minutes.
- VI. a.) Approval of Payroll.  
b.) Monthly Bills.
- VII. Unfinished Business.
  - a.) Consideration of Adopting Ordinance #12-05 Amending Chapter 288 PEG Commission.
  - b.) Consideration of Adopting Ordinance Z12-04 Amending Section 514 Vehicular Parking Space, Access and Lighting.
  - c.) Consideration of Adopting Ordinance Z12-06 Amending Section 1813 Bed and Breakfast, Item B.1.h.
  - d.) Consideration of Adopting Ordinance Z12-07 Amending Article 2 Definitions and Section 502 Spatial and Physical Requirements.
  - e.) Consideration of Adopting Ordinance Z12-08 Amending Peninsula District Standards, Article 5 General Provisions, Article 18 Standards and Requirements for Special Uses and Article 21 Signs.
- XI. b.) Notification Regarding Next Work Session.

At this time Council could take action to approve the Consent Agenda as presented.

- \*V. **Approval of Minutes.** Approval of the minutes of the October 2, 2012 regular meeting and the October 9, 2012 work session as attached.

**VI. Financial Report.**

- \*a.) APPROVAL OF PAYROLL.
- \*b.) MONTHLY BILLS.

**VII. Unfinished Business.**

- \*a.) CONSIDERATION OF ADOPTING ORDINANCE #12-05 AMENDING CHAPTER 288 PEG COMMISSION.

The PEG Commission has recommended a change in their ordinance language to broaden the membership on the PEG Commission. The new language would enable interested residents in Manistee County to participate on the commission. The Council Ordinance Committee, along with the City Attorney, has reviewed and recommends the proposed ordinance amendment. Filer Charter Township has also reviewed and approved the proposed changes. This ordinance was introduced at the October 2, 2012 Council meeting and could be adopted at this time.

At this time Council could take action to adopt Ordinance Amendment #12-05 amending Chapter 288 PEG Commission.

- \*b.) CONSIDERATION OF ADOPTING ORDINANCE Z12-04 AMENDING SECTION 514 VEHICULAR PARKING SPACE, ACCESS AND LIGHTING.

This ordinance amends Section 514 Vehicular Parking Space, Access and Lighting of the Zoning Ordinance as recommended by the Planning Commission. Proposed changes include changing the required number of parking spaces for some uses; requires pedestrian walkways for parking lots with 10 or more spaces; establishes a 5 foot buffer (front property line); establishes Bike Parking for some uses; and requires the installation of sidewalks in some districts for certain uses. The City Attorney and the Council Ordinance Committee has reviewed and approved the proposed amendment. This amendment was first introduced by Council at their meeting of October 2, 2012 and could be adopted this evening.

At this time Council could take action to adopt Ordinance Z12-04 amending Section 514 Vehicular Parking Space, Access and Lighting of the City of Manistee Zoning Ordinance.

\*c.) CONSIDERATION OF ADOPTING ORDINANCE Z12-06 AMENDING SECTION 1813 BED AND BREAKFAST, ITEM B.1.h.

This ordinance amendment deletes Item B.1.h of Section 1813 Bed and Breakfast as recommended by the Planning Commission. This amendment deletes the item which establishes the number of sleeping rooms by Zoning District from the Special Use Permit Standards. The City Attorney and the Council Ordinance Committee has reviewed and approved the proposed amendment. This amendment was first introduced by Council at their meeting of October 2, 2012 and could be adopted this evening.

At this time Council could take action to adopt Ordinance Z12-06 amending Section 1813 Bed and Breakfast, Item B.1.h of the City of Manistee Zoning Ordinance.

\*d.) CONSIDERATION OF ADOPTING ORDINANCE Z12-07 AMENDING ARTICLE 2 DEFINITIONS AND SECTION 502 SPATIAL AND PHYSICAL REQUIREMENTS.

This ordinance amendment adds a definition for Outdoor Playset and Porch to Article 2 Definitions and amends Section 502 Spatial and Physical Requirements which allows people to construct porches on the front of their home in the front yard setback where they would have previously needed to obtain a variance from the Zoning Board of Appeals, encouraging interaction in neighborhoods. The City Attorney and the Council Ordinance Committee has reviewed and approved the proposed amendment. This amendment was first introduced by Council at their meeting of October 2, 2012 and could be adopted this evening.

At this time Council could take action to adopt Ordinance Z12-07 amending Article 2 Definitions and Section 5-2 Spatial and Physical Requirements to the City of Manistee Zoning Ordinance.

\*e.) CONSIDERATION OF ADOPTING ORDINANCE Z12-08 AMENDING PENINSULA DISTRICT STANDARDS, ARTICLE 5 GENERAL PROVISIONS, ARTICLE 18 STANDARDS AND REQUIREMENTS FOR SPECIAL USES AND ARTICLE 21 SIGNS.

The following Zoning Ordinance amendments have been prepared to address General Regulations, Special Use Permit Standards and Signage in the new Peninsula District (P-D) in the following sections of the ordinance:

Article 5: General Regulations – Section 505.B; Section 511.A and 515.G.3.a

Article 18: Standards and Requirements for Special Uses – 1807.C.2 and Section 1861.B.10

Article 21: Signs – Section 2101.A.7.a; Section 2101.A.7.b; Section 2101.A.7.c; Section 2103.H; Section 2106; Section 2007 and Section 2018

This is a housekeeping item and did not require City Attorney review. The Council Ordinance Committee has reviewed and approved the proposed amendment. This amendment was first introduced by Council at their meeting of October 2, 2012 and could be adopted this evening.

At this time Council could take action to adopt Ordinance Z12-08 to carry over the Peninsula District Standards to section of Article 5 General Provisions, Article 18 Standards and Requirements for Special Uses and Article 21 Signs to the City of Manistee Zoning Ordinance.

#### **VIII. New Business.**

- a.) PRESENTATION BY DAVID E. WILSON, CPA AND FINANCE DIRECTOR ED BRADFORD ON THE JUNE 30, 2012 AUDIT.
- b.) CONSIDERATION OF APPLICATIONS TO BOARDS AND COMMISSIONS.

The City Clerk has taken action to advertise vacancies on the Brownfield Redevelopment Authority, Compensation Commission, Harbor Commission, Planning Commission and the Zoning Board of Appeals. The following applications have been received:

**BROWNFIELD REDEVELOPMENT AUTHORITY** – One unexpired term ending 06/30/14, Mayoral appointment.

None received

**COMPENSATION COMMISSION** – Two vacancies, five-year terms ending 09/30/17, Mayoral appointment.

None received

**HARBOR COMMISSION** – Three vacancies, three-year terms ending 10/31/15, Council appointment.

Rick Schrock, 603 Harvard Lane\*  
Rosemary Daniels, 703 Hopkins Street  
Thomas R. Smith, 703 Hopkins Street

**PLANNING COMMISSION** – Three vacancies, three-year terms ending 10/31/15, Mayoral appointment.

Ray Fortier, 367 Eleventh Street\*

**ZONING BOARD OF APPEALS** – One vacancy (alternate member), unexpired term ending 05/31/15, Mayoral appointment.

None received

\*Incumbent

At this time the Mayor and Council could take action to make appointments as noted above.

**IX. Notices, Communications, Announcements.**

- a.) A REPORT FROM THE HARBOR COMMISSION AND THE MAIN STREET DOWNTOWN DEVELOPMENT AUTHORITY.

A regular part of each Council meeting is a report from a cooperating agency, organization or department.

At this time Mr. Ross Spencer will report on the activities of the Harbor Commission and respond to any questions the Council may have regarding their activities.

At this time Mr. Travis Alden will report on the activities of the Main Street Downtown Development Authority and respond to any questions the Council may have regarding their activities.

No action is required on this item.

- \*b.) NOTIFICATION REGARDING NEXT WORK SESSION.

There is no work session in November. A Council work session has been scheduled for Tuesday, December 11, 2012 at 7:00 p.m. A discussion will be conducted on water policies/road breakage; and such business as may come before the Council. No action is required on this item.

**X. Concerns and Comments.**

- a.) CITIZEN COMMENT. This is an opportunity for citizens to comment on municipal affairs. Citizens in attendance may be recognized by the Mayor for comments. Citizen comments are not limited to agenda items but should be directed toward municipal services, activities or areas of involvement.
- b.) OFFICIALS AND STAFF.
- c.) COUNCILMEMBERS.

**XI. Adjourn.**

MDD:cl

**COUNCIL AGENDA ATTACHMENTS:**

Council Meeting Minutes – October 2, 2012  
Council Work Session Minutes – October 9, 2012  
Monthly Bills  
Audit Report for Fiscal Year Ended June 30, 2012  
Board & Commission Applications

## PROCEEDINGS OF THE MANISTEE CITY COUNCIL – October 2, 2012

A regular meeting of the Manistee City Council was called to order by her honor, Mayor Colleen Kenny on Tuesday, October 2, 2012 at 7:00 p.m. in the City Hall Council Chambers, 70 Maple Street, followed by the Pledge of Allegiance.

**PRESENT:** Colleen Kenny, Sid Scrimger, Robert Hornkohl, Ilona Haydon, Catherine Zaring, Beth Adams, and Alan Marshall.

**ALSO PRESENT:** City Manager – Mitch Deisch, City Attorney – George Saylor, City Clerk – Michelle Wright, Community Development Director – Jon Rose, DPW Director – Jack Garber, and City Engineer – Jeff Mikula/Abonmarche.

### **CITIZEN COMMENTS ON AGENDA RELATED ITEMS.**

*None received.*

### **CONSENT AGENDA.**

- Minutes - September 18, 2012 - Regular Meeting
- Payroll - September 17 – 30, 2012 - \$ 111,696.03
- Cash Balances Report - August 2012
- Notification Regarding Next Work Session – October 9, 2012  
Items will include a discussion with the Downtown Development Authority, discussion on deer herd management and project updates; and such business as may come before the Council.
- Consideration of MCC Homecoming Parade.  
Manistee Catholic Central Schools requests permission to hold their annual homecoming parade on Friday, October 12 at 5 p.m. The parade would form at River/Division and end at Water Street. They expect 20 units and approximately 40 walkers.
- Consideration of Annual Fire Prevention Week Parade.  
The Manistee County Fire Fighters Association requests permission to conduct their annual Fire Prevention Week parade on Saturday, October 6, 2012. The parade would assemble at 11 a.m. at Division and River Streets, travel west on River Street to Maple Street, turn south and travel to Twelfth Street, ending at Manistee Catholic Central.
- Consideration of Boos, Brews & Brats Event.  
The Manistee Main Street Downtown Development Authority volunteer committee

requests authorization to host the Boos, Brews & Brats Festival on Saturday, October 27, 2012 in downtown Manistee. A full agenda for the day includes a farmers market (tentative), music, kid events, costume parade for kids and adults, a beer/music tent and a 1 mile Zombie Walk/Run.

MOTION by Hornkohl, second by Marshall to approve the Consent Agenda as presented.

With a roll call vote this motion passed unanimously.

AYES: Kenny, Scrimger, Hornkohl, Haydon, Zaring, Adams, and Marshall

NAYS: None

#### **CONSIDERATION OF ESTABLISHING RENEWAL RATES FOR RIVERFRONT LEASES.**

On December 21, 2012 the current ten-year Riverfront Leases will expire. On September 11, 2012 City Council held a work session to discuss establishing the fees for the renewal of riverfront leases. The rates discussed at the work session are as follows:

\$22.01 per foot of frontage for years 2013, 2014, 2015

\$22.67 per foot of frontage for year 2016 (3% increase)

\$23.35 per foot of frontage for year 2017 (3% increase)

At their work session Council opted for a five-year lease instead of the current ten-year lease. New leases have been drafted and have been reviewed by the City Attorney.

MOTION by Hornkohl, second by Zaring to establish rates for five-year Riverfront Leases; and authorize the Mayor and City Clerk to execute the necessary documents.

With a roll call vote this motion passed unanimously.

AYES: Kenny, Scrimger, Hornkohl, Haydon, Zaring, Adams, and Marshall

NAYS: None

#### **CONSIDERATION OF INTRODUCING ORDINANCE #12-05 AMENDING CHAPTER 288 PEG COMMISSION.**

The PEG Commission has recommended a change in their ordinance language to broaden the membership on the PEG Commission. The new language would enable interested residents in Manistee County to participate on the commission. The Council Ordinance Committee, along with the City Attorney, has reviewed and recommends the proposed ordinance amendment. Filer Charter Township has also reviewed and approved the proposed changes. This would be the first reading of the proposed Ordinance Amendment #12-05. A second reading and possible adoption could take place at the October 16, 2012 Council meeting.

MOTION by Hornkohl, second by Zaring to introduce Ordinance Amendment #12-05 amending Chapter 288 PEG Commission. Brief discussion followed.

With a roll call vote this motion passed unanimously.

AYES: Kenny, Scrimger, Hornkohl, Haydon, Zaring, Adams, and Marshall

NAYS: None

**CONSIDERATION OF ORDINANCE Z12-04 AMENDING SECTION 514 VEHICULAR PARKING SPACE, ACCESS AND LIGHTING.**

This ordinance amends Section 514 Vehicular Parking Space, Access and Lighting of the Zoning Ordinance as recommended by the Planning Commission. Proposed changes include changing the required number of parking spaces for some uses; requires pedestrian walkways for parking lots with 10 or more spaces; establishes a 5 foot buffer (front property line); establishes Bike Parking for some uses; and requires the installation of sidewalks in some districts for certain uses. The City Attorney and the Council Ordinance Committee has reviewed and approved the proposed amendment.

This will be the first reading of proposed Ordinance Amendment Z12-04. A second reading and possible adoption could take place at the October 16, 2012 Council meeting.

MOTION by Haydon, second by Hornkohl to introduce Ordinance Z12-04 amending Section 514 Vehicular Parking Space, Access and Lighting of the City of Manistee Zoning Ordinance.

With a roll call vote this motion passed unanimously.

AYES: Kenny, Scrimger, Hornkohl, Haydon, Zaring, Adams, and Marshall

NAYS: None

**CONSIDERATION OF ORDINANCE Z12-06 AMENDING SECTION 1813 BED AND BREAKFAST, ITEM B.1.h.**

This ordinance amendment deletes Item B.1.h of Section 1813 Bed and Breakfast as recommended by the Planning Commission. This amendment deletes the item which establishes the number of sleeping rooms by Zoning District from the Special Use Permit Standards. The City Attorney and the Council Ordinance Committee has reviewed and approved the proposed amendment.

This will be the first reading of proposed Ordinance Amendment Z12-06. A second reading and possible adoption could take place at the October 16, 2012 Council meeting.

MOTION by Haydon, second by Zaring to introduce Ordinance Z12-06 amending Section 1813 Bed and Breakfast, Item B.1.h of the City of Manistee Zoning Ordinance.

With a roll call vote this motion passed unanimously.

AYES: Kenny, Scrimger, Hornkohl, Haydon, Zaring, Adams, and Marshall

NAYS: None

**CONSIDERATION OF ORDINANCE Z12-07 AMENDING ARTICLE 2 DEFINITIONS AND SECTION 502 SPATIAL AND PHYSICAL REQUIREMENTS.**

This ordinance amendment adds a definition for Outdoor Playset and Porch to Article 2 Definitions and amends Section 502 Spatial and Physical Requirements which allows people to construct porches on the front of their home in the front yard setback where they would have previously needed to obtain a variance from the Zoning Board of Appeals, encouraging interaction in neighborhoods. The City Attorney and the Council Ordinance Committee has reviewed and approved the proposed amendment.

This will be the first reading of proposed Ordinance Amendment Z12-07. A second reading and possible adoption could take place at the October 16, 2012 Council Meeting.

MOTION by Hornkohl, second by Marshall to introduce Ordinance Z12-07 amending Article 2 Definitions and Section 5-2 Spatial and Physical Requirements to the City of Manistee Zoning Ordinance. Discussion followed.

With a roll call vote this motion passed, 6-1.

AYES: Kenny, Scrimger, Hornkohl, Zaring, Adams, and Marshall  
NAYS: Haydon

**CONSIDERATION OF ORDINANCE Z12-08 AMENDING PENINSULA DISTRICT STANDARDS, ARTICLE 5 GENERAL PROVISIONS, ARTICLE 18 STANDARDS AND REQUIREMENTS FOR SPECIAL USES AND ARTICLE 21 SIGNS.**

The following Zoning Ordinance amendments have been prepared to address General Regulations, Special Use Permit Standards and Signage in the new Peninsula District (P-D) in the following sections of the ordinance:

Article 5: General Regulations – Section 505.B; Section 511.A and 515.G.3.a

Article 18: Standards and Requirements for Special Uses – 1807.C.2 and Section 1861.B.10

Article 21: Signs – Section 2101.A.7.a; Section 2101.A.7.b; Section 2101.A.7.c; Section 2103.H; Section 2106; Section 2007 and Section 2018

This is a housekeeping item and did not require City Attorney review. The Council Ordinance Committee has reviewed and approved the proposed amendment.

This will be the first reading of proposed Ordinance Amendment Z12-08. A second reading and possible adoption could take place at the October 16, 2012 Council Meeting.

MOTION by Haydon, second by Hornkohl to introduce Ordinance Z12-08 to carry over the Peninsula District Standards to section of Article 5 General Provisions, Article 18 Standards and Requirements for Special Uses and Article 21 Signs to the City of Manistee Zoning Ordinance.

With a roll call vote this motion passed unanimously.

AYES: Kenny, Scrimger, Hornkohl, Haydon, Zaring, Adams, and Marshall

NAYS: None

**CONSIDERATION OF A LICENSE AGREEMENT, JOHN & ANN MOONEY.**

A request has been received from John and Ann Mooney who would like to purchase the vacant parcel located at the south end of the Lakeshore II condominium of the Harbor Village Planned Unit Development. They would like to construct a duplex on this parcel.

Prior to purchasing the property Mr. & Mrs. Mooney are asking for a License Agreement from the City. This would allow them to excavate and operate equipment within a 40' x 140' area of adjacent City-owned property. The License Agreement specifies that once construction is completed Mr. & Mrs. Mooney are responsible for the restoration of City-owned property. The license shall terminate upon the earlier of December 1, 2014 or on completion of construction. The License Agreement has been prepared by the City Attorney.

MOTION by Haydon, second by Hornkohl to authorize the Mayor and City Clerk to execute a License Agreement to John and Ann Mooney once they purchase the property. City Engineer Mikula responded to questions from the Council on the license agreement. It was agreed that the language should say *"restore to a similar condition..."* in the agreement.

With a roll call vote this motion passed unanimously.

AYES: Kenny, Scrimger, Hornkohl, Haydon, Zaring, Adams, and Marshall

NAYS: None

**A REPORT FROM THE BUILDING INSPECTOR'S OFFICE AND THE COMMUNITY DEVELOPMENT OFFICE.**

Mr. Mark Niesen reported on the activities of the Building Inspector's Office and responded to questions the Council had regarding their activities.

Mr. Jon Rose reported on the activities of the Community Development Office and responded to questions the Council had regarding their activities.

**CITIZEN COMMENT.**

Jill Nowak / Manistee County Clerk introduced herself to Council and gave a brief explanation of the responsibilities of the County Clerk's office.

**OFFICIALS AND STAFF.**

*None received.*

**COUNCILMEMBERS.**

Hornkohl has received a lot of good comments on the recent article in the newspaper on transparency; asked if work on the wall would start up again next week.

Haydon reminded everyone of the presidential debates to be held Wednesday evening.

Adams asked about the sewer cleaning progress.

Kenny wished everyone a safe trip to the MML conference on Wednesday.

**ADJOURN.**

MOTION to adjourn was made by Hornkohl, second by Zaring. Meeting adjourned at 8:22 p.m.

Michelle Wright MMC / CPFA, MICPT  
City Clerk/Deputy Treasurer

DRAFT

**MANISTEE CITY COUNCIL  
WORK SESSION  
MINUTES OF OCTOBER 9, 2012**

The Manistee City Council met in a work session on Tuesday, October 9, 2012 at 7:00 p.m., Council Chambers, City Hall, 70 Maple Street, Manistee MI 49660.

**MEMBERS PRESENT:** Colleen Kenny, Catherine Zaring, Beth Adams, Bob Hornkohl, Ilona Haydon, Alan Marshall, Sid Scrimger

**MEMBERS ABSENT:**

**OTHERS PRESENT:** DDA Director Travis Alden, DDA Chair Jeff Reau, Brownfield Consultant T. Eftaxiadis, Department Directors, Media and Public

***Presentation on Redevelopment Incentive Programs.*** MSDDA Director Travis Alden and Brownfield Consultant T. Eftaxiadis made a presentation on redevelopment incentive programs. Mr. Alden read a prepared statement to Council specifically regarding direct assistance and local TIF assistance. Mr. Alden reviewed the signature building program. Significant Council and staff discussion ensued.

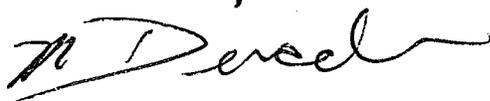
T. Eftaxiadis presented a redevelopment and rehabilitation slide presentation. Numerous Council questions were asked and answered.

***Discussion on Deer Herd Management.*** Public Safety Director Dave Bachman presented his findings on current deer herd populations. Council discussed the deer culling issue. The majority of Council chose to not cull deer from the City of Manistee.

***2012 Capital Project Update.*** City Manager Mitch Deisch presented updates on the Maple Street Bridge, First Street retaining wall, Fish Cleaning Station, First Street shelter, SSES Project, Interceptor sewer cleaning, and the Small Urban Grant application for Kosciusko. Significant discussion was held on several of the projects. Regular updates will be made to Council throughout the construction season during work sessions.

Adjourned at 9:15 p.m.

Respectfully submitted,



Mitch Deisch, City Manager

MDD:cl

INVOICE APPROVAL LIST BY FUND  
09/12/2012

Date: 09/12/2012  
Time: 11:10am  
Page: 1

City of Manistee

Fund Department Account	GL Number Abbrev	Vendor Name Invoice Description	Check Number	Invoice Number	Due Date	Amount
Fund: GENERAL FUND						
Dept: GENERAL						
101-100-925.001	Electric	CONSUMERS ENERGY Electric Usage	36664		09/19/2012	10,380.12
						-----
Total GENERAL						10,380.12
Dept: LEGISLATIVE						
101-101-860.000	Trav/Train	MANISTEE COUNTY CONTROLLER Regional Summit - Hornkohl	36684		09/10/2012	15.00
						-----
Total LEGISLATIVE						15.00
Dept: MANAGER						
101-172-728.000	OperSupp	JACKPINE BUSINESS CENTERS CLJ Crtdg	36679	336989-1	09/30/2012	198.99
101-172-728.000	OperSupp	JACKPINE BUSINESS CENTERS Sign Here Tags, Msg Book	36679	336989-0	09/29/2012	14.47
101-172-860.000	Trav/Train	PNC BANK Credit Card Charges	36701	August 2012	09/24/2012	-200.00
						-----
Total MANAGER						13.46
Dept: CLERK						
101-215-831.000	Con.Repair	KOPY SALES INC. Cost Per Copy - Finance/Clerk	36681	85354	09/15/2012	43.93
101-215-900.000	PrintPub	PRINTING SYSTEMS, INC. A/P Laser Checks	36702	75716	09/28/2012	256.44
101-215-900.000	PrintPub	THE PIONEER GROUP Advertisements	36699	#41100167 - Aug 12	09/20/2012	142.50
						-----
Total CLERK						442.87
Dept: FINANCE / TREASURER						
101-253-728.000	OperSupp	JACKPINE BUSINESS CENTERS Mech Pencil, Pens, D-Ring Bndr	36679	336990-0	09/29/2012	29.75
101-253-728.000	OperSupp	PNC BANK Credit Card Charges	36701	August 2012	09/24/2012	30.99
101-253-728.000	OperSupp	PNC BANK Credit Card Charges	36701	August 2012	09/24/2012	112.30
101-253-728.000	OperSupp	PNC BANK Credit Card Charges	36701	August 2012	09/24/2012	8.95
101-253-801.000	Pro.Serv.	DAVID E WILSON CPA Professional Services - Audit	36716	7316481	09/23/2012	8,500.00
101-253-860.000	Trav/Train	PNC BANK Credit Card Charges	36701	August 2012	09/24/2012	55.14
101-253-860.000	Trav/Train	PNC BANK Credit Card Charges	36701	August 2012	09/24/2012	207.90
101-253-860.000	Trav/Train	PNC BANK Credit Card Charges	36701	August 2012	09/24/2012	136.20
						-----
Total FINANCE / TREASURER						9,081.23
Dept: ASSESSOR						
101-257-801.000	Pro.Serv.	JACKLYN OSGOOD 58 Bldg Permits/Reappraisals	36695		10/05/2012	580.00
101-257-860.000	Trav/Train	PNC BANK Credit Card Charges	36701	August 2012	09/24/2012	200.99
						-----
Total ASSESSOR						780.99
Dept: MUNICIPAL BUILDINGS						
101-265-728.000	OperSupp	FASTENAL COMPANY Paper Hot Cups	36669	MIMAN91495	07/21/2012	15.65
101-265-850.000	Phone	AT&T Monthly Service	36653	2012 - 231R01300609	10/01/2012	51.55
101-265-920.000	Gas	DTE ENERGY Gas Usage - 70 Maple St	36668		10/06/2012	48.75
101-265-920.336	Gas - Fire	DTE ENERGY Gas Usage - 281 First St	36668		10/06/2012	32.83
101-265-920.441	Gas - DPW	DTE ENERGY Gas Usage - 280 Washington St	36668		09/29/2012	35.03
101-265-920.446	Gas - Brid	DTE ENERGY Gas Usage - 51 Maple St	36668		10/06/2012	24.54
101-265-922.000	Water	CITY OF MANISTEE WATER & Water Usage	36661		08/30/2012	292.22
101-265-922.336	Water - Fi	CITY OF MANISTEE WATER & Water Usage	36661		08/30/2012	107.90

INVOICE APPROVAL LIST BY FUND  
09/12/2012

Date: 09/12/2012  
Time: 11:10am  
Page: 2

City of Manistee

Fund Department Account	GL Number Abbrev	Vendor Name Invoice Description	Check Number	Invoice Number	Due Date	Amount
Fund: GENERAL FUND						
Dept: MUNICIPAL BUILDINGS						
101-265-922.441	Water - DP	CITY OF MANISTEE WATER & Water Usage	36661		08/30/2012	665.21
101-265-922.446	Water - Br	CITY OF MANISTEE WATER & Water Usage	36661		08/30/2012	50.87
101-265-925.000	Electric	CONSUMERS ENERGY Electric Usage	36664		09/19/2012	2,079.09
101-265-925.336	Electric -	CONSUMERS ENERGY Electric Usage	36664		09/19/2012	318.89
101-265-925.441	Electric -	CONSUMERS ENERGY Electric Usage	36664		09/19/2012	625.25
101-265-925.446	Electric -	CONSUMERS ENERGY Electric Usage	36664		09/19/2012	155.23
Total MUNICIPAL BUILDINGS						4,503.01
Dept: BOARDS & COMMISSIONS						
101-290-886.000	Parks\Beau	JACKPINE BUSINESS CENTERS Butterfly Brochure	36679	30200	09/20/2012	209.00
101-290-887.000	Plan Comm	PLANNING & ZONING CENTER, INC. Subscription Renewal	36700	2013	10/10/2012	287.00
101-290-887.000	Plan Comm	WILLIAMS & WORKS Planning Consultation	36715	60891	08/25/2012	340.20
101-290-887.000	Plan Comm	THE PIONEER GROUP Advertisements	36699	#41100167 - Aug 12	09/20/2012	78.25
101-290-887.000	Plan Comm	THE PIONEER GROUP Advertisements	36699	#41100167 - Aug 12	09/20/2012	78.25
101-290-889.000	Zoning Brd	THE PIONEER GROUP Advertisements	36699	#41100167 - Aug 12	09/20/2012	89.00
Total BOARDS & COMMISSIONS						1,081.70
Dept: POLICE						
101-301-715.000	Cleaning	MANISTEE CLEANING SOLUTIONS Uniform Cleaning	36683	Aug 2012	08/31/2012	190.75
101-301-728.000	OperSupp	WAHR HARDWARE, INC. Freight	36714	96072	09/29/2012	17.36
101-301-728.000	OperSupp	LYNN M VASQUEZ American Flag Pins	36712	2430	07/02/2012	37.80
101-301-728.000	OperSupp	MICHIGAN AMMO CO., INC. 40 Cal 180 Gr TMJ	36687	24448	10/05/2012	221.00
101-301-728.000	OperSupp	FIREARMS PLUS Allen Cases, Bulldog	36670	867727	08/24/2012	85.90
101-301-728.000	OperSupp	WAHR HARDWARE, INC. Wire Brush, P-Pak Staple, Stee	36714	95892	09/23/2012	12.24
101-301-728.000	OperSupp	STACEY K VAAS Fresh Arrangement - Willett	36711	17588	08/29/2012	60.00
101-301-728.000	OperSupp	STACEY K VAAS Green Plant - Willett	36711	17612	08/29/2012	54.95
101-301-728.000	OperSupp	JACKPINE BUSINESS CENTERS 4 GB Jetflash 530 USB	36679	336763-0	09/26/2012	5.99
101-301-728.000	OperSupp	JACKPINE BUSINESS CENTERS 4 GB Jetflash 530 USB 2.	36679	336760-0	09/26/2012	5.99
101-301-728.000	OperSupp	WAHR HARDWARE, INC. Freight - Police	36714	96043	09/28/2012	27.99
101-301-728.000	OperSupp	WAHR HARDWARE, INC. Freight - Police	36714	96044	09/28/2012	15.64
101-301-770.000	Vehicle Ga	BLARNEY CASTLE FLEET PROGRAM Fuel Usage	36656	BC177 - 09/06/12	09/20/2012	1,491.90
101-301-860.000	Trav/Train	CMP DISTRIBUTORS, INC. Federal HST Premium 40 S&W	36662	33723	09/29/2012	377.00
101-301-860.000	Trav/Train	PNC BANK Credit Card Charges	36701	August 2012	09/24/2012	120.00
101-301-930.000	Repairs/Ma	AUTO VALUE \ BTB PARTS STORES Pwr Str Stopleak	36654	256-797351	10/07/2012	10.39
Total POLICE						2,734.90
Dept: FIRE						
101-336-715.000	Cleaning	SPORTS INK SCREEN PRINTING Tees - Fire Dept	36705	3038	08/20/2012	231.00
101-336-728.000	OperSupp	STATE OF MICHIGAN Life Support Agency & Vehicle	36706	288138	09/05/2012	175.00
101-336-728.000	OperSupp	COMMUNICRAFT LTD. Shipping - WWTP & Fire	36663	28108	08/31/2012	3.00

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Fund: GENERAL FUND						
Dept: FIRE						
101-336-728.000	OperSupp	PNC BANK Credit Card Charges	36701	August 2012	09/24/2012	-16.86
101-336-728.000	OperSupp	PNC BANK Credit Card Charges	36701	August 2012	09/24/2012	104.00
101-336-728.000	OperSupp	PNC BANK Credit Card Charges	36701	August 2012	09/24/2012	395.00
101-336-728.000	OperSupp	PNC BANK Credit Card Charges	36701	August 2012	09/24/2012	50.88
101-336-770.000	Vehicle Ga	BLARNEY CASTLE FLEET PROGRAM Fuel Usage	36656	BC177 - 09/06/12	09/20/2012	755.83
101-336-801.000	Pro.Serv.	ACCUMED BILLING INC AccuMed Fee	36650	August 2012	09/04/2012	632.76
101-336-930.000	Repairs/Ma	ABSOLUTE SAFETY, INC. BW Calibration Gas	36649	MCFD280812	09/27/2012	180.00
101-336-930.000	Repairs/Ma	ABSOLUTE SAFETY, INC. Calibration Gas/Meter	36649	MCFD060812	09/05/2012	180.00
101-336-930.000	Repairs/Ma	WAHR HARDWARE, INC. Rivet	36714	95766	09/20/2012	3.14
101-336-930.000	Repairs/Ma	AUTO VALUE \ BTB PARTS STORES Synthetic 10W30	36654	256-796349	09/26/2012	4.19
				Total FIRE		2,697.94
Dept: PUBLIC WORKS						
101-441-715.000	Cleaning	MODEL COVERALL SERVICE, INC. Uniform Cleaning - DPW	36689	0284946	10/03/2012	29.26
101-441-715.000	Cleaning	MODEL COVERALL SERVICE, INC. Uniform Cleaning - DPW	36689	0279638	09/12/2012	26.80
101-441-715.000	Cleaning	MODEL COVERALL SERVICE, INC. Uniform Cleaning - DPW	36689	0286689	10/10/2012	29.26
101-441-728.000	OperSupp	ABSOLUTE SAFETY, INC. Safety Meeting - Bucket Truck	36649	DPW290812	09/28/2012	193.15
101-441-728.000	OperSupp	ABSOLUTE SAFETY, INC. Safety Meeting - H2S, Blood-	36649	DPW290812A	09/28/2012	178.50
101-441-728.000	OperSupp	JACKPINE BUSINESS CENTERS Liners	36679	336806-0	09/28/2012	119.97
101-441-770.000	Vehicle Ga	BLARNEY CASTLE FLEET PROGRAM Fuel Usage	36656	BC177 - 09/06/12	09/20/2012	99.70
101-441-770.000	Vehicle Ga	BLARNEY CASTLE FLEET PROGRAM Fuel Usage	36656	BC177 - 09/06/12	09/20/2012	6,761.74
101-441-831.000	Con.Repair	TELE-RAD INC. Tele-Rad Maint	36708	839726	09/13/2012	561.45
101-441-930.000	Repairs/Ma	LAKE WELDING SUPPLY CO. Oxygen	36682	00817886	10/05/2012	21.84
101-441-930.000	Repairs/Ma	WAHR HARDWARE, INC. Chip Brush, Primer	36714	96288	10/07/2012	16.33
101-441-930.000	Repairs/Ma	MANISTEE ACE HARDWARE Scraper, Roof Cement	36651	102577	10/07/2012	14.68
101-441-930.000	Repairs/Ma	NAPA AUTO PARTS Air Filter	36690	151913	09/05/2012	78.40
101-441-930.000	Repairs/Ma	NAPA AUTO PARTS Wrench	36690	151981	09/06/2012	7.69
101-441-930.000	Repairs/Ma	NAPA AUTO PARTS 5w20 Syn Blend	36690	151912	09/05/2012	59.88
101-441-930.000	Repairs/Ma	INTERSTATE BATTERY SYSTEM Supplies	36678	10081967	09/06/2012	175.90
101-441-930.000	Repairs/Ma	LAKE WELDING SUPPLY CO. AR, ED, FG, O2	36682	00816100	09/30/2012	45.95
101-441-930.000	Repairs/Ma	FASTENAL COMPANY Cable Ties, Diag Cutting Plier	36669	MIMAN92031	08/08/2012	43.99
101-441-930.000	Repairs/Ma	AUTO VALUE \ BTB PARTS STORES Hyd Fitting	36654	256-796529	09/28/2012	11.09
101-441-930.000	Repairs/Ma	WAHR HARDWARE, INC. Gloves	36714	96008	09/28/2012	7.82
101-441-930.000	Repairs/Ma	WAHR HARDWARE, INC. Hex Lag Screws	36714	96007	09/28/2012	30.23
101-441-930.000	Repairs/Ma	FASTENAL COMPANY Barricade Tape	36669	MIMAN93112	09/28/2012	10.89
101-441-930.000	Repairs/Ma	GRAND RENTAL STATION Bar & Chain Clamshell	36673	3343	09/19/2012	94.25
101-441-930.000	Repairs/Ma	NAPA AUTO PARTS Spark Plug, Prem Start Fl	36690	151458	08/28/2012	6.87

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Fund: GENERAL FUND						
Dept: PUBLIC WORKS						
101-441-930.000	Repairs/Ma	VERMEER OF MICHIGAN, INC. Fuel Filters, BC1800XL/2000XL	36713	T17997	09/08/2012	437.29
101-441-930.000	Repairs/Ma	NAPA AUTO PARTS Washer Solvent, Oil Fil	36690	152135	09/10/2012	38.84
101-441-930.000	Repairs/Ma	INTERSTATE BATTERY SYSTEM Batteries 31-MHD	36678	675867	08/22/2012	209.90
101-441-930.000	Repairs/Ma	MICHAEL TODD AND COMPANY, INC. 30" Wht/Red Hi/Al Stop	36686	133975	09/30/2012	672.87
101-441-930.000	Repairs/Ma	MICHAEL TODD AND COMPANY, INC. One Way, Dbl Faced Street Sign	36686	133951	09/29/2012	402.81
Total PUBLIC WORKS						10,387.35
Dept: COMMUNITY DEVELOPMENT OFFICE						
101-748-735.000	Periodical	PLANNING & ZONING CENTER, INC. Subscription Renewal	36700	2013	10/10/2012	63.00
Total COMMUNITY DEVELOPMENT OFFICE						63.00
Dept: PARKS & RECREATION						
101-751-728.000	OperSupp	JACKPINE BUSINESS CENTERS Towels, Bath Tissue	36679	337288-0	10/05/2012	49.99
101-751-728.000	OperSupp	JACKPINE BUSINESS CENTERS Towels	36679	336907-1	09/30/2012	249.95
101-751-728.000	OperSupp	JACKPINE BUSINESS CENTERS Trash Bags	36679	336937-0	09/28/2012	59.55
101-751-728.000	OperSupp	FASTENAL COMPANY Towel Roll	36669	MIMAN92888	09/19/2012	38.63
101-751-728.000	OperSupp	FASTENAL COMPANY Paper Towel, Barricade Tape	36669	MIMAN93001	09/22/2012	90.92
101-751-728.000	OperSupp	JACKPINE BUSINESS CENTERS Towels	36679	336907-0	09/28/2012	49.99
101-751-728.000	OperSupp	JACKPINE BUSINESS CENTERS Towels, Bathroom Tissue	36679	337288-1	10/08/2012	449.83
101-751-728.000	OperSupp	FASTENAL COMPANY Bath Tissue	36669	MIMAN93200	10/04/2012	71.27
101-751-770.000	Vehicle Ga	BLARNEY CASTLE FLEET PROGRAM Fuel Usage	36656	BC177 - 09/06/12	09/20/2012	482.87
101-751-831.000	Con.Repair	C & W PORTABLE TOILETS Portables - Parks	36659	6813	10/05/2012	7,350.00
101-751-831.000	Con.Repair	JASON THOMPSON LANDSCAPE Lawn Maintenance - Aug 2012	36709	22059	09/07/2012	1,146.66
101-751-922.000	Water	CITY OF MANISTEE WATER & Water Usage	36661		08/30/2012	2,325.55
101-751-925.000	Electric	CONSUMERS ENERGY Electric Usage	36664		09/19/2012	1,762.08
101-751-930.000	Repairs/Ma	WAHR HARDWARE, INC. Minitwist Bulb	36714	96079	09/30/2012	12.82
101-751-930.000	Repairs/Ma	GRAND RENTAL STATION GT 1-Line Head	36673	519482	09/13/2012	109.92
101-751-930.000	Repairs/Ma	GRAND RENTAL STATION 22" Mower Blade	36673	1-519767	09/27/2012	21.47
101-751-930.000	Repairs/Ma	FASTENAL COMPANY Crazy Clean, Glass Cleaner	36669	MIMAN92257	08/18/2012	42.05
101-751-930.000	Repairs/Ma	FASTENAL COMPANY Paper Towel, Gojo, TP Dispensr	36669	MIMAN92434	08/26/2012	3,728.57
101-751-930.000	Repairs/Ma	GLASS SPECIALTIES, INC. Tempered Glass	36671	15109	09/07/2012	28.00
101-751-930.000	Repairs/Ma	WAHR HARDWARE, INC. Osc Spsrinkler	36714	95791	09/21/2012	24.29
101-751-930.000	Repairs/Ma	WAHR HARDWARE, INC. Tape Rule	36714	96018	09/28/2012	13.62
101-751-930.000	Repairs/Ma	WAHR HARDWARE, INC. Self Sealing Tape	36714	96084	09/30/2012	11.00
101-751-930.000	Repairs/Ma	WAHR HARDWARE, INC. Long Handle Brush	36714	95885	09/23/2012	4.76
101-751-930.000	Repairs/Ma	WAHR HARDWARE, INC. Kitchen Bags	36714	95145	09/05/2012	12.88
101-751-930.000	Repairs/Ma	WAHR HARDWARE, INC. Pine Sol, Lysol, Teflon Paste,	36714	95117	09/03/2012	78.75
101-751-930.000	Repairs/Ma	WAHR HARDWARE, INC. Drill Bit	36714	95562	09/14/2012	2.06

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Fund: GENERAL FUND						
Dept: PARKS & RECREATION						
101-751-930.000	Repairs/Ma	WAHR HARDWARE, INC.	36714		09/22/2012	10.69
		Bolts		95845		
101-751-930.000	Repairs/Ma	HARBOR STEEL & SUPPLY CORP.	36675		10/06/2012	30.00
		1/4 x 3 Flat Hr S/C		04174327		
101-751-930.000	Repairs/Ma	HARBOR STEEL & SUPPLY CORP.	36675		10/07/2012	245.00
		3 x 2 x 1/8 Rec Tube Weld		04174313		
101-751-930.000	Repairs/Ma	MANISTEE ACE HARDWARE	36651		09/21/2012	109.99
		Roundup		648877		
				Total PARKS & RECREATION		18,613.16
				Fund Total		60,794.73
Fund: MAJOR STREET FUND						
Dept:						
202-000-936.000	PreservSts	MANISTEE COUNTY ROAD	36685		10/05/2012	203.01
		Set Up Traffic Counters		1809		
				Total		203.01
				Fund Total		203.01
Fund: STREET IMPROVEMENT FUND						
Dept:						
204-000-799.000	MiscExp	THE PIONEER GROUP	36699		09/20/2012	171.00
		Advertisements		#41100167 - Aug 12		
				Total		171.00
				Fund Total		171.00
Fund: CITY REFUSE FUND						
Dept:						
226-000-799.000	MiscExp	THE PIONEER GROUP	36699		09/20/2012	148.05
		Advertisements		#41100167 - Aug 12		
				Total		148.05
				Fund Total		148.05
Fund: GRANT MANAGEMENT FUND						
Dept: LOCAL REVENUE SHARING GRANTS						
275-901-965.046	Power Cot	STRYKER SALES CORPORATION	36707		09/15/2012	222.00
		Pole Assy, Base Storage Net		1155235 M		
275-901-965.054	2012 Cycle	THE PIONEER GROUP	36699		09/20/2012	208.00
		Advertisements		#41100167 - Aug 12		
				Total LOCAL REVENUE SHARING GRANTS		430.00
Dept: OTHER GRANTS						
275-902-970.001	FEMA grant	DOUGLASS SAFETY SYSTEMS, LLC	36667		09/12/2012	30,975.88
		Morning Pride - Coats, Pants		31004		
275-902-970.001	FEMA grant	DOUGLASS SAFETY SYSTEMS, LLC	36667		09/14/2012	357.43
		Quest Vented Neck Nomex Hood		30965		
				Total OTHER GRANTS		31,333.31
				Fund Total		31,763.31
Fund: PEG COMMISSION						
Dept:						
290-000-728.000	OperSupp	KEITH R BROWN PHD	36658		08/30/2012	379.25
		Reimburse - Label, Dip It Tool		August 2012		
290-000-870.000	Membership	NBS AUDIO VISUAL SOLUTIONS	36691		08/30/2012	995.00
		Total Info - Subscription		Quote 184955		
290-000-930.000	Repairs/Ma	MICHAEL S BAJTKA	36655		09/10/2012	163.16
		Replace Y Sustain PCB				
				Total		1,537.41
				Fund Total		1,537.41

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Account	Account	Abbrev	Invoice Description	Number	Number	Date	
Fund: RAMSDELL THEATRE							
Dept:							
296-000-728.000		OperSupp	KERRY SCHUBACH	36704		08/25/2012	87.50
			Ramsdell - Site Manager		IWANUSA WEDDING		
296-000-728.000		OperSupp	PNC BANK	36701		09/24/2012	82.98
			Credit Card Charges		August 2012		
296-000-728.000		OperSupp	PNC BANK	36701		09/24/2012	230.31
			Credit Card Charges		August 2012		
296-000-751.000		Concession	ZACHARY K PIETRASIK	36698		08/29/2012	50.00
			Ramsdell - Concessions		HORROR EXPRESS		
296-000-752.000		Movie Exp	KERRY SCHUBACH	36704		08/22/2012	52.50
			Ramsdell - Site Manager,		BRAIN THAT WOULD NOT DIE		
296-000-831.000		Con.Repair	SCHINDLER ELEVATOR CORPORATION	36703		10/01/2012	470.64
			Inspection Service - Ramsdell		8103273267		
296-000-922.000		Water	CITY OF MANISTEE WATER &	36661		08/30/2012	26.09
			Water Usage				
296-000-925.000		Electric	CONSUMERS ENERGY	36664		09/19/2012	1,260.90
			Electric Usage				
					Total		2,260.92
						Fund Total	2,260.92
Fund: CAPITAL IMPROVEMENT FUND							
Dept:							
430-000-979.007		Wayfinding	AMOR SIGN STUDIOS, INC.	36652		09/11/2012	3,129.59
			Manistee Harbor Fish Cleaning		5128		
					Total		3,129.59
						Fund Total	3,129.59
Fund: BOAT RAMP FUND							
Dept:							
508-000-922.000		Water	CITY OF MANISTEE WATER &	36661		08/30/2012	167.73
			Water Usage				
508-000-925.000		Electric	CONSUMERS ENERGY	36664		09/19/2012	596.82
			Electric Usage				
					Total		764.55
						Fund Total	764.55
Fund: WATER & SEWER UTILITY							
Dept: ADMINISTRATION							
573-541-728.000		OperSupp	JACKPINE BUSINESS CENTERS	36679		09/28/2012	81.75
			Time Cards		30272		
573-541-728.000		OperSupp	LORI HANSEN	36674		09/08/2012	75.00
			Office Cleaning				
573-541-728.000		OperSupp	LORI HANSEN	36674		08/26/2012	75.00
			Office Cleaning				
573-541-728.000		OperSupp	JACKPINE BUSINESS CENTERS	36679		10/05/2012	39.90
			Paper		337394-0		
573-541-728.000		OperSupp	JACKPINE BUSINESS CENTERS	36679		10/05/2012	39.99
			9 x 12 Lam. Sheet		337320-0		
573-541-900.000		PrintPub	THE PIONEER GROUP	36699		09/20/2012	24.85
			Advertisements		#41100167 - Aug 12		
					Total ADMINISTRATION		336.49
Dept: WATER OPERATION							
573-542-770.000		Vehicle Ga	BLARNEY CASTLE FLEET PROGRAM	36656		09/20/2012	694.23
			Fuel Usage		BC177 - 09/06/12		
573-542-925.000		Electric	CONSUMERS ENERGY	36664		09/19/2012	86.22
			Electric Usage				
573-542-930.000		Repairs/Ma	MICHIGAN METER TECHNOLOGY GRP	36688		09/21/2012	493.62
			Repair of Meter Gun		87259		
573-542-930.000		Repairs/Ma	WAHR HARDWARE, INC.	36714		09/21/2012	15.30
			Drill Bit, Masnry Bit		95804		
573-542-930.000		Repairs/Ma	WAHR HARDWARE, INC.	36714		10/04/2012	20.76
			Jersey Glove, Paint Scraper		96146		
					Total WATER OPERATION		1,310.13
Dept: SEWER - WWTP							

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Fund: WATER & SEWER UTILITY							
Dept: SEWER - WWTP							
573-543-715.000		Cleaning	MODEL COVERALL SERVICE, INC. Uniform Cleaning - WWTP	36689	0281422	09/19/2012	35.28
573-543-715.000		Cleaning	MODEL COVERALL SERVICE, INC. Uniform Cleaning - WWTP	36689	0283178	09/26/2012	35.28
573-543-728.000		OperSupp	COMMUNICRAFT LTD. Shipping - WWTP & Fire	36663	28108	08/31/2012	19.56
573-543-728.000		OperSupp	ABSOLUTE SAFETY, INC. Safety Meeting - Ladder Safety	36649	WWTP290812	09/28/2012	116.25
573-543-770.000		Vehicle Ga	BLARNEY CASTLE FLEET PROGRAM Fuel Usage	36656	BC177 - 09/06/12	09/20/2012	452.54
573-543-824.000		Lab Test	DOUGLAS HILL Microscopic Analysis WWTP	36676	338	08/22/2012	100.00
573-543-824.000		Lab Test	KAR LABORATORIES, INC. Analysis of Secondary Effluent	36680	125403	09/21/2012	980.00
573-543-824.000		Lab Test	GLOBAL ENVIRONMENTAL Chronic Toxicity Tests	36672	2944	09/29/2012	1,245.00
573-543-831.000		Con.Repair	CONSUMERS ENERGY Electric Relocate OH to UG	36665	98743981	09/02/2012	300.00
573-543-925.000		Electric	CONSUMERS ENERGY Electric Usage	36664		09/19/2012	1,249.16
573-543-930.000		Repairs/Ma	WAHR HARDWARE, INC. Bolts	36714	95978	09/27/2012	0.54
573-543-930.000		Repairs/Ma	AUTO VALUE \ BTB PARTS STORES Washer Solvent	36654	256-795919	09/22/2012	13.14
573-543-930.000		Repairs/Ma	WAHR HARDWARE, INC. Padlocks	36714	95947	09/26/2012	151.10
573-543-930.000		Repairs/Ma	AUTO VALUE \ BTB PARTS STORES Air Filter	36654	256-796437	09/27/2012	6.49
573-543-930.000		Repairs/Ma	MANISTEE ACE HARDWARE Rstp Vocoilenm, Can Line	36651	102094	09/22/2012	34.98
573-543-930.000		Repairs/Ma	MANISTEE ACE HARDWARE WD-40 Smart Straw	36651	102109	09/22/2012	14.97
573-543-930.000		Repairs/Ma	CUMMINS BRIDGEWAY LLC Low Coolant Level Sensor	36666	015-70303	09/19/2012	131.88
573-543-930.000		Repairs/Ma	FASTENAL COMPANY Batteries	36669	MIMAN92875	09/16/2012	18.48
573-543-930.000		Repairs/Ma	FASTENAL COMPANY Paint Brush	36669	MIMAN93038	09/23/2012	6.01
573-543-930.000		Repairs/Ma	FASTENAL COMPANY Brush, Pail	36669	MIMAN92923	09/20/2012	18.14
573-543-930.000		Repairs/Ma	MANISTEE ACE HARDWARE Com. Trim Line	36651	102363	09/30/2012	15.99
573-543-930.000		Repairs/Ma	MANISTEE ACE HARDWARE Lime-Rust Remover	36651	102301	09/28/2012	25.99
573-543-930.000		Repairs/Ma	MANISTEE ACE HARDWARE Paintbrush Set	36651	102415	10/02/2012	7.49
Total SEWER - WWTP							4,978.27
Dept: SEWER COLLECTION (STREETS)							
573-544-715.000		Cleaning	MODEL COVERALL SERVICE, INC. Uniform Cleaning - Str Sewers	36689	0284944	10/03/2012	17.64
573-544-715.000		Cleaning	MODEL COVERALL SERVICE, INC. Uniform Cleaning - Str Sewers	36689	0279636	09/12/2012	17.64
573-544-715.000		Cleaning	MODEL COVERALL SERVICE, INC. Uniform Cleaning - Str Sewers	36689	0286687	10/10/2012	17.64
573-544-930.000		Repairs/Ma	PARKDALE BLOCK & BUILDING Manhole Blks, Blk Con 2"Solids	36696	20890	09/27/2012	63.36
573-544-930.000		Repairs/Ma	OLSON LUMBER COMPANY Mortar Mix	36694	101264	09/26/2012	12.78
573-544-930.000		Repairs/Ma	OLSON LUMBER COMPANY Mortar Mix, Gravel Mix	36694	101285	09/29/2012	30.45
573-544-930.000		Repairs/Ma	UNIQUE PAVING MATERIALS CORP UPM #2 Winter	36710	222143	09/16/2012	2,849.05
573-544-930.000		Repairs/Ma	WAHR HARDWARE, INC. Swivel Spring Snap, Snap Bolt	36714	96175	10/05/2012	12.13
Total SEWER COLLECTION (STREETS)							3,020.69
Fund Total							9,645.58

Fund: MARINA FUND

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Fund: MARINA FUND						
Dept:						
594-000-728.000	OperSupp	THE HOME CITY ICE COMPANY 7 lb Bagged Ice	36677	1969121935	09/03/2012	55.00
594-000-728.000	OperSupp	THE HOME CITY ICE COMPANY 7 lb Bagged Ice	36677	1969121842	08/17/2012	77.00
594-000-728.000	OperSupp	OLESON'S FOOD STORES Coffee, Creamer, Foam Cups	36693	#5271 - 09/02/12	10/02/2012	21.94
594-000-728.000	OperSupp	CHARTER COMMUNICATIONS INC. Monthly Service - Marina	36660	8245 12 209 0099730 - Sept 12	08/18/2012	59.37
594-000-728.000	OperSupp	OLESON'S FOOD STORES Misc Supplies - Marina	36693	#6648 - 08/13/12	09/12/2012	12.87
594-000-728.000	OperSupp	NORTH SHORE SUPPLY Deck Keys	36692	0019878	08/01/2012	11.59
594-000-728.000	OperSupp	WAHR HARDWARE, INC. Soaker Hose, Ant Killer	36714	96106	09/30/2012	4.00
594-000-728.000	OperSupp	WAHR HARDWARE, INC. Ant Killer, Fuse	36714	96038	09/28/2012	14.43
594-000-728.000	OperSupp	FASTENAL COMPANY Bowl Cleaner	36669	MIMAN92842	09/15/2012	33.58
594-000-728.000	OperSupp	FASTENAL COMPANY Simple Green	36669	MIMAN92937	09/20/2012	20.14
594-000-728.000	OperSupp	FASTENAL COMPANY Paper Towel	36669	MIMAN93068	09/26/2012	43.68
594-000-728.000	OperSupp	PNC BANK Credit Card Charges	36701	August 2012	09/24/2012	232.31
594-000-730.000	Fuel	BLARNEY CASTLE OIL CO. NL Prem Gasoline	36657	0408052-IN	09/27/2012	7,479.67
594-000-730.000	Fuel	BLARNEY CASTLE OIL CO. NL Prem Gasoline	36657	0408389-IN	09/29/2012	2,486.05
594-000-730.000	Fuel	BLARNEY CASTLE OIL CO. Diesel	36657	0409283-IN	10/05/2012	2,771.16
594-000-831.000	Con.Repair	PERSONAL PLUMBING INC Toilet Repairs - Marina	36697	120824-15	08/29/2012	552.48
594-000-920.000	Gas	DTE ENERGY Gas Usage - 460 River St	36668		10/06/2012	73.08
594-000-922.000	Water	CITY OF MANISTEE WATER & Water Usage	36661		08/30/2012	806.55
594-000-925.000	Electric	CONSUMERS ENERGY Electric Usage	36664		09/19/2012	1,757.33
594-000-970.000	Cap.Outlay	JACKPINE BUSINESS CENTERS Folding Chairs	36679	336579-0	09/28/2012	2,599.00
594-000-970.000	Cap.Outlay	JACKPINE BUSINESS CENTERS 60" Round Tables	36679	336579-1	09/28/2012	1,449.50
Total						20,560.73
Fund Total						20,560.73
Grand Total						130,978.88

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Account	Abbrev	Invoice Description	Number	Number	Date		
Fund: GENERAL FUND							
Dept: GENERAL							
101-100-728.000	OperSupp	I.T. RIGHT INC	36754		09/18/2012		9.00
		Cat6 7' Patch, 3' Cat6 Patch		20126638			
101-100-855.000	Cell Phone	AT&T MOBILITY	36726		09/27/2012		1,045.25
		Monthly Service		837869502X08282012			
101-100-901.000	Postage	PURCHASE POWER	36788		09/09/2012		1,088.63
		Postage		#8000-9090-0723-7170 Aug. 2012			
101-100-960.000	Bank Charg	BANK OF NEW YORK MELLON	36728		08/27/2012		150.00
		Paying Agent Fee		252-1650876			
Total GENERAL							2,292.88
Dept: LEGISLATIVE							
101-101-860.000	Trav/Train	MANISTEE COUNTY CONTROLLER	36763		09/20/2012		30.00
		Regional Summit - Scrimger &					
101-101-860.000	Trav/Train	MICHIGAN MUNICIPAL LEAGUE	36770		09/24/2012		414.00
		Annual Convention					
Total LEGISLATIVE							444.00
Dept: MANAGER							
101-172-712.012	Costs-HRA	ADVANCED BENEFIT SOLUTIONS INC	36722		10/13/2012		6.95
		HRA/Flex Fees		6093			
101-172-728.000	OperSupp	NEWTON MANUFACTURING CO.	36778		10/07/2012		819.51
		Travel Tumblers		111535			
101-172-831.000	Con.Repair	KOPY SALES INC.	36760		09/15/2012		18.01
		Cost Per Copy - Manager		85355			
101-172-860.000	Trav/Train	NORTHERN MICHIGAN IAAP	36780		09/24/2012		174.00
		Registration - Lokovich/Deisch					
101-172-985.000	Lease Pur.	US BANK EQUIPMENT FINANCE	36801		09/16/2012		62.95
		Kyocera Copier - Treasurer		211919816			
101-172-985.000	Lease Pur.	US BANK EQUIPMENT FINANCE	36801		08/21/2012		92.48
		Kyocera Copier - Manager/Polic		212349005			
Total MANAGER							1,173.90
Dept: CLERK							
101-215-712.012	Costs-HRA	ADVANCED BENEFIT SOLUTIONS INC	36722		10/13/2012		6.95
		HRA/Flex Fees		6093			
101-215-728.000	OperSupp	JACKPINE BUSINESS CENTERS	36756		10/14/2012		2.88
		Eraser Refill, Fingertip Moist		337932-0			
101-215-728.000	OperSupp	ADVANCED BENEFIT SOLUTIONS INC	36722		10/13/2012		4.50
		HRA/Flex Fees		6093			
101-215-740.000	Election E	JACKPINE BUSINESS CENTERS	36756		10/14/2012		35.67
		Eraser Refill, Fingertip Moist		337932-0			
101-215-801.000	Pro.Serv.	ADVANCED BENEFIT SOLUTIONS INC	36722		10/05/2012		41.80
		COBRA Admin		SEPT 12			
101-215-985.000	Lease Pur.	PITNEY BOWES	36785		10/13/2012		735.00
		Mailing System Rental		4488375-SP12			
Total CLERK							826.80
Dept: FINANCE / TREASURER							
101-253-712.012	Costs-HRA	ADVANCED BENEFIT SOLUTIONS INC	36722		10/13/2012		6.95
		HRA/Flex Fees		6093			
101-253-728.000	OperSupp	OLESON'S FOOD STORES	36781		10/23/2012		13.26
		Muffins, Crackers, Cheese		#7101 - 09/23/12			
101-253-728.000	OperSupp	JACKPINE BUSINESS CENTERS	36756		10/12/2012		119.90
		Wireless Desktop		336820-0			
101-253-728.000	OperSupp	JACKPINE BUSINESS CENTERS	36756		10/17/2012		13.57
		Staples, Fingertip Moist, Add		337993-0			
101-253-728.000	OperSupp	JACKPINE BUSINESS CENTERS	36756		10/19/2012		-3.99
		CREDIT - Mech Pencil		C 336990-0			
101-253-728.000	OperSupp	ADVANCED BENEFIT SOLUTIONS INC	36722		10/13/2012		9.00
		HRA/Flex Fees		6093			
Total FINANCE / TREASURER							158.69
Dept: ASSESSOR							
101-257-712.012	Costs-HRA	ADVANCED BENEFIT SOLUTIONS INC	36722		10/13/2012		6.95
		HRA/Flex Fees		6093			
101-257-728.000	OperSupp	DAY-TIMERS, INC.	36743		08/08/2012		43.97
		Pocket 2PPM Refill-Indx		61636532			
101-257-728.000	OperSupp	ADVANCED BENEFIT SOLUTIONS INC	36722		10/13/2012		4.50
		HRA/Flex Fees		6093			
Total ASSESSOR							55.42

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Fund: GENERAL FUND								
Dept: MUNICIPAL BUILDINGS								
		101-265-728.000	OperSupp	PURE WATER WORKS Purified Water	36789	232324	10/20/2012	34.00
		101-265-728.000	OperSupp	FASTENAL COMPANY Mop, Hand Towel, Roll Towel	36750	MIMAN93398	10/13/2012	157.09
		101-265-728.000	OperSupp	FASTENAL COMPANY Can Liner, Furniture Polish	36750	MIMAN93480	10/18/2012	88.96
		101-265-728.000	OperSupp	MANISTEE ACE HARDWARE Lint Roller	36721	102914	10/14/2012	4.49
		101-265-728.000	OperSupp	WAHR HARDWARE, INC. Bulbs	36803	96450	10/12/2012	9.46
		101-265-831.000	Con.Repair	PERSONAL PLUMBING INC Unplug Drain, Travel Fee	36784	120910-18	09/10/2012	95.00
		101-265-850.000	Phone	POWERNET GLOBAL COMMUNICATIONS Monthly Service	36787	27503114	09/22/2012	181.30
		101-265-850.000	Phone	AT&T Monthly Service	36725	2012 - 231398067909	10/13/2012	124.93
		101-265-850.000	Phone	AT&T Monthly Service	36725	2012 - 231723351909	10/13/2012	80.49
		101-265-850.000	Phone	AT&T Monthly Service	36725	2012 - 231723180309	10/13/2012	117.97
								-----
Total MUNICIPAL BUILDINGS								893.69
Dept: ATTORNEY								
		101-266-803.000	Prof. Serv	MIKA MEYERS BECKETT & JONES Professional Services	36771	564867	09/17/2012	69.00
								-----
Total ATTORNEY								69.00
Dept: CITY ENGINEER								
		101-285-801.000	Pro.Serv.	ABONMARCHE CONSULTANTS, INC. Engineer of Record	36720	105206	10/13/2012	3,000.00
								-----
Total CITY ENGINEER								3,000.00
Dept: BOARDS & COMMISSIONS								
		101-290-889.000	Zoning Brd	NORTHWEST MICHIGAN COUNCIL Placemaking Registration	36718		09/17/2012	55.00
								-----
Total BOARDS & COMMISSIONS								55.00
Dept: POLICE								
		101-301-712.012	Costs-HRA	ADVANCED BENEFIT SOLUTIONS INC HRA/Flex Fees	36722	6093	10/13/2012	69.50
		101-301-728.000	OperSupp	JACKPINE BUSINESS CENTERS 4gb Flashdrive	36756	337915-0	10/13/2012	35.94
		101-301-728.000	OperSupp	ADVANCED BENEFIT SOLUTIONS INC HRA/Flex Fees	36722	6093	10/13/2012	4.50
		101-301-831.000	Con.Repair	KOPY SALES INC. Cost Per Copy - Police	36760	85353	09/15/2012	23.27
		101-301-985.000	Lease Pur.	US BANK EQUIPMENT FINANCE Kyocera Copier - Treasurer	36801	211919816	09/16/2012	62.95
		101-301-985.000	Lease Pur.	US BANK EQUIPMENT FINANCE Kyocera Copier - Manager/Polic	36801	212349005	08/21/2012	92.47
								-----
Total POLICE								288.63
Dept: FIRE								
		101-336-712.012	Costs-HRA	ADVANCED BENEFIT SOLUTIONS INC HRA/Flex Fees	36722	6093	10/13/2012	48.65
		101-336-728.000	OperSupp	OLESON'S FOOD STORES Filters	36781	#7253 - 09/07/12	10/07/2012	3.00
		101-336-728.000	OperSupp	RADIO SHACK CORPORATION PK4 5A 5X20 SB	36790	010176	10/05/2012	3.19
		101-336-728.000	OperSupp	WAHR HARDWARE, INC. Measure Wheel	36803	96433	10/11/2012	65.79
		101-336-728.000	OperSupp	COMMUNICRAFT LTD. Shipping - Fire Dept	36738	28112	09/18/2012	9.10
		101-336-728.000	OperSupp	FASTENAL COMPANY Wypall	36750	MIMAN92479	08/30/2012	62.55
		101-336-728.000	OperSupp	FASTENAL COMPANY Toilet Tissue, Bowl Cleaner	36750	MIMAN92370	08/24/2012	127.33
		101-336-728.000	OperSupp	MANISTEE TIRE SERVICE Tube, Labor	36767	136849	10/06/2012	25.00
		101-336-728.000	OperSupp	ADVANCED BENEFIT SOLUTIONS INC HRA/Flex Fees	36722	6093	10/13/2012	13.50

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Fund: GENERAL FUND							
Dept: FIRE							
101-336-732.000		SUPPLIES -	MOORE MEDICAL CORP.	36775		10/05/2012	196.06
			Flow Control Valve, Quick Conn		97412617 RI		
101-336-732.000		SUPPLIES -	MOORE MEDICAL CORP.	36775		10/06/2012	79.80
			Straps		97414466 RI		
101-336-801.000		Pro.Serv.	EMPCO INC	36749		09/13/2012	200.00
			Fire Captain Exam		2920		
101-336-831.000		Con.Repair	KOPY SALES INC.	36760		09/15/2012	16.55
			Cost Per Copy - Fire		85357		
101-336-874.000		Blue Cross	JO L ARNOLD	36724		09/25/2012	250.00
			In Lieu of Blue Cross Insuranc				
101-336-874.000		Blue Cross	DANIEL J JANOWIAK	36757		09/25/2012	250.00
			In Lieu of Blue Cross Insuranc				
101-336-874.000		Blue Cross	MARK A MODJESKI	36774		09/25/2012	250.00
			In Lieu of Blue Cross Insuranc				
101-336-874.000		Blue Cross	SID SCRIMGER	36793		09/25/2012	250.00
			In Lieu of Blue Cross Insuranc				
101-336-874.000		Blue Cross	TIMM H SMITH	36794		09/25/2012	250.00
			In Lieu of Blue Cross Insuranc				
101-336-874.000		Blue Cross	JERRY J TABACZKA	36798		09/25/2012	250.00
			In Lieu of Blue Cross Insuranc				
101-336-930.000		Repairs/Ma	PARKDALE AUTO	36783		09/24/2012	1,255.28
			Oil Injection Pump		15345		
101-336-970.000		Cap.Outlay	SALES & MARKETING OF MICHIGAN	36791		08/21/2012	1,992.00
			Power Blower		4461		
							-----
					Total FIRE		5,597.80
Dept: PUBLIC WORKS							
101-441-712.012		Costs-HRA	ADVANCED BENEFIT SOLUTIONS INC	36722		10/13/2012	76.45
			HRA/Flex Fees		6093		
101-441-715.000		Cleaning	MODEL COVERALL SERVICE, INC.	36773		10/17/2012	29.26
			Uniform Cleaning - DPW		0288442		
101-441-728.000		OperSupp	ADVANCED BENEFIT SOLUTIONS INC	36722		10/13/2012	9.00
			HRA/Flex Fees		6093		
101-441-831.000		Con.Repair	CUSTOM SHEET METAL & HEATING	36741		10/13/2012	1,302.00
			Maint of Unit Heaters - DPW		0000009274		
101-441-930.000		Repairs/Ma	NAPA AUTO PARTS	36776		09/18/2012	31.14
			Freeze-Off Penetrant		152613		
101-441-930.000		Repairs/Ma	AUTO VALUE \ BTB PARTS STORES	36727		10/18/2012	29.98
			Contour 22		256-798252		
101-441-930.000		Repairs/Ma	NAPA AUTO PARTS	36776		09/18/2012	45.12
			Freeze-Off Penetrant, Touch Up		152612		
101-441-930.000		Repairs/Ma	BELL EQUIPMENT COMPANY	36729		10/13/2012	106.50
			Flange Bearing		0087768		
101-441-930.000		Repairs/Ma	AUTO VALUE \ BTB PARTS STORES	36727		10/18/2012	11.11
			RainX		256-798240		
101-441-930.000		Repairs/Ma	WAHR HARDWARE, INC.	36803		10/18/2012	9.79
			Mach/Scr Hx Nut, Screw		96638		
101-441-930.000		Repairs/Ma	BELL EQUIPMENT COMPANY	36729		10/11/2012	545.00
			Dirt Shoe Runner Plates		0087734		
101-441-930.000		Repairs/Ma	FASTENAL COMPANY	36750		10/17/2012	6.84
			Carriage Bolts		MIMAN93475		
101-441-930.000		Repairs/Ma	WAHR HARDWARE, INC.	36803		10/17/2012	24.45
			Flat Wash, Hex Nut, Carriage		96622		
101-441-930.000		Repairs/Ma	AUTO VALUE \ BTB PARTS STORES	36727		10/12/2012	7.78
			Oil Filter		256-797756		
101-441-930.000		Repairs/Ma	NAPA AUTO PARTS	36776		09/12/2012	34.98
			Shop Towels		152323		
101-441-930.000		Repairs/Ma	NAPA AUTO PARTS	36776		09/12/2012	16.66
			Oil Fil		152284		
101-441-930.000		Repairs/Ma	NAPA AUTO PARTS	36776		09/24/2012	128.25
			Brake Pads		152855		
101-441-930.000		Repairs/Ma	MICHAEL TODD AND COMPANY, INC.	36768		10/17/2012	1,003.78
			Yield, Speed Limits, Keep Righ		134155		
101-441-930.000		Repairs/Ma	MICHAEL TODD AND COMPANY, INC.	36768		10/04/2012	285.33
			Circular Intersection Sign		133993		
101-441-930.000		Repairs/Ma	STATE INDUSTRIAL PRODUCTS	36796		10/19/2012	187.00
			Brake Parts Cleaner		95885134		
101-441-970.000		Cap.Outlay	CUSTOM SHEET METAL & HEATING	36741		10/14/2012	1,700.00
			Install Air Conditioning - DPW		4401-2		
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					Total PUBLIC WORKS		5,590.42

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Fund: GENERAL FUND								
Dept: COMMUNITY DEVELOPMENT OFFICE								
		101-748-712.012	Costs-HRA	ADVANCED BENEFIT SOLUTIONS INC HRA/Flex Fees	36722	6093	10/13/2012	13.90
		101-748-728.000	OperSupp	JACKPINE BUSINESS CENTERS HP Crtdgs, Pen, Frames	36756	338202-0	10/19/2012	10.99
		101-748-728.000	OperSupp	ADVANCED BENEFIT SOLUTIONS INC HRA/Flex Fees	36722	6093	10/13/2012	9.00
								-----
Total COMMUNITY DEVELOPMENT OFFICE								33.89
Dept: PARKS & RECREATION								
		101-751-712.012	Costs-HRA	ADVANCED BENEFIT SOLUTIONS INC HRA/Flex Fees	36722	6093	10/13/2012	13.90
		101-751-728.000	OperSupp	FASTENAL COMPANY Paper Towel Roll	36750	MIMAN93331	10/10/2012	44.81
		101-751-728.000	OperSupp	JACKPINE BUSINESS CENTERS Trash Bags	36756	337636-0	10/12/2012	119.10
		101-751-831.000	Con.Repair	TURF CARE LAWN SERVICE INC. Late Summer/Early Fall Applic	36800	91864	10/07/2012	2,174.10
		101-751-831.000	Con.Repair	MANISTEE AREA PUBLIC SCHOOLS Community Pool Agreement	36762		10/12/2012	10,000.00
		101-751-831.000	Con.Repair	MANISTEE AREA PUBLIC SCHOOLS Community Pool Agreement	36762		10/12/2012	10,000.00
		101-751-920.000	Gas	DTE ENERGY	36745		10/11/2012	25.92
		101-751-930.000	Repairs/Ma	Gas Usage - 580 Maple St WAHR HARDWARE, INC.	36803		10/19/2012	12.90
		101-751-930.000	Repairs/Ma	CLR Cleaner, Paper Holder WAHR HARDWARE, INC.	36803	96705	10/12/2012	22.49
		101-751-930.000	Repairs/Ma	Poly Tube WAHR HARDWARE, INC.	36803	96453	10/19/2012	6.74
		101-751-930.000	Repairs/Ma	Wire Brushes, Scrub N Sponge AUTO VALUE \ BTB PARTS STORES	36727	96710	10/13/2012	11.79
		101-751-930.000	Repairs/Ma	GPL Utility Belt WAHR HARDWARE, INC.	36803	256-797874	10/13/2012	4.09
		101-751-930.000	Repairs/Ma	120# Grit - 25 Sheet WAHR HARDWARE, INC.	36803	96514	10/05/2012	18.70
		101-751-930.000	Repairs/Ma	B1b Minitwist 23W WAHR HARDWARE, INC.	36803	96208	10/10/2012	9.69
		101-751-930.000	Repairs/Ma	Trash Bags OLSON LUMBER COMPANY	36782	101355	10/12/2012	37.50
								-----
Total PARKS & RECREATION								22,501.73
								-----
Fund Total								42,981.85
Fund: MAJOR STREET FUND								
Dept:								
		202-000-936.000	PreservSts	ABONMARCHE CONSULTANTS, INC. Maple St Drainage Improve	36720	105209	10/13/2012	2,485.00
		202-000-936.000	PreservSts	ABONMARCHE CONSULTANTS, INC. Kosciusko Resurfacing	36720	105210	10/13/2012	16,361.45
		202-000-937.000	Routine Ma	STATE OF MICHIGAN - MDOT Local Progress Billing -	36797	AP 346335	10/12/2012	1,945.87
								-----
Total								20,792.32
								-----
Fund Total								20,792.32
Fund: CITY REFUSE FUND								
Dept:								
		226-000-826.000	Res Cntrct	ALLIED WASTE SERVICES #239 Recycling, Residential, Sticke	36723	0239-001593996	09/30/2012	27,392.82
		226-000-827.000	Muncpl Rfs	ALLIED WASTE SERVICES #239 Recycling, Residential, Sticke	36723	0239-001593996	09/30/2012	3,390.00
		226-000-827.000	Muncpl Rfs	ALLIED WASTE SERVICES #239 Parks, Marina, DPW, Fire	36723	0239-001588989	09/30/2012	1,554.02
		226-000-829.001	Yard Waste	ALLIED WASTE SERVICES #239 Recycling, Residential, Sticke	36723	0239-001593996	09/30/2012	3,611.00
								-----
Total								35,947.84

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Fund: CITY REFUSE FUND							
						Fund Total	35,947.84
Fund: EPA GRANT - PETROLEUM							
Dept:		Engineer	EFTAXIADIS CONSULTING INC	36747		10/07/2012	3,772.00
251-000-810.000			Env Consult, Brownfield Planni		CMBRA-1207P		
					Total		3,772.00
						Fund Total	3,772.00
Fund: EPA GRANT - HAZARDOUS							
Dept:		Engineer	EFTAXIADIS CONSULTING INC	36747		10/07/2012	4,940.50
252-000-810.000			Env Consulting, BRA Planning		CMBRA-1208H		
					Total		4,940.50
						Fund Total	4,940.50
Fund: GRANT MANAGEMENT FUND							
Dept:		2012 Cycle	LANCE LISTON	36717		09/13/2012	4,986.35
275-901-965.054			Rietz Park Sprinkling System				
					Total LOCAL REVENUE SHARING GRANTS		4,986.35
						Fund Total	4,986.35
Fund: RAMSDELL THEATRE							
Dept:		OperSupp	JACKPINE BUSINESS CENTERS	36756		10/20/2012	9.49
296-000-728.000			60# White Offset		338372-0		
296-000-728.000		OperSupp	JACKPINE BUSINESS CENTERS	36756		10/20/2012	83.94
			HP Crtdgs		338202-1		
296-000-728.000		OperSupp	JACKPINE BUSINESS CENTERS	36756		09/29/2012	14.58
			BP Bags		336976-0		
296-000-728.000		OperSupp	NICHOLAS NIESEN	36779		09/22/2012	80.00
			Ramsdell - Site Manager		DUMMER WEDDING		
296-000-728.000		OperSupp	CANDICE COYLE	36740		09/22/2012	80.00
			Ramsdell - Site Manager		DUMMER WEDDING		
296-000-728.000		OperSupp	TAMMIE DALKE	36742		09/15/2012	70.00
			Ramsdell - Site Manager		HOMEWARD BOUND FUNDRAISER		
296-000-728.000		OperSupp	WAHR HARDWARE, INC.	36803		10/04/2012	21.07
			Trash Bags, Polishing Creme, C		96166		
296-000-728.000		OperSupp	WAHR HARDWARE, INC.	36803		10/06/2012	10.38
			Glue, Wax		96261		
296-000-728.000		OperSupp	WAHR HARDWARE, INC.	36803		10/06/2012	15.72
			Bottle, Moldex Cleaner		96282		
296-000-728.000		OperSupp	TABITHA BELLINGER	36730		09/21/2012	60.00
			Ramsdell - Setup		DUMMER WEDDING		
296-000-752.000		Movie Exp	KERRY SCHUBACH	36792		09/22/2012	80.00
			Ramsdell - Site Manager/Conces		MICKY MATSON		
296-000-752.000		Movie Exp	KERRY SCHUBACH	36792		09/05/2012	52.50
			Ramsdell - Site Manager/Conces		THE VAMPIRE BAT		
296-000-753.000		Performanc	JIM PERKINS	36719		09/20/2012	300.00
			Ramsdell Theatre Performance		FINVARRAS WREN		
296-000-753.000		Performanc	JACKPINE BUSINESS CENTERS	36756		10/19/2012	135.92
			HP Crtdgs, Pen, Frames		338202-0		
296-000-753.000		Performanc	KERRY SCHUBACH	36792		09/21/2012	35.00
			Ramsdell - Site Manager		FINVARRAS WREN		
296-000-801.000		Pro.Serv.	SHELLY ANNETTE JURCEVIC	36758		09/09/2012	517.50
			Ramsdell Lessons		August 2012		
296-000-801.000		Pro.Serv.	SHELLY ANNETTE JURCEVIC	36758		09/13/2012	552.50
			Ramsdell Lessons		September 2012		
296-000-850.000		Phone	AT&T	36725		10/13/2012	41.38
			Monthly Service		2012 - 231398075409		
296-000-892.500		Marketing	JACKPINE BUSINESS CENTERS	36756		10/07/2012	76.00
			Ramsdell Posters Laminating		30354		
296-000-920.000		Gas	DTE ENERGY	36745		10/14/2012	28.69
			Gas Usage - 101 Maple St				

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Fund	Department	GL Number	Vendor Name	Check	Invoice	Due	Amount
Account	Abbrev	Invoice Description	Number	Number	Date		
Fund: RAMSDELL THEATRE							
Dept: 296-000-930.000							
	Repairs/Ma	TOP LINE ELECTRIC LLC	36799		09/20/2012		1,178.85
		Ramsdell Marquee Lights		3604			
				Total			3,443.52
					Fund Total		3,443.52
Fund: RAMSDELL RESTORATION PROJECT							
Dept: 297-000-970.000							
	Cap.Outlay	MANISTEE CRANE SERVICE	36765		09/12/2012		1,420.00
		Set Equip on Ramsdell Theatre		MCS-K 1072			
				Total			1,420.00
					Fund Total		1,420.00
Fund: BOAT RAMP FUND							
Dept: 508-000-850.000							
	Phone	AT&T	36725		10/13/2012		19.21
		Monthly Service		2012 - 231398258509			
508-000-930.000	Repairs/Ma	LIGHT & BREUNING INC	36761		08/31/2012		358.85
		Credit Card Reader		0812862			
				Total			378.06
					Fund Total		378.06
Fund: WATER & SEWER UTILITY							
Dept: ADMINISTRATION							
573-541-712.012	Costs-HRA	ADVANCED BENEFIT SOLUTIONS INC	36722		10/13/2012		6.95
		HRA/Flex Fees		6093			
573-541-728.000	OperSupp	JACKPINE BUSINESS CENTERS	36756		10/19/2012		8.98
		Rubberbands, Msg Book		338206-0			
573-541-728.000	OperSupp	JACKPINE BUSINESS CENTERS	36756		10/20/2012		45.36
		Retrac Pens		338206-1			
573-541-728.000	OperSupp	MISS DIG SYSTEM, INC.	36772		09/30/2012		201.69
		Monthly Service Charge, Faxes		42335			
573-541-831.000	Con.Repair	MICHIGAN METER TECHNOLOGY GRP	36769		10/04/2012		200.00
		Software Install		87351			
573-541-831.000	Con.Repair	KOPY SALES INC.	36760		09/15/2012		45.49
		Cost Per Copy - Garage		85356			
573-541-831.000	Con.Repair	WINDEMULLER ELECTRIC, INC.	36805		09/30/2012		600.00
		Industrial Water Tower Autodia		136277			
573-541-850.000	Phone	AT&T	36725		10/13/2012		572.60
		Monthly Service		2012 - 231723149609			
573-541-900.000	PrintPub	GEMINI GROUP LLC	36751		09/13/2012		2,555.00
		CCR Management Services		112-11110			
				Total ADMINISTRATION			4,236.07
Dept: WATER OPERATION							
573-542-712.012	Costs-HRA	ADVANCED BENEFIT SOLUTIONS INC	36722		10/13/2012		13.90
		HRA/Flex Fees		6093			
573-542-728.000	OperSupp	WAHR HARDWARE, INC.	36803		09/05/2012		8.89
		Freight		95174			
573-542-728.000	OperSupp	WAHR HARDWARE, INC.	36803		09/12/2012		8.75
		Freight		95448			
573-542-728.000	OperSupp	WAHR HARDWARE, INC.	36803		09/08/2012		8.75
		Freight		95321			
573-542-750.000	Meters	MICHIGAN METER TECHNOLOGY GRP	36769		09/29/2012		343.63
		2" Ecoder Pit Register		87331			
573-542-824.000	Lab Test	KENT COUNTY HEALTH DEPARTMENT	36759		10/07/2012		336.00
		Water Samples		EH083112-3921			
573-542-831.000	Con.Repair	WINDEMULLER ELECTRIC, INC.	36805		09/30/2012		3,000.00
		Integrate PID Control Into		136383			
573-542-860.000	Trav/Train	HOLBEN PROFESSIONAL EH SERVICE	36753		09/24/2012		150.00
		Registration - B. Branks					
573-542-925.000	Electric	CONSUMERS ENERGY	36739		10/05/2012		6,676.42
		Electric Usage					
573-542-930.000	Repairs/Ma	WAHR HARDWARE, INC.	36803		10/19/2012		37.90
		Flashlite, Gloves, Roller Cove		96687			

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Fund Department Account	GL Number Abbrev	Vendor Name Invoice Description	Check Number	Invoice Number	Due Date	Amount
Fund: WATER & SEWER UTILITY						
Dept: WATER OPERATION						
573-542-930.000	Repairs/Ma	WAHR HARDWARE, INC. Pastel Ext. Satin, Brush	36803	96758	10/20/2012	142.17
573-542-930.000	Repairs/Ma	WAHR HARDWARE, INC. Spray Sunrise-Red	36803	96452	10/12/2012	125.06
573-542-930.000	Repairs/Ma	WAHR HARDWARE, INC. Pastel Ext. Satin	36803	96447	10/11/2012	199.75
573-542-930.000	Repairs/Ma	WAHR HARDWARE, INC. Pipe Wrench, Adjust. Wrench	36803	96694	10/19/2012	41.86
573-542-930.000	Repairs/Ma	GRAND RENTAL STATION Bull Float	36752	1-520075	10/14/2012	11.93
573-542-930.000	Repairs/Ma	BLACKBURN MANUFACTURING CO. Miss Dig Marking Flags	36731	0424181-IN	10/11/2012	169.37
573-542-930.000	Repairs/Ma	EJ USA, INC Hyd, Hose Noz, Gkt, Cp, Chn	36748	3528690	10/15/2012	6,177.31
573-542-930.000	Repairs/Ma	USA BLUE BOOK Injection Valve	36802	763877	10/10/2012	386.68
573-542-930.000	Repairs/Ma	WAHR HARDWARE, INC. Roller Cover, Handle, Glove,	36803	96410	10/11/2012	66.23
573-542-930.000	Repairs/Ma	WAHR HARDWARE, INC. Pastel Ext. Satin	36803	96409	10/11/2012	199.75
573-542-930.000	Repairs/Ma	WAHR HARDWARE, INC. Torch, Daptex Plus Foam	36803	96365	10/10/2012	39.36
573-542-930.000	Repairs/Ma	WAHR HARDWARE, INC. Hf Round Bastard File, Mill Ba	36803	96379	10/10/2012	28.18
573-542-970.000	Cap.Outlay	CUSTOM SHEET METAL & HEATING Install Air Conditioning - DPW	36741	4401-2	10/14/2012	1,700.00
573-542-970.000	Cap.Outlay	CUSTOM SHEET METAL & HEATING Install 2" Gas Line - Generato	36741	4400-2	10/13/2012	5,479.00
Total WATER OPERATION						25,350.89
Dept: SEWER - WWTP						
573-543-712.012	Costs-HRA	ADVANCED BENEFIT SOLUTIONS INC HRA/Flex Fees	36722	6093	10/13/2012	20.85
573-543-715.000	Cleaning	MODEL COVERALL SERVICE, INC. Uniform Cleaning - WWTP	36773	0284943	10/03/2012	38.36
573-543-715.000	Cleaning	MODEL COVERALL SERVICE, INC. Uniform Cleaning - WWTP	36773	0286685	10/10/2012	38.36
573-543-728.000	OperSupp	ALLIED WASTE SERVICES #239 2 Yd Front Load - 53 9th St	36723	0239-001588965	09/30/2012	140.66
573-543-824.000	Lab Test	NCL OF WISCONSIN, INC. Filters	36777	309943	10/11/2012	532.19
573-543-920.000	Gas	DTE ENERGY Gas Usage - 15 9th St	36745		10/12/2012	385.11
573-543-925.000	Electric	CONSUMERS ENERGY Electric Usage	36739		10/05/2012	9,503.29
573-543-930.000	Repairs/Ma	WAHR HARDWARE, INC. Sash Cord, Swivel Sprg Snap, B	36803	96527	10/14/2012	35.68
573-543-930.000	Repairs/Ma	J.O. GALLOUP COMPANY PVC Elbow, Nip	36755	1556823-00	10/07/2012	5.53
573-543-930.000	Repairs/Ma	MANISTEE ACE HARDWARE Glad Bag, Countertop Magic	36721	650846	09/25/2012	19.48
573-543-930.000	Repairs/Ma	CADILLAC PLUMBING-HEATING Grommet	36733	635436	09/21/2012	3.24
573-543-930.000	Repairs/Ma	BLARNEY CASTLE OIL CO. CHV Rando HD 68 5G Pail	36732	0410093	10/10/2012	56.56
573-543-930.000	Repairs/Ma	DUBRIC Rings/Set - Split	36746	00047713	10/05/2012	770.63
573-543-930.000	Repairs/Ma	J.O. GALLOUP COMPANY Adapter, Soc Union Viton	36755	1549753-00	09/27/2012	38.70
573-543-930.000	Repairs/Ma	AUTO VALUE \ BTB PARTS STORES Non Detergent 20W	36727	256-797783	10/12/2012	35.56
573-543-930.000	Repairs/Ma	MANISTEE ACE HARDWARE Roller, Thrd Sl Tape, Paint Li	36721	102762	10/11/2012	13.52
Total SEWER - WWTP						11,637.72
Dept: SEWER COLLECTION (STREETS)						
573-544-712.012	Costs-HRA	ADVANCED BENEFIT SOLUTIONS INC HRA/Flex Fees	36722	6093	10/13/2012	13.90
573-544-715.000	Cleaning	MODEL COVERALL SERVICE, INC. Uniform Cleaning - Str Sewers	36773	0288440	10/17/2012	17.64

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Fund	Department	GL Number	Vendor Name	Check	Invoice	Due	Amount
Account	Account	Abbrev	Invoice Description	Number	Number	Date	
<b>Fund: WATER &amp; SEWER UTILITY</b>							
<b>Dept: SEWER COLLECTION (STREETS)</b>							
573-544-801.000		Pro.Serv.	ABONMARCHE CONSULTANTS, INC. Sanitary Sewer Evaluation	36720	105208	10/13/2012	20,320.51
573-544-930.000		Repairs/Ma	WAHR HARDWARE, INC. Sash Cord	36803	96531	10/14/2012	12.99
573-544-930.000		Repairs/Ma	EJ USA, INC 1600A CV	36748	3528360	10/08/2012	1,072.86
573-544-970.000		Cap.Outlay	ABONMARCHE CONSULTANTS, INC. North River Bank Sewer Replac	36720	105207	10/13/2012	540.00
							21,977.90
<b>Total SEWER COLLECTION (STREETS)</b>							<b>21,977.90</b>
<b>Dept: Water &amp; Sewer Bond &amp; Interest</b>							
573-574-960.000		Bank Charg	BANK OF NEW YORK MELLON Paying Agent Fee	36728	252-1650875	08/27/2012	250.00
							250.00
<b>Total Water &amp; Sewer Bond &amp; Interest</b>							<b>250.00</b>
<b>Fund Total</b>							<b>63,452.58</b>
<b>Fund: MARINA FUND</b>							
<b>Dept:</b>							
594-000-728.000		OperSupp	SPORTS INK SCREEN PRINTING Red Sports Shirt - Marina	36795	3090	09/06/2012	31.90
594-000-728.000		OperSupp	JACKPINE BUSINESS CENTERS Can Liners	36756	337510-1	10/11/2012	13.49
594-000-728.000		OperSupp	MANISTEE ACE HARDWARE Hose	36721	645744	09/21/2012	49.99
594-000-728.000		OperSupp	JACKPINE BUSINESS CENTERS Lanyard, Maptack	36756	336256-0	09/30/2012	4.78
594-000-728.000		OperSupp	CHARTER COMMUNICATIONS INC. Monthly Service - Marina	36734	#8245 12 209 0099730 - Oct 12	09/18/2012	59.37
594-000-730.000		Fuel	BLARNEY CASTLE OIL CO. Gasoline - NL Prem	36732	0409739-IN	10/07/2012	5,987.81
							6,147.34
<b>Total</b>							<b>6,147.34</b>
<b>Fund Total</b>							<b>6,147.34</b>
<b>Fund: MOTOR POOL FUND</b>							
<b>Dept:</b>							
661-000-974.003		Fire Pumpe	PNC BANK, N.A. Pumper Loan	36786		10/15/2012	24,849.90
							24,849.90
<b>Total</b>							<b>24,849.90</b>
<b>Fund Total</b>							<b>24,849.90</b>
<b>Fund: CURRENT TAX COLLECTION</b>							
<b>Dept:</b>							
703-000-215.000		Due DDA	DOWNTOWN DEVELOPMENT Summer Tax Distribution	36744		10/24/2012	40,075.32
703-000-221.000		Due City	CITY OF MANISTEE Summer Tax Distribution - Ops	36735		09/24/2012	106,380.05
703-000-221.001		Due Refuse	CITY OF MANISTEE REFUSE FUND Summer Tax Distribution	36736		10/24/2012	7,346.98
703-000-221.002		Due Admin	CITY OF MANISTEE Summer Tax Distribution - Admi	36735		09/24/2012	2,739.37
703-000-221.003		Due Pe\In	CITY OF MANISTEE Summer Tax Distribution - Pen	36735		09/24/2012	3,725.75
703-000-221.004		Due WatDel	CITY OF MANISTEE WATER & Summer Tax Distribution - Dlq	36737		09/24/2012	1,582.29
703-000-221.005		DueRefDel	CITY OF MANISTEE REFUSE FUND Summer Tax Distribution - Dlq	36736		10/24/2012	31.20
703-000-222.000		Due County	MANISTEE COUNTY TREASURER Summer Tax Distribution - Ops	36764		09/24/2012	34,736.53
703-000-228.000		Due State	MANISTEE COUNTY TREASURER Summer Tax Distribution - SET	36764		09/24/2012	46,485.92
703-000-234.000		Due ISD	MANISTEE INTERMEDIATE SCHOOL Summer Tax Distribution	36766		10/24/2012	18,082.69
703-000-235.000		Due WSCC	WEST SHORE COMMUNITY COLLEGE Summer Tax Distribution	36804		10/24/2012	19,379.54

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Fund  
Department                      GL Number      Vendor Name                      Check      Invoice      Due  
Account                              Abbrev          Invoice Description                      Number      Number      Date                              Amount  
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Fund: CURRENT TAX COLLECTION  
Dept:

Total	----- 280,565.64 -----
Fund Total	280,565.64
Grand Total	----- 493,677.90 -----

**CITY OF MANISTEE MICHIGAN**

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

For the Fiscal Year Ended June 30, 2012

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## **Gabridge Wilson CPAs**

3015 M-137

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### INDEPENDENT AUDITOR'S REPORT

To the City Council  
City of Manistee  
PO Box 358  
Manistee, MI 49660

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 Manistee, Michigan, as of and for the year ended June 30, 2012, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Manistee's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Manistee, Michigan, as of June 30, 2012, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated October 5, 2012, on our consideration of the City of Manistee, Michigan's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in conjunction with this report in considering the results of our audit.

The management's discussion and analysis, schedule of funding progress, and budgetary comparison information, as listed in the table of contents, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Manistee's basic financial statements. The accompanying other supplemental information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Gabridge Wilson, CPA*

Gabridge Wilson, CPA  
Interlochen, MI  
October 5, 2012

## **Management's Discussion and Analysis**

The management of the *City of Manistee, Michigan* (the "City"), presents readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2012. This analysis is intended to assist the reader in focusing on significant financial issues and to provide a general overview of the City's financial activity.

### **Financial Highlights**

- § The assets of the City (primary government) exceeded its liabilities at the close of the most recent fiscal year by \$35,645,326 (net assets). Of this amount, \$4,739,138 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- § The government's total net assets increased by \$584,672 or 1.67%.
- § As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$11,032,302, a decrease of \$966,918 or 8.06% from the prior year.
- § At the end of the current fiscal year, the total General Fund balance was \$1,175,303 and unassigned fund balance was \$1,062,237 or 18.50% of total General Fund expenditures and transfers out.
- § The City's total governmental activities long-term debt decreased by \$553,255.

### **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 comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

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

The *Statement of Net Assets* presents information on all of the City's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets 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 City's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the

underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (for example, 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 legislative, general government, public safety, public works, and recreation and culture. The business-type activities of the City include water and sewer, marina and boat ramp operations.

The government-wide financial statements include not only the City (known as the primary government), but also legally separate entities - the Downtown Development Authority, Manistee Housing Commission, Brownfield Development Authority and the Friends of the Ramsdell; which are *discretely presented component units* of the City. Financial information for these *component units* are reported separately from the financial information presented for the primary government.

The government-wide financial statements can be found on pages 14 - 15 of this report.

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

*Governmental Funds* 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 24 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 Street, Local Street, and Oil & Gas Funds, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this

report.

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

The basic governmental fund financial statements can be found on pages 16 - 19 of this report.

*Proprietary Funds* are also maintained by the City. There are two different types of proprietary funds. *Enterprise Funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its water and sewer, marina and boat ramp operations. *Internal Service Funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses an internal service fund to account for its motor pool. Because these services benefit general, major and local streets, and water and sewer fund functions, the services have been allocated between the governmental and business-type activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The City maintains four individual proprietary funds. Information is presented separately in the proprietary fund balance sheet and in the proprietary fund statement of revenues, expenses and changes in net assets for the Water and Sewer Fund, which is considered to be a major fund of the City. Data from the other proprietary funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major proprietary funds is provided in the form of combining statements elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 20 - 23 of this report and in the business-type activities in the government-wide financial statements.

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

The basic fiduciary fund financial statement can be found on page 26 of this report.

**Notes to the Financial Statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. They should be read thoroughly as part of any review of the City's financial statements. The notes to the financial statements can be found on pages 27 - 51 of this report.

**Other Information.** The combining statements referred to earlier in connection with non-major governmental funds and component units are presented immediately following the notes to the financial statements. Combining and individual fund statements and schedules can be found on pages 57 - 64 of this report.

## Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$35,645,326 at the close of the most recent fiscal year.

### City of Manistee Net Assets as of June 30, 2012 and June 30, 2011

	Governmental Activities		Business-type Activities		Total Primary Government	
	2012	2011	2012	2011	2012	2011
<b>ASSETS</b>						
<i>Current Assets</i>						
Cash & Cash Equivalents	\$ 3,557,625	\$ 5,639,145	\$ 84,284	\$ 2,149,469	\$ 3,641,909	\$ 7,788,614
Investments	7,507,676	7,657,146	488,052	13,856	7,995,728	7,671,002
Receivables (Net)	460,469	513,478	552,588	527,035	1,013,057	1,040,513
Due From Agency Funds	209,672	3,943	6,857	-	216,529	3,943
Prepaid Expenditures	58,801	53,511	13,124	12,803	71,925	66,314
Inventory	-	-	16,324	11,961	16,324	11,961
<b>Total Current Assets</b>	<b>11,794,243</b>	<b>13,867,223</b>	<b>1,161,229</b>	<b>2,715,124</b>	<b>12,955,472</b>	<b>16,582,347</b>
<i>Noncurrent Assets</i>						
Restricted Cash	-	-	487,802	508,698	487,802	508,698
Deferred Charges	174,733	152,760	344,883	367,019	519,616	519,779
Capital Assets, net	21,680,896	19,704,550	24,655,578	22,577,880	46,336,474	42,282,430
<b>Total Assets</b>	<b>33,649,872</b>	<b>33,724,533</b>	<b>26,649,492</b>	<b>26,168,721</b>	<b>60,299,364</b>	<b>59,893,254</b>
<b>LIABILITIES</b>						
<i>Current Liabilities</i>						
Accounts Payable	125,927	825,466	65,906	179,734	191,833	1,005,200
Accrued Liabilities	6,973	882,942	3,586	47,350	10,559	930,292
Deferred Revenue	100,800	-	-	-	100,800	-
Security Deposits	109,794	127,000	35,580	37,205	145,374	164,205
Accrued Payroll & Related Liabilities	42,111	73,374	9,093	16,367	51,204	89,741
Accrued Interest Payable	94,111	93,725	79,768	57,471	173,879	151,196
Current Portion of Long-term Debt	602,036	587,452	1,124,952	961,855	1,726,988	1,549,307
Internal Balances	16,777	(353,661)	(16,777)	353,661	-	-
<b>Total Current Liabilities</b>	<b>1,098,529</b>	<b>2,236,298</b>	<b>1,302,108</b>	<b>1,653,643</b>	<b>2,400,637</b>	<b>3,889,941</b>
<i>Noncurrent Liabilities</i>						
Accrued Absences	258,013	257,691	58,923	47,867	316,936	305,558
Long-term Debt	8,810,851	9,379,011	13,075,736	11,230,523	21,886,587	20,609,534
Unfunded OPEB	49,878	27,567	-	-	49,878	27,567
<b>Total Liabilities</b>	<b>10,217,271</b>	<b>11,900,567</b>	<b>14,436,767</b>	<b>12,932,033</b>	<b>24,654,038</b>	<b>24,832,600</b>
<b>NET ASSETS</b>						
Invested in Capital Assets, Net of Related Debt	12,268,009	9,738,087	10,374,640	10,385,502	22,642,649	20,123,589
Restricted	7,746,289	8,676,019	517,250	508,698	8,263,539	9,184,717
Unrestricted	3,418,303	3,409,860	1,320,835	2,342,488	4,739,138	5,752,348
<b>Total Net Assets</b>	<b>\$ 23,432,601</b>	<b>\$ 21,823,966</b>	<b>\$ 12,212,725</b>	<b>\$ 13,236,688</b>	<b>\$ 35,645,326</b>	<b>\$ 35,060,654</b>

The largest portion of the City's net assets (64%) reflects its investment in capital assets (e.g., land, buildings, vehicles, equipment 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.

A portion of the City's net assets \$8,263,539 (23%) represents resources that are subject to external restrictions on how they may be used both for the City as a whole, as well as for its separate governmental and business-type activities. The balance in *restricted net assets* reflects the charter-protected Oil & Gas Fund, the City's Bond Debt reserve, as well as other external restrictions. The remaining balance of *unrestricted net assets* \$4,739,138 (13%) may be used to meet the City's ongoing obligations to citizens and creditors.

## Financial Analysis of the City's Funds

The following table illustrates and summarizes the changes in Net Assets for the City and was derived from the Government-wide Statement of Activities:

**City of Manistee**  
**Change in Net Assets for Fiscal Year Ended June 30, 2012 and June 30, 2011**

	Governmental Activities		Business-type Activities		Total Government	
	2012	2011	2012	2011	2012	2011
<b>Revenue</b>						
<b>Program Revenues</b>						
Charges for Services	\$ 1,720,046	\$ 1,825,105	\$ 3,390,973	\$ 3,343,158	\$ 5,111,019	\$ 5,168,263
Operating Grants & Contributions	885,863	647,692	5,917	3,608	891,780	651,300
Capital Grants & Contributions	203,386	4,900	18,841	971,900	222,227	976,800
Total Program Revenues	<u>2,809,295</u>	<u>2,477,697</u>	<u>3,415,731</u>	<u>4,318,666</u>	<u>6,225,026</u>	<u>6,796,363</u>
<b>General Revenues</b>						
Tax Revenues	3,616,510	3,664,956	-	-	3,616,510	3,664,956
State Revenue Sharing	588,250	628,941	-	-	588,250	628,941
Interest on Investments	301,753	266,730	8,593	3,134	310,346	269,864
Other	214,387	1,316,067	147,127	99,499	361,514	1,415,566
Total General Revenues	<u>4,720,900</u>	<u>5,876,694</u>	<u>155,720</u>	<u>102,633</u>	<u>4,876,620</u>	<u>5,979,327</u>
Total Revenues	<u>7,530,195</u>	<u>8,354,391</u>	<u>3,571,451</u>	<u>4,421,299</u>	<u>11,101,646</u>	<u>12,775,690</u>
<b>Expenses</b>						
General Government	1,529,846	1,590,009	-	-	1,529,846	1,590,009
Public Works	2,266,873	2,188,424	-	-	2,266,873	2,188,424
Public Safety	1,765,209	1,904,867	-	-	1,765,209	1,904,867
Community & Economic Developmen	272,484	271,968	-	-	272,484	271,968
Recreation & Culture	510,779	551,330	-	-	510,779	551,330
Debt Service - Interest	370,869	398,589	-	-	370,869	398,589
Other	172,307	279,809	-	-	172,307	279,809
Water & Sewer	-	-	3,084,940	3,059,082	3,084,940	3,059,082
Marina, Boat Ramp, and Ramsdell	-	-	543,667	439,889	543,667	439,889
Total Expenses	<u>6,888,367</u>	<u>7,184,996</u>	<u>3,628,607</u>	<u>3,498,971</u>	<u>10,516,974</u>	<u>10,683,967</u>
Transfers In (Out)	966,807	(3,624,372)	(966,807)	3,624,372	-	-
Increase / Decrease in Net Assets	1,608,635	(2,454,977)	(1,023,963)	4,546,700	584,672	2,091,723
Beginning Net Assets	21,823,966	24,278,943	13,236,688	8,689,988	35,060,654	32,968,931
Ending Net Assets	<u>\$ 23,432,601</u>	<u>\$ 21,823,966</u>	<u>\$ 12,212,725</u>	<u>\$ 13,236,688</u>	<u>\$ 35,645,326</u>	<u>\$ 35,060,654</u>

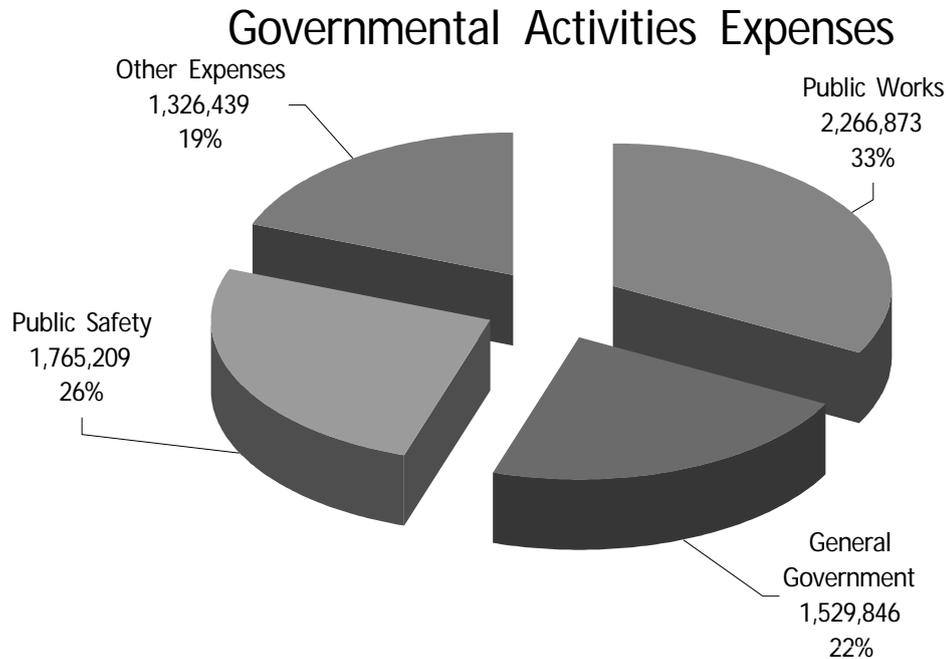
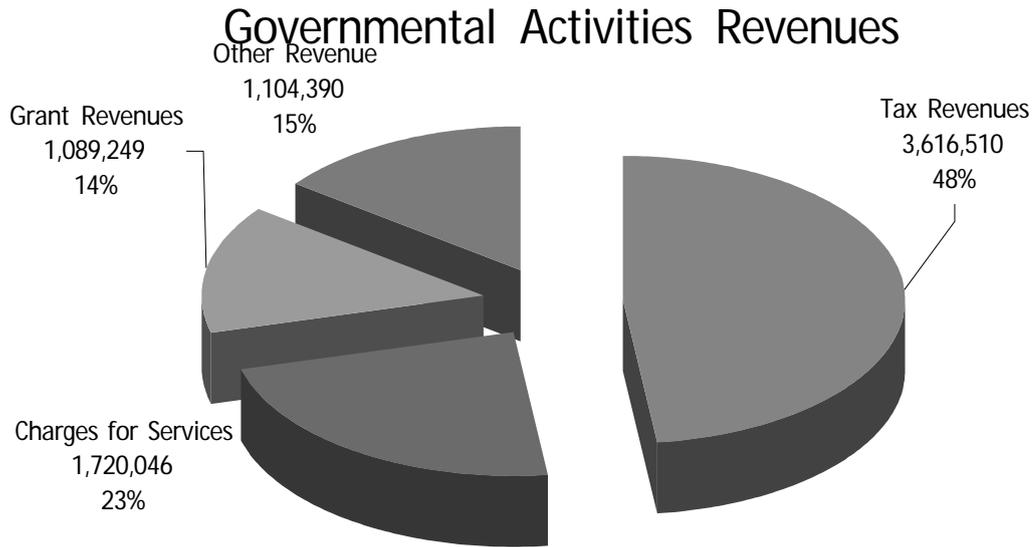
**Governmental Activities** Governmental activities increased the City's net assets by \$1,608,635, or 4.59%. Key elements of this performance are as follows:

- § Transfers from business-type activities of \$966,807
- § Capital grants of \$203,386

**Business-type Activities** Business-type activities decreased the City’s net assets by \$1,023,963 or 2.92%. Key elements of this performance are as follows:

- § Transfers to governmental activities of \$966,807
- § Depreciation expense of \$1,181,117

The following charts depict the breakdown of government activity revenues and expenses.



## **Financial Analysis of the Government's Funds**

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

*Governmental Funds.* The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a City's 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 \$11,032,302, a decrease of \$966,918 or 8.06% in comparison with the prior year.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, the total fund balance of the General Fund was \$1,175,303, and it had a balance of \$1,062,237 that was unassigned. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures, including transfers out.

The Major Street fund balance increased by \$28,416. This is primarily attributed to transfers in from other funds of \$1,161,571.

The Local Street fund balance decreased by \$40,908. This is primarily attributed to capital outlay of \$1,100,000.

The Oil & Gas fund has a total fund balance of \$8,748,573, which increased by \$18,294 during the year. This increase is due to changes in the investment profile. The City Charter prevents the principal of this fund to be spent without a vote of the people.

*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 assets of Water and Sewer, Municipal Marina, Boat Ramp and Ramsdell Theatre Funds at the end of the year amounted to \$1,320,835, restricted assets amounted to \$517,250 and capital assets net of related debt amounted to \$10,374,640. The Water and Sewer Fund had a decrease in net assets for the year of \$1,180,349, while the Municipal Marina, Boat Ramp and Ramsdell Theatre had an increase of \$156,386.

## **General Fund Budgetary Highlights**

During the year, General Fund revenues were over amended budgetary estimates by \$276,596. Revenues were boosted by the sale of sand during the Cedar Street CSO. Actual expenditures were under amended budgetary estimates by \$35,344. The mild winter allowed for savings on fuel and overtime. Further detail on budgetary highlights is found in the required supplemental information section of the audit report.

## Capital Asset and Debt Administration

**Capital Assets** The City's investment in capital assets for its governmental and business-type activities as of June 30, 2012, amounted to \$46,336,474 (net of accumulated depreciation). This investment in capital assets includes land, buildings and systems, improvements, machinery and equipment, park facilities, roads, highways, bridges and construction in progress. The total net increase in the City's investment in capital assets for the current fiscal year was \$4,054,044. Major capital asset events during the current fiscal year included the following:

- § Cedar street construction in the Water and Sewer Fund and Major Street Fund
- § Various system improvements in the Water and Sewer Fund
- § Ramsdell Theatre HVAC system upgrade
- § Various street construction projects in the Local Street Fund
- § First street reconstruction in the Major Street Fund

The following table summarizes the capital assets for the City as of year end:

### City of Manistee Capital Assets as of June 30, 2012

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total Primary Government</u>
Land	\$ 4,715,697	\$ 60,207	\$ 4,775,904
Construction in Process	109,783	78,409	188,192
Land Improvements	5,211,231	417,502	5,628,733
Infrastructure	10,181,737	35,007,679	45,189,416
Buildings & Structure	6,035,999	3,827,480	9,863,479
Vehicles	2,461,151	-	2,461,151
Furniture & Equipment	1,948,889	954,001	2,902,890
Subtotal	<u>30,664,487</u>	<u>40,345,278</u>	<u>71,009,765</u>
Accumulated Depreciation	<u>8,983,591</u>	<u>15,689,700</u>	<u>24,673,291</u>
Net Capital Assets	<u>\$ 21,680,896</u>	<u>\$ 24,655,578</u>	<u>\$ 46,336,474</u>

Additional information on the City's capital assets can be found in Note 5 on pages 40 - 42 of this report.

**Long-term Debt.** At the end of the current fiscal year, the City had total bonded debt and lease payables of \$23,693,825. Of this amount, \$11,655,000 comprises debt backed by the full faith and credit of the government. The remainder of the City's debt represents capital leases, loans and bonds secured solely by specified revenue sources (i.e., revenue bonds).

The following table summarizes the City's outstanding debt as of the end of the year:

**City of Manistee  
Outstanding Debt as of June 30, 2012**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
General obligation bonds	\$ 9,265,000	\$ 2,390,000	\$ 11,655,000
Notes Payable	92,196	1,505,402	1,597,598
MEDC Loan	55,691	-	55,691
Installment Purchase	-	359,926	359,926
SRF & DWRP bonds	-	4,925,360	4,925,360
Revenue bonds	-	5,020,000	5,020,000
Total	<u>\$ 9,412,887</u>	<u>\$ 14,200,688</u>	<u>\$ 23,613,575</u>

The City's total debt (excluding compensated absences) increased by \$1,454,732.

The City has a "AA" rating from Standard & Poor's for its Michigan Transportation Fund Bonds, and a low investment grade rating indicator on its Water & Sewer debt.

State statutes limit the amount of general obligation debt a government entity may issue to 10% of its State Equalized Value. As of June 30, 2012, the City was well under its debt limitation.

Additional information on the City's long-term debt can be found in Note 7 on pages 44 - 46 of this report.

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

The City of Manistee continues to weather the ongoing sluggish national and state economic recovery thru sound budgeting, strategic planning and increased operational efficiencies. Although state-shared revenue has decreased by nearly 50% from its peak, it appears to have now stabilized. However, property values continue to decline (albeit less sharply than in other areas of the state). In spite of these challenges, Manistee continues to be able to provide a wide range of services. Reduced revenues and rising costs have been addressed primarily by reducing headcount by 13% from its peak and aggressively pursuing healthcare reforms. Although this has adversely impacted employees, it has allowed the City to maintain adequate financial reserves. In addition, the pension and retiree healthcare issues that plague many communities across the nation do not exist in Manistee. City pension funds are fully funded and our OPEB is sharply limited because of a hard cap placed on this benefit many years ago.

## **Requests for Information**

This discussion and analysis is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City Finance Director, PO Box 358, Manistee, Michigan 49660 or via email at [ebradford@manisteemi.gov](mailto:ebradford@manisteemi.gov) or by visiting our website.

**City of Manistee**  
**Statement of Net Assets**  
**June 30, 2012**

	<b>Primary Government</b>			<b>Component Units</b>
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>	
<b>ASSETS</b>				
<i>Current Assets</i>				
Cash & Cash Equivalents	\$ 3,557,625	\$ 84,284	\$ 3,641,909	\$ 563,996
Investments	7,507,676	488,052	7,995,728	200,249
Receivables	460,469	552,588	1,013,057	70,510
Due from Agency Funds	209,672	6,857	216,529	--
Prepaid Expenditures	58,801	13,124	71,925	--
Inventory	--	16,324	16,324	--
<b>Total Current Assets</b>	<b>11,794,243</b>	<b>1,161,229</b>	<b>12,955,472</b>	<b>834,755</b>
<i>Noncurrent Assets</i>				
Cash & Cash Equivalents - Restricted	--	487,802	487,802	53,593
Deferred Charges	174,733	344,883	519,616	25,429
Capital Assets, net	21,680,896	24,655,578	46,336,474	4,159,682
Receivables - Noncurrent	--	--	--	79,997
<b>Total Assets</b>	<b>33,649,872</b>	<b>26,649,492</b>	<b>60,299,364</b>	<b>5,153,456</b>
<b>LIABILITIES</b>				
<i>Current Liabilities</i>				
Accounts Payable	125,927	65,906	191,833	66,930
Accrued Liabilities	6,973	3,488	10,461	6,005
Deferred Revenue	100,800	--	100,800	1,211
Due to Other Governments	--	98	98	38,413
Security Deposits	109,794	35,580	145,374	53,593
Accrued Payroll & Related Liabilities	42,111	9,093	51,204	29,254
Accrued Interest Payable	94,111	79,768	173,879	--
Current Portion of Long-term Debt	602,036	1,124,952	1,726,988	8,657
Internal Balances	16,777	(16,777)	--	--
<b>Total Current Liabilities</b>	<b>1,098,529</b>	<b>1,302,108</b>	<b>2,400,637</b>	<b>204,063</b>
<i>Noncurrent Liabilities</i>				
Accrued Absences	258,013	58,923	316,936	16,095
Long-term Debt less Current Portion	8,810,851	13,075,736	21,886,587	1,708,152
Unfunded OPEB	49,878	--	49,878	--
<b>Total Liabilities</b>	<b>10,217,271</b>	<b>14,436,767</b>	<b>24,654,038</b>	<b>1,928,310</b>
<b>NET ASSETS</b>				
Invested in Fixed Assets Net of Related Debt	12,268,009	10,374,640	22,642,649	2,442,873
<i>Restricted for:</i>				
Restricted	7,746,289	517,250	8,263,539	53,593
Unrestricted	3,418,303	1,320,835	4,739,138	728,680
<b>Total Net Assets</b>	<b>\$ 23,432,601</b>	<b>\$ 12,212,725</b>	<b>\$ 35,645,326</b>	<b>\$ 3,225,146</b>

The Notes to the Financial Statements are an integral part of these Financial Statements

**City of Manistee  
Statement of Activities  
For the Year Ended June 30, 2012**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue			Component Units
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	
<b>Primary Government</b>								
<b>Governmental Activities:</b>								
General Government	\$ 1,529,846	\$ 670,682	\$ 127,827	\$ --	\$ (731,337)	\$ --	\$ (731,337)	\$ --
Public Safety	1,765,209	61,783	22,910	103,386	(1,577,130)	--	(1,577,130)	--
Public Works	2,266,873	987,581	594,626	--	(684,666)	--	(684,666)	--
Community & Economic Development	272,484	--	--	--	(272,484)	--	(272,484)	--
Recreation & Culture	510,779	--	--	100,000	(410,779)	--	(410,779)	--
Debt Service - Interest	370,869	--	140,500	--	(230,369)	--	(230,369)	--
Other	172,307	--	--	--	(172,307)	--	(172,307)	--
<i>Total Governmental Activities</i>	<u>6,888,367</u>	<u>1,720,046</u>	<u>885,863</u>	<u>203,386</u>	<u>(4,079,072)</u>	<u>--</u>	<u>(4,079,072)</u>	<u>--</u>
<b>Business-type Activities:</b>								
Boat Ramp	41,785	24,235	--	--	--	(17,550)	(17,550)	--
Marina	283,061	201,750	--	18,841	--	(62,470)	(62,470)	--
Ramsdell Theatre	218,821	57,294	5,917	--	--	(155,610)	(155,610)	--
Water & Sewer	3,084,940	3,107,694	--	--	--	22,754	22,754	--
<i>Total Business-type Activities</i>	<u>3,628,607</u>	<u>3,390,973</u>	<u>5,917</u>	<u>18,841</u>	<u>--</u>	<u>(212,876)</u>	<u>(212,876)</u>	<u>--</u>
<i>Total Primary Government</i>	<u>\$ 10,516,974</u>	<u>\$ 5,111,019</u>	<u>\$ 891,780</u>	<u>\$ 222,227</u>	<u>\$ (4,079,072)</u>	<u>\$ (212,876)</u>	<u>\$ (4,291,948)</u>	<u>--</u>
<b>Component Units</b>								
Total Component Units	\$ 1,853,928	\$ 645,194	\$ 489,719	\$ 18,456	--	--	--	(700,559)
<i>Total Component Units</i>	<u>\$ 1,853,928</u>	<u>\$ 645,194</u>	<u>\$ 489,719</u>	<u>\$ 18,456</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(700,559)</u>
<b>General Purpose Revenues and Transfers:</b>								
<b>Revenues</b>								
Tax Revenues					3,616,510	--	3,616,510	333,290
State Revenue Sharing					588,250	--	588,250	--
Other Revenue					214,387	147,127	361,514	108,190
Interest on Investments					301,753	8,593	310,346	2,986
<b>Transfers</b>					<u>966,807</u>	<u>(966,807)</u>	<u>--</u>	<u>--</u>
<i>Total General Revenues and Transfers</i>					<u>5,687,707</u>	<u>(811,087)</u>	<u>4,876,620</u>	<u>444,466</u>
<i>Change in Net Assets</i>					<u>1,608,635</u>	<u>(1,023,963)</u>	<u>584,672</u>	<u>(256,093)</u>
<i>Net Assets at Beginning of Period</i>					21,823,966	13,236,688	35,060,654	3,481,239
<i>Net Assets at End of Period</i>					<u>\$ 23,432,601</u>	<u>\$ 12,212,725</u>	<u>\$ 35,645,326</u>	<u>\$ 3,225,146</u>

The Notes to the Financial Statements are an integral part of these Financial Statements

**City of Manistee  
Balance Sheet  
Governmental Funds  
June 30, 2012**

	<u>Special Revenue</u>			<u>Permanent</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
	<u>General</u>	<u>Local Street</u>	<u>Major Street</u>	<u>Oil &amp; Gas</u>		
<b>ASSETS</b>						
Cash & Cash Equivalents	\$ 795,866	\$ 18,559	\$ 15,463	\$ 1,258,223	\$ 1,104,091	\$ 3,192,202
Investments	57,052	--	--	7,450,624	--	7,507,676
Receivables	246,853	21,550	96,529	39,726	55,811	460,469
Due from Agency Funds	195,610	--	--	--	14,062	209,672
Prepaid Expenditures	55,964	--	--	--	--	55,964
Due from Other Funds	100,000	--	--	--	99,604	199,604
<b>Total Assets</b>	<b>\$ 1,451,345</b>	<b>\$ 40,109</b>	<b>\$ 111,992</b>	<b>\$ 8,748,573</b>	<b>\$ 1,273,568</b>	<b>\$ 11,625,587</b>
<b>LIABILITIES</b>						
Accounts Payable	\$ 61,034	\$ --	\$ 9,716	\$ --	\$ 46,476	\$ 117,226
Accrued Liabilities	1,117	--	--	--	5,856	6,973
Deferred Revenue	--	--	--	--	100,800	100,800
Security Deposits	109,794	--	--	--	--	109,794
Accrued Payroll & Related Liabilities	42,111	--	--	--	--	42,111
Due to Other Funds	61,986	--	--	--	154,395	216,381
<b>Total Liabilities</b>	<b>276,042</b>	<b>--</b>	<b>9,716</b>	<b>--</b>	<b>307,527</b>	<b>593,285</b>
<b>FUND BALANCE</b>						
Nonspendable	55,964	--	--	7,184,269	--	7,240,233
Restricted	--	40,109	102,276	--	363,671	506,056
Committed	57,102	--	--	--	453,485	510,587
Assigned	--	--	--	1,564,304	148,885	1,713,189
Unassigned	1,062,237	--	--	--	--	1,062,237
<b>Total Fund Balance</b>	<b>1,175,303</b>	<b>40,109</b>	<b>102,276</b>	<b>8,748,573</b>	<b>966,041</b>	<b>11,032,302</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 1,451,345</b>	<b>\$ 40,109</b>	<b>\$ 111,992</b>	<b>\$ 8,748,573</b>	<b>\$ 1,273,568</b>	<b>\$ 11,625,587</b>

The Notes to the Financial Statements are an integral part of these Financial Statements

**City of Manistee**  
**Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Assets**  
**June 30, 2012**

Total Fund Balance - Governmental Funds	\$ 11,032,302
Net Assets of internal service funds that are treated as proprietary in the fund level statements are treated as governmental in the entity-wide statements	1,347,138
General government capital assets of \$27,081,236, net of accumulated depreciation of \$6,468,248, are not financial resources, and accordingly are not reported in the funds	20,612,986
In the Statement of Activities, interest is accrued on outstanding bonds, whereas in governmental funds, the interest expenditure is reported when due	(92,101)
Long-term liabilities, excluding long-term obligations of \$78,321 from the Internal Service Fund listed above, are not due and payable in the current period and therefore are not reported in the funds	(9,334,566)
Bond issuance costs are reported as deferred charges and amortized over the term of the related debt	174,733
Compensated absences are not due in and payable in the current period, and therefore, are not reported in the funds	(258,013)
Other Post Employment Benefits are not due in and payable in the current period, and therefore, are not reported in the funds	(49,878)
<b>Total Net Assets - Governmental Funds</b>	<b>\$ <u>23,432,601</u></b>

The Notes to the Financial Statements are an integral part of these Financial Statements

**City of Manistee**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Governmental Funds**  
**For the Year Ended June 30, 2012**

	<u>Special Revenue</u>			<u>Permanent</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
	<u>General</u>	<u>Local Street</u>	<u>Major Street</u>	<u>Oil &amp; Gas</u>		
<b>Revenues</b>						
Tax Revenues	\$ 3,399,259	\$ --	\$ --	\$ --	\$ 217,251	\$ 3,616,510
Licenses & Permits	101,272	--	--	--	--	101,272
State Revenue Sharing	596,803	130,854	379,755	--	--	1,107,412
Grants & Contributions	70,685	--	45,113	--	329,241	445,039
Charges for Services	840,136	--	174,883	--	236,218	1,251,237
Fines & Forfeits	24,513	--	--	--	--	24,513
Refunds & Reimbursements	180,148	--	--	--	21,429	201,577
Rental Income	25,562	--	--	--	--	25,562
Other Revenue	214,385	--	--	116,159	--	330,544
Interest on Investments	2,544	66	177	290,340	5,733	298,860
<b>Total Revenues</b>	<u>5,455,307</u>	<u>130,920</u>	<u>599,928</u>	<u>406,499</u>	<u>809,872</u>	<u>7,402,526</u>
<b>Expenditures</b>						
General Government	1,268,273	--	--	--	67,285	1,335,558
Public Safety	1,686,598	--	--	--	40,806	1,727,404
Public Works	986,842	130,766	276,848	--	533,889	1,928,345
Community & Economic Development	272,484	--	--	--	--	272,484
Recreation & Culture	362,784	--	--	--	183	362,967
Capital Outlay	78,969	1,100,000	1,242,885	--	210,399	2,632,253
Debt Service - Principal	462,168	--	120,000	--	5,616	587,784
Debt Service - Interest	344,842	--	23,350	--	--	368,192
Other	126,884	--	--	45,423	--	172,307
<b>Total Expenditures</b>	<u>5,589,844</u>	<u>1,230,766</u>	<u>1,663,083</u>	<u>45,423</u>	<u>858,178</u>	<u>9,387,294</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>(134,537)</u>	<u>(1,099,846)</u>	<u>(1,063,155)</u>	<u>361,076</u>	<u>(48,306)</u>	<u>(1,984,768)</u>
<b>Other Financing Sources (Uses)</b>						
Proceeds from Refunded Bonds	1,075,000	--	--	--	--	1,075,000
Proceeds from Debt Issuance	16,043	--	--	--	--	16,043
Transfers from Other Funds	428,585	1,170,000	1,161,571	--	1,589,313	4,349,469
Payment to Advance Refund Bonds	(1,040,000)	--	--	--	--	(1,040,000)
Transfers to Other Funds	(151,030)	(111,062)	(70,000)	(342,782)	(2,707,788)	(3,382,662)
<b>Net Other Financing Sources (Uses)</b>	<u>328,598</u>	<u>1,058,938</u>	<u>1,091,571</u>	<u>(342,782)</u>	<u>(1,118,475)</u>	<u>1,017,850</u>
<b>Net Change in Fund Balance</b>	<u>194,061</u>	<u>(40,908)</u>	<u>28,416</u>	<u>18,294</u>	<u>(1,166,781)</u>	<u>(966,918)</u>
<b>Fund Balance at Beginning of Period</b>	<u>981,242</u>	<u>81,017</u>	<u>73,860</u>	<u>8,730,279</u>	<u>2,132,822</u>	<u>11,999,220</u>
<b>Fund Balance at End of Period</b>	<u>\$ 1,175,303</u>	<u>\$ 40,109</u>	<u>\$ 102,276</u>	<u>\$ 8,748,573</u>	<u>\$ 966,041</u>	<u>\$ 11,032,302</u>

The Notes to the Financial Statements are an integral part of these Financial Statements

**City of Manistee**  
**Reconciliation of Governmental Funds Statement of Revenues, Expenditures, and**  
**Changes in Fund Balance with Statement of Activities**  
**For the Year Ended June 30, 2012**

Total Net Change in Fund Balances - Governmental Funds	\$	(966,918)
Changes in net assets of internal service funds that are treated as enterprise fund changes in net assets in the fund level statements are treated as governmental fund changes in net assets in the entity-wide statements		127,669
Governmental funds report capital outlay as expenditures; however, in the Statement of Activities, the cost of those assets is allocated over the estimated useful lives as depreciation expense. This is the amount by which the capital outlay expenditures of \$2,632,253 are in excess of depreciation expense of \$682,773		1,949,480
Repayment of bond principal is an expenditure in the governmental funds but the repayment reduces long-term liabilities in the Statement of Net Assets		587,784
Bond issuance costs are reported as deferred charges and amortized over the term of the related debt		(13,027)
Increase in accrued interest expense		(2,677)
Increase in compensated absences		(322)
Proceeds from debt issuance are reported as revenue in the fund statements, but reported as liabilities in the statement of net assets		(51,043)
Increase in Other Post Employment Benefits		(22,311)
<b>Changes in Net Assets - Governmental Funds</b>	<b>\$</b>	<b><u>1,608,636</u></b>

The Notes to the Financial Statements are an integral part of these Financial Statements

**City of Manistee**  
**Statement of Net Assets**  
**Proprietary Funds**  
**June 30, 2012**

	<u>Business-type Activities - Enterprise Funds</u>			<b>Governmental</b>
	<u>Water &amp; Sewer</u>	<u>Other Enterprise Funds</u>	<u>Total Enterprise Funds</u>	<b>Internal Service Funds</b>
<b>ASSETS</b>				
<i>Current Assets</i>				
Cash & Cash Equivalents	\$ 14,579	\$ 69,705	\$ 84,284	\$ 365,423
Investments	488,052	--	488,052	--
Receivables	528,714	23,874	552,588	--
Due from Agency Funds	6,857	--	6,857	--
Prepaid Expenditures	12,594	530	13,124	2,837
Inventory	--	16,324	16,324	--
Due from Other Funds	461,613	55,362	516,975	--
<b>Total Current Assets</b>	<u>1,512,409</u>	<u>165,795</u>	<u>1,678,204</u>	<u>368,260</u>
<i>Noncurrent Assets</i>				
Cash & Cash Equivalents - Restricted	487,802	--	487,802	--
Deferred Charges	344,883	--	344,883	--
Capital Assets, net	20,865,664	3,789,914	24,655,578	1,067,910
<b>Total Assets</b>	<u>23,210,758</u>	<u>3,955,709</u>	<u>27,166,467</u>	<u>1,436,170</u>
<b>LIABILITIES</b>				
<i>Current Liabilities</i>				
Accounts Payable	33,769	32,137	65,906	8,701
Accrued Liabilities	--	3,488	3,488	--
Due to Other Governments	--	98	98	--
Security Deposits	32,600	2,980	35,580	--
Accrued Payroll & Related Liabilities	7,320	1,773	9,093	--
Accrued Interest Payable	54,024	25,744	79,768	2,010
Current Portion of Long-term Debt	980,000	144,952	1,124,952	38,484
Due to Other Funds	72,815	427,383	500,198	--
<b>Total Current Liabilities</b>	<u>1,180,528</u>	<u>638,555</u>	<u>1,819,083</u>	<u>49,195</u>
<i>Noncurrent Liabilities</i>				
Accrued Absences	57,803	1,120	58,923	--
Long-term Debt less Current Portion	11,355,360	1,720,376	13,075,736	39,837
<b>Total Liabilities</b>	<u>12,593,691</u>	<u>2,360,051</u>	<u>14,953,742</u>	<u>89,032</u>
<b>NET ASSETS</b>				
Invested in Fixed Assets Net of Related Debt	8,450,054	1,924,586	10,374,640	988,589
<i>Restricted for:</i>				
Restricted	500,396	16,854	517,250	--
<i>Unrestricted</i>	1,666,617	(345,782)	1,320,835	358,549
<b>Total Net Assets</b>	<u>\$ 10,617,067</u>	<u>\$ 1,595,658</u>	<u>\$ 12,212,725</u>	<u>\$ 1,347,138</u>

The Notes to the Financial Statements are an integral part of these Financial Statements

**City of Manistee**  
**Statement of Revenues, Expenses, and Changes in Net Assets**  
**Proprietary Funds**  
**For the Year Ended June 30, 2012**

	<u>Business-type Activities - Enterprise Funds</u>			<b>Governmental</b>
	<u>Water &amp; Sewer</u>	<u>Other Enterprise Funds</u>	<u>Total Enterprise Funds</u>	<u>Activities Internal Service Funds</u>
<b>Operating Revenues</b>				
Charges for Services	\$ 2,751,466	\$ 283,279	\$ 3,034,745	\$ 379,506
Other Revenue	118,775	28,352	147,127	--
<b><i>Total Operating Revenues</i></b>	<u>2,870,241</u>	<u>311,631</u>	<u>3,181,872</u>	<u>379,506</u>
<b>Operating Expenses</b>				
Recreation & Culture	--	133,411	133,411	--
Water Operations	832,579	--	832,579	--
Sewer WWTP	646,488	--	646,488	--
Sewer Collections	170,925	--	170,925	--
Boat Ramp	--	13,134	13,134	--
Marina	--	220,339	220,339	--
Motor Pool Operations	--	--	--	90,245
Depreciation & Amortization	1,073,981	107,136	1,181,117	166,485
<b><i>Total Operating Expenses</i></b>	<u>2,723,973</u>	<u>474,020</u>	<u>3,197,993</u>	<u>256,730</u>
<b><i>Operating Income (Loss)</i></b>	<u>146,268</u>	<u>(162,389)</u>	<u>(16,121)</u>	<u>122,776</u>
<b>Non-Operating Revenues (Expenses)</b>				
Grants & Contributions	--	24,758	24,758	--
Interest on Investments	6,807	1,786	8,593	2,893
Gain on Disposal	--	--	--	2,000
Bond Interest & Fees	356,228	--	356,228	--
Interest Expense	(360,967)	(69,647)	(430,614)	--
<b><i>Net Non-Operating Revenues (Expenses)</i></b>	<u>2,068</u>	<u>(43,103)</u>	<u>(41,035)</u>	<u>4,893</u>
<b><i>Income Before Contributions and Transfers</i></b>	<u>148,336</u>	<u>(205,492)</u>	<u>(57,156)</u>	<u>127,669</u>
Transfers from Other Funds	2,468,541	361,878	2,830,419	--
Transfers to Other Funds	(3,797,226)	--	(3,797,226)	--
<b><i>Change In Net Assets</i></b>	<u><b>(1,180,349)</b></u>	<u><b>156,386</b></u>	<u><b>(1,023,963)</b></u>	<u><b>127,669</b></u>
<i>Net Assets at Beginning of Period</i>	11,797,416	1,439,272	13,236,688	1,219,469
<b><i>Net Assets at End of Period</i></b>	<u><b>\$ 10,617,067</b></u>	<u><b>\$ 1,595,658</b></u>	<u><b>\$ 12,212,725</b></u>	<u><b>\$ 1,347,138</b></u>

The Notes to the Financial Statements are an integral part of these Financial Statements

**City of Manistee**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended June 30, 2012**

	<b>Business-type Activities</b>			<b>Governmental Activities</b>
	<b>Enterprise Funds</b>			
	<b>Water &amp; Sewer</b>	<b>Other Enterprise Funds</b>	<b>Total</b>	<b>Internal Service Funds</b>
<b>Cash Flows from Operating Activities</b>				
Receipts from Customers	\$ 2,852,526	\$ 302,168	\$ 3,154,694	\$ 379,506
Payments to Suppliers	(1,019,515)	(409,003)	(1,428,518)	(81,887)
Payments to Employees	(680,812)	(66,039)	(746,851)	-
<b>Total Cash Flows from Operating Activities</b>	<b>1,152,199</b>	<b>(172,874)</b>	<b>979,325</b>	<b>297,619</b>
<b>Cash Flows from Non-capital Financing Activities</b>				
Transfers from (to) Other Funds	(1,180,349)	361,878	(818,471)	-
(Increase) Decrease in Due from Other Funds	(196,881)	(55,362)	(252,243)	-
(Decrease) Increase in Due to Other Funds	(225,384)	(25,869)	(251,253)	-
<b>Total Cash Flows from Non-capital Financing Activities</b>	<b>(1,602,614)</b>	<b>280,647</b>	<b>(1,321,967)</b>	<b>-</b>
<b>Cash Flows from Capital and Related Financing Activities</b>				
Proceeds from Debt Issuance	1,869,589	1,250,000	3,119,589	-
Receipts from Other Agencies	-	24,758	24,758	-
Collection of Customer Assessments	356,228	-	356,228	-
Purchase of Capital Assets	(1,806,091)	(1,452,427)	(3,258,518)	(191,350)
Principal Paid on Capital Debt	(1,002,735)	(108,544)	(1,111,279)	(51,836)
Interest Paid on Capital Debt	(355,944)	(52,373)	(408,317)	(2,291)
<b>Total Cash Flows from Capital and Related Financing Activities</b>	<b>(938,953)</b>	<b>(338,586)</b>	<b>(1,277,539)</b>	<b>(245,477)</b>
<b>Cash Flows from Investing Activities</b>				
Interest on Investments	6,807	1,786	8,593	2,893
<b>Total Cash Flows from Investing Activities</b>	<b>6,807</b>	<b>1,786</b>	<b>8,593</b>	<b>2,893</b>
<b>Net Increase (Decrease) in Cash &amp; Cash Equivalents</b>	<b>(1,382,561)</b>	<b>(229,027)</b>	<b>(1,611,588)</b>	<b>55,035</b>
Cash & Cash Equivalents - Beginning of Year	2,372,994	298,732	2,671,726	310,388
<b>Cash &amp; Cash Equivalents - End of Year</b>	<b>\$ 990,433</b>	<b>\$ 69,705</b>	<b>\$ 1,060,138</b>	<b>\$ 365,423</b>

The Notes to the Financial Statements are an integral part of these Financial Statements

**City of Manistee**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended June 30, 2012**

	<b>Business-type Activities</b>			<b>Governmental Activities</b>
	<b>Enterprise Funds</b>			
	<b>Water &amp; Sewer</b>	<b>Other Enterprise Funds</b>	<b>Total</b>	<b>Internal Service Funds</b>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</b>				
Operating Income (Loss)	\$ 146,268	\$ (162,389)	\$ (16,121)	\$ 122,776
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities				.
Depreciation & Amortization Expense	1,073,981	107,136	1,181,117	166,485
Changes in Assets & Liabilities				
Receivables	(17,715)	(9,463)	(27,178)	-
Inventory	-	(4,363)	(4,363)	-
Prepaid Expenses	81	(402)	(321)	(343)
Accounts Payable	(69,604)	(104,354)	(173,958)	8,701
Compensated Absences	11,868	(812)	11,056	-
Accrued Payroll	7,320	1,773	9,093	-
<b>Net Cash Provided by Operating Activities</b>	<b>\$ 1,152,199</b>	<b>\$ (172,874)</b>	<b>\$ 979,325</b>	<b>\$ 297,619</b>

The Notes to the Financial Statements are an integral part of these Financial Statements

**City of Manistee**  
**Combining Statement of Net Assets**  
**Component Units**  
**June 30, 2012**

	<b>Downtown Development Authority</b>	<b>Housing Commission</b>	<b>Friends of the Ramsdell</b>	<b>Total Component Units</b>
<b>ASSETS</b>				
<i>Current Assets</i>				
Cash & Cash Equivalents	\$ 221,949	\$ 339,682	\$ 2,365	\$ 563,996
Investments	200,249	--	--	200,249
Receivables	54,883	15,627	--	70,510
<b>Total Current Assets</b>	<b>477,081</b>	<b>355,309</b>	<b>2,365</b>	<b>834,755</b>
<i>Noncurrent Assets</i>				
Cash & Cash Equivalents - Restricted	--	53,593	--	53,593
Deferred Charges	--	25,429	--	25,429
Capital Assets, net	--	4,159,682	--	4,159,682
Receivables - Noncurrent	79,997	--	--	79,997
<b>Total Assets</b>	<b>557,078</b>	<b>4,594,013</b>	<b>2,365</b>	<b>5,153,456</b>
<b>LIABILITIES</b>				
<i>Current Liabilities</i>				
Accounts Payable	25,563	41,367	--	66,930
Accrued Liabilities	6,005	--	--	6,005
Deferred Revenue	--	1,211	--	1,211
Due to Other Governments	--	38,413	--	38,413
Security Deposits	--	53,593	--	53,593
Accrued Payroll & Related Liabilities	1,256	27,998	--	29,254
Current Portion of Long-term Debt	--	8,657	--	8,657
<b>Total Current Liabilities</b>	<b>32,824</b>	<b>171,239</b>	<b>--</b>	<b>204,063</b>
<i>Noncurrent Liabilities</i>				
Accrued Absences	--	16,095	--	16,095
Long-term Debt less Current Portion	--	1,708,152	--	1,708,152
<b>Total Liabilities</b>	<b>32,824</b>	<b>1,895,486</b>	<b>--</b>	<b>1,928,310</b>
<b>NET ASSETS</b>				
Invested in Fixed Assets Net of Related Debt	--	2,442,873	--	2,442,873
<i>Restricted for:</i>				
Restricted	--	53,593	--	53,593
<i>Unrestricted</i>	524,254	202,061	2,365	728,680
<b>Total Net Assets</b>	<b>\$ 524,254</b>	<b>\$ 2,698,527</b>	<b>\$ 2,365</b>	<b>\$ 3,225,146</b>

The Notes to the Financial Statements are an integral part of these Financial Statements

**City of Manistee**  
**Combining Statement of Activities**  
**Component Units**  
**For the Year Ended June 30, 2012**

	<b>Downtown Development Authority</b>	<b>Housing Commission</b>	<b>Friends of the Ramsdell</b>	<b>Total Component Units</b>
<b>Expenses</b>				
Health & Welfare	\$ --	\$ 1,483,263	\$ --	\$ 1,483,263
Community & Economic Development	370,665	--	--	370,665
<b>Total Expenses</b>	<u>370,665</u>	<u>1,483,263</u>	<u>--</u>	<u>1,853,928</u>
<b>Program Revenues</b>				
Charges for Services	45,932	599,262	--	645,194
Operating Grants & Contributions	506	489,213	--	489,719
Capital Grants & Contributions	--	18,456	--	18,456
<b>Total Program Revenues</b>	<u>46,438</u>	<u>1,106,931</u>	<u>--</u>	<u>1,153,369</u>
<b>Net Program Revenues (Expenses)</b>	<u>(324,227)</u>	<u>(376,332)</u>	<u>--</u>	<u>(700,559)</u>
<b>General Revenue</b>				
Tax Revenues	333,290	--	--	333,290
Other Revenue	17,211	90,979	--	108,190
Interest on Investments	1,808	1,174	4	2,986
<b>Total General Revenues</b>	<u>352,309</u>	<u>92,153</u>	<u>4</u>	<u>444,466</u>
<b>Change in Net Assets</b>	<b>28,082</b>	<b>(284,179)</b>	<b>4</b>	<b>(256,093)</b>
<i>Net Assets at Beginning of Period</i>	496,172	2,906,249	2,361	3,404,782
<i>Prior Period Adjustment (Note 11)</i>	-	(76,457)	-	(76,457)
<i>Beginning Net Assets - Restated</i>	<u>496,172</u>	<u>2,829,792</u>	<u>2,361</u>	<u>3,328,325</u>
<b>Net Assets at End of Period</b>	<b>\$ 524,254</b>	<b>\$ 2,698,527</b>	<b>\$ 2,365</b>	<b>\$ 3,225,146</b>

The Notes to the Financial Statements are an integral part of these Financial Statements

**City of Manistee**  
**Statement of Fiduciary Net Assets**  
**Fiduciary Funds**  
**June 30, 2012**

	<b>Agency</b>		
	<b>Delinquent Tax</b>	<b>Payroll Clearing</b>	<b>Current Tax Collection</b>
<b>ASSETS</b>			
Cash & Cash Equivalents	\$ 4,716	\$ 33,162	\$ 237,394
<i>Total Assets</i>	4,716	33,162	237,394
<b>LIABILITIES</b>			
Due to Other Agencies	4,716	4,000	237,394
Accrued Payroll & Related Liabilities	--	29,162	--
<i>Total Liabilities</i>	4,716	33,162	237,394
<b>NET ASSETS</b>			
Held in Trust	\$ --	\$ --	\$ --

The Notes to the Financial Statements are an integral part of these Financial Statements

## City of Manistee

### Notes to the Financial Statements

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#### **Note 1 – Summary of Significant Accounting Policies**

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

#### **Reporting entity**

The City of Manistee (the "City") is directed by a City Council elected by the community at large. This legislative body appoints a City Manager to administer the affairs of the City. The City provides the following services as authorized by its charter: public safety (police and fire), highways and streets, parks and recreation, public improvements, planning and zoning and general administrative services. The City has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 14 and Statement No. 39, regarding the definition of the reporting entity.

#### **Discretely Presented Component Units**

##### **Friends of the Ramsdell**

In accordance with GASB Statement No. 39, the financial statements of the Friends of the Ramsdell are included as a discretely presented component unit in the financial statements of the City. A complete financial statement of the Friends of the Ramsdell is included within these financial statements.

The Friends of the Ramsdell financial statements are prepared in accordance with the accounting standards established by the Financial Accounting Standards Board and accordingly, a reporting model different from that of the City is used. The Friends of the Ramsdell financial statements included within reflect both models.

##### **Manistee City Housing Commission**

The Mayor, with approval of the City Council, appoints the members of the governing board of the Commission. The Commission's fiscal year end is December 31, 2011. A complete financial statement of the Housing Commission can be obtained from the Executive Director, City of Manistee Housing Commission, Century Terrace, Manistee, Michigan 49660.

## City of Manistee

### Notes to the Financial Statements

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#### Downtown Development Authority (“DDA”)

The Mayor, with approval of the City Council, appoints the members of the governing board of the DDA. The City also has the ability to significantly influence the operations of the DDA. A complete financial statement of the DDA can be obtained from the City Finance Director, City of Manistee, 70 Maple Street, P0 Box 358, Manistee, Michigan 49660-0358.

#### **Blended Component Units**

##### Brownfield Redevelopment Authority

The Mayor with approval of the City Council appoints the members of the governing board of the Brownfield Redevelopment Authority. The Brownfield Redevelopment Authority is reported as a blended component unit as a part of the City of Manistee statements.

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

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

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include; 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

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

## City of Manistee

### Notes to the Financial Statements

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#### **Measurement focus, basis of accounting, and financial statement presentation**

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting* as are the proprietary fund and fiduciary fund financial statements, except for agency funds, which do not have a measurement focus. Revenues are recorded when earned and expenses are recorded when liabilities are incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

Property taxes, state-shared revenue, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the City.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

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

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 Water and Sewer Enterprise Fund and of the government's Motor Pool Internal Service Fund are charges to customers for sales and services. The enterprise fund also recognizes as operating revenues the portion of tap fees intended to recover the cost of

## City of Manistee

### Notes to the Financial Statements

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connecting new customers to the system. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the city's policy to use restricted resources first, and then use unrestricted resources as they are needed.

The City reports the following major governmental funds:

#### General Fund

The *General Fund* is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

#### Oil & Gas Fund

The *Oil & Gas Fund* accounts for the use of money derived from oil and gas royalties, which was endowed in a permanent fund. The income from the endowment was pledged to subsidize the water and sewer operations. The City is starting to phase out the subsidy so the water and sewer operations will become self-sufficient, and interest from this fund can be used for capital improvements.

#### Major Street Fund

The *Major Street Fund* accounts for the maintenance and improvement activities for streets designated as "major" within the City. Funding is primarily through state shared gas and weight taxes.

#### Local Street Fund

The *Local Street Fund* accounts for the maintenance and improvement activities for streets designated as "local" within the City. Funding is primarily through state shared gas and weight taxes.

The government reports the following major proprietary funds:

#### Water and Sewer Fund

The *Water and Sewer Fund* is the City's major proprietary fund. It accounts for the activities of the City's water distribution, sewage disposal and treatment system.

## City of Manistee

### Notes to the Financial Statements

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Additionally, the City reports the following fund types:

#### Internal Service Fund

The *Internal Service Fund* accounts for fleet and equipment management to other departments or agencies of the City, or to other governments, on a cost reimbursement basis.

#### Agency Funds

The *Agency Funds* account for assets held for other governments in an agency capacity, including tax collections.

#### Non-major Special Revenue Fund

The *Non-major Special Revenue Fund* account for those areas where separate reporting is required or desired.

#### Non-major Enterprise Fund

The *Non-major Enterprise Fund* accounts for the operations of the Boat Ramp, Marina, and Ramsdell Theater funds.

#### Non-major Capital Projects Fund

The *Non-major Capital Projects Fund* accounts for resources for the Capital Improvement and Renaissance Park Funds.

### **Assets, Liabilities and Net Assets of Equity**

#### Cash and Cash Equivalents

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

Investments are stated at fair market value.

#### Receivables and payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year and all other outstanding balances between funds are referred to as "due to/from other funds" (i.e., the current portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

## City of Manistee

### Notes to the Financial Statements

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#### Property Taxes

The City's property taxes are levied each July 1 on the taxable valuation of property located in the City as of the preceding December 31, the lien date. Property taxes are payable without penalty and interest through August 20; as of March 1 of the succeeding year, unpaid real property taxes are sold to and collected by Manistee County.

Assessed values as established annually by the City, and subject to acceptance by the County, are equalized by the state at an estimated 50% of current market value. Real and personal property in the City for the 2011 levy were assessed and equalized at \$204,113,394 (not including properties subject to Industrial Facilities Tax Exemption), representing 50% of estimated current market value.

The government's general operating tax rate for fiscal year 2012 was 17.30 mills, with an additional 1.15 mills levied for the City Refuse Fund.

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

#### Restricted Assets

Cash and investments of the Water and Sewer Fund are restricted by bond debt requirements in the amount of \$487,802.

#### Inventories and Prepaid Items

Inventory (if held) by the enterprise funds is valued at cost on the first-in, first-out basis. Inventory of expendable supplies in other funds have not been recorded and the amount of any such inventories is not considered material. The cost value of such inventories has been treated as an expenditure at the time of purchase.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

# City of Manistee

## Notes to the Financial Statements

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### Capital assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

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

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

<u>Description</u>	<u>Useful Life</u>
Buildings	40 - 50 Years
Public domain infrastructure	50 Years
System infrastructure	50 Years
Vehicles	3 - 20 Years
Equipment	5 - 10 Years

Capital assets of the Housing Commission with a cost to acquire or construct of \$600 or more are capitalized and depreciated over their useful lives. Depreciation is provided on a straight-line basis using the following estimated useful lives:

<u>Description</u>	<u>Useful Life</u>
Buildings - dwellings	40 Years
Buildings - nondwellings	20 Years
Equipment - dwellings	7 Years
Equipment - nondwellings	5 - 7 Years
Building improvements	5 - 40 Years

## City of Manistee

### Notes to the Financial Statements

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#### Compensated Absences (Vacation, Personal, and Sick Leave)

Vacation and sick days for the City's salaried and some hourly employees are determined by the City's personnel policies, and the remaining City's hourly employees are determined by the union agreement between the City and the employees' union. The liability for these amounts will be included in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations or retirements.

The Housing Commission allows permanent employees to accumulate the following compensated absences:

- Vacation leave with pay granted annually shall be used within eighteen months after qualifying for the same. Vacation leave not used shall be forfeited.
- Each employee shall be granted one day for each month of employment for sick leave, not to exceed twelve days per year. Employees may accumulate up to 180 sick leave days.
- Each employee who has two or more years of service shall be granted three days per year for personal business not to be deducted from sick leave. Employees with less than two years of service shall be granted one day off per year for personal business not to be deducted from sick leave.

#### Long-term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

## City of Manistee

### Notes to the Financial Statements

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#### Fund equity

In the fund financial statements fund balance is presented in five possible categories, each of which identifies the extent to which the City is bound to honor constraints on the specific purpose for which the amounts can be spent:

*Nonspendable* – amounts which cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained directly.

*Restricted* – amounts that have constraints placed on their use by an external party or constitutional provisions or enabling legislation (e.g., grants, contributions, specific fee mandates).

*Committed* – amounts that are committed for specific purposes by the Council, as the City's highest level of decision-making authority, pursuant to constraints imposed by formal actions taken, such as a majority vote or resolution. These committed amounts cannot be used for any other purpose unless the Council removes or changes the specific use through the same type of formal action taken to establish the commitment.

*Assigned* – amounts that are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed.

*Unassigned* – amounts that are available for any purpose. The General Fund is the only fund that reports a positive unassigned fund balance amount. Unassigned balances also include negative balances in the governmental funds reporting resources restricted for specific programs.

Designations of fund balance represent tentative management plans that are subject to change. It is the City's policy to first use restricted resources when both restricted and unrestricted net assets or fund balances are available. For purposes of fund balance classification, expenditures are to be spent from Restricted Fund Balance first (when appropriate), followed in order by Committed Fund Balance, Assigned Fund Balance, and lastly, Unassigned Fund Balance.

#### Current Vulnerability due to Certain Concentrations

The Housing Commission operates in a heavily regulated environment. The operations of the Housing Commission are subject to the administrative directives, rules and regulations of federal, state and local regulatory agencies, including, but not limited to, HUD. Such administrative directives, rules and regulations are subject to change by an act of Congress or administrative changes mandated by HUD. Such changes may occur with little notice and inadequate funding to pay for the related cost, including the additional administrative burden to comply with a change.

## City of Manistee

### Notes to the Financial Statements

#### Note 2 - Stewardship , Compliance and Accountability

##### Budgetary Information

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the general and special revenue funds. All annual appropriations lapse at fiscal year end.

Not later than May 15th of each year, the Council shall by resolution adopt a budget for the next fiscal year, shall appropriate the money needed for municipal purposes during the next fiscal year of the City and shall provide for a levy of the amount necessary to be raised by taxes upon real and personal property for municipal purposes subject to limitations.

The budget document presents information by fund, department, and line items. The legal level of budgetary control adopted by the City Council is the department level, which is the level at which expenditures may not legally exceed appropriations. A City Council resolution may approve transfers of appropriations between departments.

##### Excess of Expenditures Over Appropriations

For the year ended June 30, 2012, the excess of expenditures over appropriations were as follows:

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance</b>
	<u>Original</u>	<u>Final</u>		<b>Favorable (Unfavorable) Final to Actual</b>
<b>General Government</b>				
Assessor	\$ 108,512	\$ 113,512	\$ 114,613	\$ (1,101)
Attorney	80,000	92,000	104,077	(12,077)
<b>Public Safety</b>				
Fire	695,432	725,432	736,526	(11,094)
<b>Public Works</b>				
Streets & Highways	1,023,255	1,036,255	1,041,365	(5,110)
<b>Recreation &amp; Culture</b>				
Parks & Recreation	357,276	372,276	387,230	(14,954)
<b>Other</b>				
Debt Service - Interest	147,047	325,827	344,842	(19,015)
<b>Other Financing Uses</b>				
Transfers to Other Funds	60,000	60,000	151,030	(91,030)

# City of Manistee

## Notes to the Financial Statements

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### Note 3 - Deposits and investments

Michigan Compiled Laws, Section 129.91 authorizes the local government unit to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations, which have an office in Michigan. The local unit is allowed to invest in bonds, securities, and other direct obligations of the United States or any agency or instrumentality of the United States; United States government or federal agency obligations; repurchase Agreements; bankers acceptance of United States banks; commercial paper rated within the two highest classifications which mature not more than 270 days after the date of purchase; obligations of the state of Michigan or its political subdivisions which are rated as investment grade; and mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan.

The City Council has designated six banks for the deposit of City funds. The investment policy adopted by the Council in accordance with Public Act 20 of 1943 has authorized all allowable investments except repurchase agreements.

The City's deposit and investment policy is in accordance with statutory authority.

Cash and cash equivalents, investments and restricted assets are reported in the financial statements as follows:

	Governmental Activities	Business-type Activities	Total Primary Government
Cash and Cash Equivalents	\$ 3,557,625	\$ 84,284	\$ 3,641,909
Restricted Cash and Cash Equivalents	-	487,802	487,802
Total	<u>\$ 3,557,625</u>	<u>\$ 572,086</u>	<u>\$ 4,129,711</u>

## City of Manistee

### Notes to the Financial Statements

As of year end, the City had the following investments:

<u>Investment</u>	<u>Fair Value</u>	<u>Rating</u>	<u>Rating Organization</u>
Fixed Income			
Certificate of Deposit	\$ 309,110		
Corporate Bonds	341,024	AA+	Standard & Poors
Corporate Bonds	386,968	A+	Standard & Poors
Corporate Bonds	565,459	A	Standard & Poors
Corporate Bonds	981,703	A-	Standard & Poors
Corporate Bonds	444,458	BBB+	Standard & Poors
Corporate Bonds	53,183	BBB	Standard & Poors
Equities	4,125,139		
Cash & Money Market	411,275		
Other Assets	377,410		
<b>Total</b>	<b>\$ 7,995,728</b>		

#### Investment and deposit risk

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

*Credit Risk* - State law limits investments to specific government securities, certificates of deposits and bank accounts with qualified financial institutions, commercial paper with specific maximum maturities and ratings when purchased, bankers acceptances of specific financial institutions, qualified mutual funds and qualified external investment pools. The City's investment policy does not have specific limits in excess of state law on investment credit risk.

*Custodial Credit Risk - Deposits.* Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned. State law does not require and the City does not have a policy for deposit custodial credit risk. The following schedule summarizes the bank balance and carrying amount at year end.

	<u>Bank Balance</u>	<u>Carrying Amount</u>
Amount Insured by the FDIC	\$ 1,476,756	\$ 1,476,756
Amount Uninsured and Uncollateralized	3,007,160	2,652,955
	<b>\$ 4,483,916</b>	<b>\$ 4,129,711</b>

# City of Manistee

## Notes to the Financial Statements

*Concentration of Credit Risk.* State law limits allowable investments but does not limit concentration of credit risk as identified on the previous page. The City’s investment policy also does not have specific limits in concentration of credit risk. Each of the investments held by the City exceeds five percent of the City’s total investments.

### Note 4 – Receivables

Receivables as of year end for the government’s individual major funds and non-major in aggregate, including the applicable allowances for uncollectible accounts are as follows:

	<u>General Fund</u>	<u>Oil &amp; Gas</u>	<u>Major Street</u>	<u>Local Street</u>	<u>Non-major Funds</u>	<u>Water &amp; Sewer</u>	<u>Other Enterprise Funds</u>	<u>Total</u>
Receivables								
Trade	\$ 64,209	\$ -	\$ -	\$ -	\$ 43,524	\$ 300	\$ 23,874	\$ 131,907
Taxes	2,400	-	-	-	1,994	16,665	-	21,059
Accrued	84,087	-	-	-	-	218,915	-	303,002
Accrued Interest	-	39,726	-	-	-	-	-	39,726
Unbilled	-	-	-	-	-	292,834	-	292,834
Special Assessment	-	-	-	-	10,292	-	-	-
Due from State Government	96,157	-	96,529	21,550	-	-	-	214,236
Due from Federal Government	-	-	-	-	-	-	-	-
Total Receivables	<u>\$ 246,853</u>	<u>\$ 39,726</u>	<u>\$ 96,529</u>	<u>\$ 21,550</u>	<u>\$ 55,810</u>	<u>\$ 528,714</u>	<u>\$ 23,874</u>	<u>\$ 1,013,056</u>

## City of Manistee

### Notes to the Financial Statements

#### Note 5 - Capital assets

##### Primary Government

Capital assets recorded in the governmental activities of the primary government includes all sidewalk and streetscape improvements since the fiscal year ended June 30, 1997, streetlight improvements since the fiscal year ended June 30, 2003 and street improvements since the implementation of GASB 34.

Capital assets activity in the governmental and business-type activities was as follows:

<b>Governmental Activities</b>	<u>June 30, 2011</u>	<u>Additions</u>	<u>Reductions</u>	<u>June 30, 2012</u>
Capital assets not being depreciated				
Land	\$ 4,715,697	\$ -	\$ -	\$ 4,715,697
Construction in Process	1,039,293	109,783	1,039,293	109,783
Capital assets being depreciated				
Land Improvements	5,178,614	32,615	-	5,211,229
Infrastructure	6,822,503	3,359,234	-	10,181,737
Buildings & Structure	5,987,799	48,200	-	6,035,999
Vehicles	-	-	-	-
Furniture & Equipment	705,074	121,715	-	826,789
Total capital assets, being depreciated	<u>18,693,990</u>	<u>3,561,764</u>	<u>-</u>	<u>22,255,754</u>
Less accumulated depreciation				
Land Improvements	1,601,407	115,441	-	1,716,848
Infrastructure	1,350,985	329,729	-	1,680,714
Buildings & Structure	2,362,306	178,081	-	2,540,387
Furniture & Equipment	470,778	59,521	-	530,299
Total accumulated depreciation	<u>5,785,476</u>	<u>682,772</u>	<u>-</u>	<u>6,468,248</u>
Internal Service Assets, net	1,041,044	26,866	-	1,067,910
Total capital assets being depreciated - Net	<u>\$ 19,704,548</u>	<u>\$ 3,015,641</u>	<u>\$ 1,039,293</u>	<u>\$ 21,680,896</u>
<b>Internal Service Fund</b>	<u>June 30, 2011</u>	<u>Additions</u>	<u>Reductions</u>	<u>June 30, 2012</u>
Capital assets being depreciated				
Vehicles	\$ 2,456,640	\$ 143,351	\$ 138,840	\$ 2,461,151
Equipment	1,104,475	50,000	32,375	1,122,100
Total capital assets being depreciated	<u>3,561,115</u>	<u>193,351</u>	<u>(171,215)</u>	<u>3,583,251</u>
Total accumulated depreciation	<u>2,520,071</u>	<u>166,485</u>	<u>171,215</u>	<u>2,515,341</u>
Internal Service Activity - Net	<u>\$ 1,041,044</u>	<u>\$ 26,866</u>	<u>\$ -</u>	<u>\$ 1,067,910</u>

## City of Manistee

### Notes to the Financial Statements

<b>Business-type Activities</b>	<u>June 30, 2011</u>	<u>Additions</u>	<u>Reductions</u>	<u>June 30, 2012</u>
Capital assets not being depreciated				
Land	\$ 60,207	\$ -	\$ -	\$ 60,207
Construction in Process	3,240,129	4,290	3,166,010	78,409
Capital assets being depreciated				
Land Improvements	417,502	-	-	417,502
Building & Structure	1,262,583	2,564,897	-	3,827,480
Infrastructure	31,361,738	3,645,941	-	35,007,679
Equipment	749,261	204,740	-	954,001
Total capital assets, being depreciated	<u>33,791,084</u>	<u>6,415,579</u>	<u>-</u>	<u>40,206,663</u>
Less accumulated depreciation				
Land Improvements	35,789	21,843	-	57,632
Building & Structure	383,728	68,707	-	452,435
Infrastructure	13,691,217	1,034,828	-	14,726,045
Equipment	402,806	50,783	-	453,589
Total accumulated depreciation	<u>14,513,540</u>	<u>1,176,160</u>	<u>-</u>	<u>15,689,700</u>
Business-type Activities Capital Assets - Net	<u>\$ 22,577,880</u>	<u>\$ 5,243,708</u>	<u>\$ 3,166,010</u>	<u>\$ 24,655,578</u>

Depreciation was charged as follows:

**Governmental Activities:**

General Government	\$ 158,628
Public Safety	82,533
Public Works	460,284
Recreation & Culture	147,812
Total Governmental Activities	<u>\$ 849,257</u>

**Business-type Activities:**

Water & Sewer	\$ 1,069,024
Boat Ramp	24,475
Marina	50,627
Ramsdell Theater	32,034
Total Business-type Activities	<u>\$ 1,176,160</u>

## City of Manistee

### Notes to the Financial Statements

#### Discretely Presented component units

Capital asset activity in the Housing Commission component unit was as follows:

<b>Housing Commission</b>	January 1, 2011	Additions	Reuctions	December 31, 2011
Capital assets not being depreciated				
Land	\$ 360,272	\$ -	\$ -	\$ 360,272
Construction in Progress	39,143	-	(39,143)	-
Capital assets being depreciated				
Leasehold Improvements	85,905	-	-	85,905
Buildings & Structure	9,687,803	51,072	-	9,738,875
Furniture & Equipment	693,143	12,552	-	705,695
Total capital assets, being depreciated	<u>10,466,851</u>	<u>63,624</u>	<u>-</u>	<u>10,530,475</u>
Total accumulated depreciation	<u>6,335,164</u>	<u>395,901</u>	<u>-</u>	<u>6,731,065</u>
Housing Commission Capital Assets - Net	<u>\$ 4,531,102</u>	<u>\$ (332,277)</u>	<u>\$ (39,143)</u>	<u>\$ 4,159,682</u>

#### Note 6 - Interfund receivables, payables and transfers

The composition of interfund balances is as follows as of June 30, 2012:

		Due to Other Funds					
		General Fund	City Refuse	Water & Sewer	Ramsdell	Marina	
Due from Other Funds	General Fund	\$ 4,031	\$ 15,500	\$ 5,469	\$ 15,000	\$ -	
	Marina	2,000	-	-	-	-	
	Ramsdell	-	952	-	-	-	
	Capital Improvement	-	-	-	6,725	-	
	2010 Capital Improvement	-	-	67,346	-	-	
	Water & Sewer	55,955	-	-	-	274,482	
		<u>\$ 61,986</u>	<u>\$ 16,452</u>	<u>\$ 72,815</u>	<u>\$ 21,725</u>	<u>\$ 274,482</u>	
			Grant Management	Boat Ramp	Brownfield Redevelopment	Capital Improvement	Total
	General Fund	\$ -	\$ -	\$ 60,000	\$ -	\$ 40,000	
	Marina	-	-	-	-	2,000	
Ramsdell	-	-	-	52,410	952		
Capital Improvement	25,533	-	-	-	6,725		
2010 Capital Improvement	-	-	-	-	67,346		
Water & Sewer	-	131,176	-	-	330,437		
	<u>\$ 25,533</u>	<u>\$ 131,176</u>	<u>\$ 60,000</u>	<u>\$ 52,410</u>	<u>\$ 447,460</u>		

**City of Manistee**

Notes to the Financial Statements

Interfund balances represent; 1) short-term borrowings between funds for cash flow purposes, 2) to act as an intermediate term loan to finance capital purchases, and 3) to transfer expenses to funds where they should have been recorded.

The composition of interfund transfers is as follows:

		Transfer Out to Other Funds				
		General Fund	Major Street	Local Street	Oil & Gas	
Transfer in from Other Funds	<b>General Fund</b>	\$ -	\$ -	\$ 81,283	\$ -	
	<b>Ramsdell Theater</b>	85,000	-	-	-	
	<b>Brownfield Redevelopment</b>	10,075	-	-	-	
	<b>Major Street</b>	-	-	29,779	-	
	<b>Capital Improvement</b>	-	-	-	-	
	<b>Grant Management</b>	-	-	-	-	
	<b>Water &amp; Sewer Fund</b>	55,955	-	-	342,782	
	<b>Local Street</b>	-	70,000	-	-	
	<b>Marina</b>	-	-	-	-	
	<b>2010 Capital Improvement</b>	-	-	-	-	
		<b>\$ 151,030</b>	<b>\$ 70,000</b>	<b>\$ 111,062</b>	<b>\$ 342,782</b>	
			<b>2010 Capital Improvement</b>	<b>Capital Improvement</b>	<b>Water &amp; Sewer</b>	<b>Total</b>
			<b>Bond</b>			
	<b>General Fund</b>	\$ -	\$ 72,564	\$ 274,738	\$ 428,585	
	<b>Ramsdell Theater</b>	-	236,878	-	321,878	
<b>Brownfield Redevelopment</b>	-	-	-	10,075		
<b>Major Street</b>	93,542	-	1,038,250	1,161,571		
<b>Capital Improvement</b>	-	-	342,782	342,782		
<b>Grant Management</b>	-	195,000	-	195,000		
<b>Water &amp; Sewer Fund</b>	2,069,804	-	-	2,468,541		
<b>Local Street</b>	-	-	1,100,000	1,170,000		
<b>Marina</b>	-	40,000	-	40,000		
<b>2010 Capital Improvement</b>	-	-	1,041,456	1,041,456		
	<b>\$ 2,163,346</b>	<b>\$ 544,442</b>	<b>\$ 3,797,226</b>	<b>\$ 7,179,888</b>		

Transfers are used to; 1) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations, 2) transfer amounts to debt service funds to make bond payments, and 3) to transfer interest revenue to the Water and Sewer Fund from the Oil & Gas Fund.

## City of Manistee

### Notes to the Financial Statements

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#### **Note 7 - Long-term debt**

*General obligation debt* - The City issues general obligation bonds to provide funds for the acquisition and construction of major capital projects. These are direct obligations of the City and the City has pledged the full faith and credit. The City obtains notes payable to provide funds for the acquisition of other capital assets, mostly vehicles and other related equipment.

Included in the governmental activities general obligation debt is a Michigan Economic Development Corporation (MEDC) Loan which was granted by the MEDC to assist in the funding of the construction of the City of Manistee Renaissance Park.

During fiscal 2007, the MEDC adopted a new policy regarding industrial parks which indicated that no interest would be charged on the repayment of loans given to local municipalities to finance the construction of industrial parks. Thus, no accrued interest has been recorded for this loan in the accompanying statement of net assets at June 30, 2012.

The business-type activities have both revenue and general obligation bonds. The revenue bonds principal and interest are to be paid from the net revenues from the respective water supply system and sewer supply system. The general obligation bonds have the City's limited tax obligation.

During fiscal 2006, the City issued \$6,285,000 of Water and Sewer Revenue Refunding Bonds, Series 2005. The proceeds were used to refund and decrease portions of the 1997A revenue bond issue, the 1998A revenue bond issue and the 1999A revenue bond issue maturing at varying amounts through 2028 in the amount of \$5,920,000.

The DDA bond payable is also a general obligation of the City. The component unit's payable was issued by the component unit on behalf of the primary government. The DDA refinanced the outstanding bond payable during the current year retiring \$1,040,000 and reissuing \$1,075,000 in general obligation bonds.

During the year ended December 31, 2008, the Housing Commission obtained one note payable from MSHDA. The three mortgages are forgivable mortgages secured by property and buildings. If the properties mortgaged are continuously used in the Domestic Violence program, the mortgages are forgivable over the 40 year term; 25% for each 10 years that the houses stay in the program. The Commission is required by the loan agreement to deposit money each year into a reserve account to cover maintenance and repairs for the homes over the term of the loans. The amount deposited in the reserve account as of December 31, 2011 was \$53,593.

## City of Manistee

### Notes to the Financial Statements

Following is a summary of bonds and notes payable of the City for the year ending June 30, 2012:

<u>Purpose</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>6/30/2012 Amount</u>
<b>Governmental Activities</b>			
<b>Government Funds</b>			
2003 General Obligation Bond	2024	2.50-4.40%	\$ 2,315,000
2010 DDA Limited Tax General Obligation Bond	2020	2.00-4.00%	965,000
1999 Michigan Transportation Fund Limited Tax General Obligation Bond	2015	4.40-5.20%	395,000
2010 Tax General Obligation	2031	2.00-4.65%	5,590,000
Michigan Economic Development Corporation Loan	2022	0.00%	55,691
Note payable - Manager's office copier	2017	4.25%	8,314
Note payable - Clerk's copier	2017	4.25%	5,541
<b>Internal Service Funds</b>			
Note payable - Pierce pumper	2014	3.49%	47,214
Note payable - Beach cleaner	2012	4.71%	-
Note Payable - Bucket Truck	2014	3.50%	31,127
			<u>\$ 9,412,887</u>
<b>Business-type Activities</b>			
1997 General Obligation Rev Bonds	2017	2.25%	\$ 155,000
1998 General Obligation Bonds	2019	2.25%	1,065,000
1999 General Obligation Bonds	2021	2.50%	1,170,000
2005 Water & Sewer Refunding Bonds	2028	3.25-4.25%	5,020,000
2006 SRF Water & Sewer Bonds	2027	1.63%	2,142,270
2010 SRF Water & Sewer Bonds	2031	2.50%	631,075
2010 DWRP Water & Sewer	2031	2.50%	445,000
2011 DWRP Water & Sewer Bonds	2031	2.50%	431,241
2011 SRF Water & Sewer Bonds	2031	2.50%	1,275,774
Marina Debt - Installment Purchase	2026	3.24%	359,926
Ramsdell Theater Roof	2017	3.99%	287,063
Ramsdell Theater HVAC	2027	3.64%	1,218,339
			<u>\$ 14,200,688</u>

## City of Manistee

### Notes to the Financial Statements

Annual debt service requirements to maturity for governmental activities and business-type activities are as follows:

	Governmental Activities			Business-type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2012	\$ 602,036	\$ 354,740	\$ 956,776	\$ 1,124,952	\$ 417,432	\$ 1,542,384
2013	633,616	335,710	969,326	1,165,449	380,695	1,546,144
2014	623,979	314,689	938,669	1,216,156	341,794	1,557,950
2015	509,216	296,225	805,441	1,247,075	303,156	1,550,232
2016	526,429	279,340	805,769	1,254,283	264,042	1,518,325
2017-2021	2,787,611	1,090,575	3,878,186	5,009,353	761,704	5,771,057
2022-2026	2,165,000	558,418	2,723,418	2,450,350	276,754	2,727,104
2027-2031	1,565,000	147,626	1,712,626	733,069	38,614	771,683
Totals:	<u>\$ 9,412,887</u>	<u>\$ 3,377,323</u>	<u>\$ 12,790,210</u>	<u>\$ 14,200,688</u>	<u>\$ 2,784,191</u>	<u>\$ 16,984,879</u>

Changes in long-term liabilities were as follows:

Primary Government	June 30, 2011	Additions	Reductions	June 30, 2012	Due Within One Year
Governmental activities					
General Obligation Bonds	\$ 9,775,000	\$ 35,000	\$ (545,000)	\$ 9,265,000	\$ 555,000
Notes Payable	130,157	16,024	(53,985)	92,196	41,420
MEDC Loan	61,307	-	(5,616)	55,691	5,616
Compensated absences	257,691	322	-	258,013	-
	<u>\$ 10,224,155</u>	<u>\$ 51,346</u>	<u>\$ (604,601)</u>	<u>\$ 9,670,900</u>	<u>\$ 602,036</u>
	June 30, 2011	Additions	Reductions	June 30, 2012	Due Within One Year
Business-type activities					
General Obligation Bonds	\$ 2,675,000	\$ -	\$ (285,000)	\$ 2,390,000	\$ 285,000
Revenue Bonds	5,450,000	-	(430,000)	5,020,000	445,000
Notes Payable	343,873	1,250,000	(88,471)	1,505,402	124,227
Installment Purchase	380,000	-	(20,074)	359,926	20,725
DWRF & SRF Bonds	3,343,506	1,869,589	(287,735)	4,925,360	250,000
Compensated absences	47,867	11,056	-	58,923	-
	<u>\$ 12,240,246</u>	<u>\$ 3,130,645</u>	<u>\$ (1,111,280)</u>	<u>\$ 14,259,611</u>	<u>\$ 1,124,952</u>

For the governmental activities, compensated absences are generally liquidated by the General Fund.

Component Unit	January 1, 2011	Additions	Reductions	December 31, 2011	Due Within One Year
Housing Commission					
Notes Payable	\$ 1,722,059	\$ -	\$ (5,250)	\$ 1,716,809	\$ 8,657
Compensated absences	31,810	38,615	(38,413)	32,012	15,917
	<u>\$ 1,753,869</u>	<u>\$ 38,615</u>	<u>\$ (43,663)</u>	<u>\$ 1,748,821</u>	<u>\$ 24,574</u>

# City of Manistee

## Notes to the Financial Statements

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### Note 8 - Risk management

The City is exposed to various risks of loss related to property loss, torts, errors and omissions and employee injuries (workers compensation), as well as medical benefits provided to employees. During the year ended June 30, 2012, the City carried insurance through various commercial carriers, to cover all risks of loss. The City has had no settled claims resulting from these risks that exceeded its commercial coverage in any of the past three fiscal years.

### Note 9 – Employee Retirement Systems

#### Defined Benefit Pension Plan

The City's defined benefit pension plan provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. The City participates in the Municipal Employees Retirement System of Michigan (MERS), an agent multiple-employer plan administered by the MERS Retirement Board. Act No. 427 of the Public Acts of 1984, as amended, establishes and amends the benefit provisions of the participants in MERS. The Municipal Employees Retirement System of Michigan issues a publicly available financial report that includes financial statements and required supplementary information for MERS. That report may be obtained by writing to the Municipal Employees Retirement System of Michigan, 447 N. Canal Road, Lansing, MI 48917 or by calling (800) 767-6377.

#### Funding Policy

The City is required to contribute at actuarially determined rates; the current rates are as follows:

<u>Division</u>	<u>Percentage of Payroll</u>	
	<u>2010</u>	<u>2009</u>
	<u>Valuation</u>	<u>Valuation</u>
Non-Union	6.25%	5.58%
POAM	7.10%	5.30%
IAFF	13.84%	12.66%
USWA	0.00%	0.00%
COAM	0.20%	3.91%

General, Supervisory, USWA, POAM, IAFF and COAM employees are required to contribute 4%. The contribution requirements of the City are established and may be amended by the MERS Retirement Board. The contribution requirements of plan members are established and may be amended by the City depending on the MERS contribution program adopted by the City.

## City of Manistee

### Notes to the Financial Statements

#### Annual Pension Cost

For the year ended June 30, 2012, the City's annual pension cost of \$193,182 for MERS was equal to the City's required and actual contributions. The required contribution was determined as part of the initial actuarial valuation using the entry age actuarial cost method. The actuarial assumption included; (a) a rate of return on the investment of present and future assets of 8.0%, (b) additional projected salary increases of 0.0% to 8.40% per year, depending on age, attributable to seniority/merit, and (c) projected salary increases of 4.5% per year, compounded annually, attributable to inflation. The actuarial value of MERS assets was determined on the basis of a valuation method that assumes the fund earns the expected rate of return and includes an adjustment to reflect fair value. The City's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The amortization period at initial valuation was 30 years.

<b>Fiscal Year Ending</b>	<b>Annual Pension Cost</b>	<b>Percentage of APC Contributed</b>	<b>Net Pension Obligation</b>
6/30/2007	\$ 22,350	100%	-
6/30/2008	77,319	100%	-
6/30/2009	89,201	100%	-
6/30/2010	108,357	100%	-
6/30/2011	193,182	100%	-

**City of Manistee  
Required Supplementary Information  
MERS Agent Multiple-Employer Defined Benefit Pension Plan  
Schedule of Funding Progress (Unaudited)**

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability (AAL) Entry Age (b)</b>	<b>(Overfunded) Unfunded AAL (UAAL) (b-a)</b>	<b>Funded Ratio Total</b>	<b>Covered Payroll (c)</b>	<b>UAL as a Percentage of Covered Payroll ((b-a)/c)</b>
12/31/2006	\$ 13,972,151	\$ 12,962,702	\$ (1,009,449)	108%	\$ 2,443,941	0%
12/31/2007	14,502,328	13,529,509	(972,819)	107%	2,574,152	0%
12/31/2008	14,550,907	14,248,609	(302,298)	102%	2,674,474	0%
12/31/2009	14,554,867	13,932,527	(622,640)	104%	2,659,384	0%
12/31/2010	14,693,334	14,152,755	(540,579)	104%	2,381,687	0%

## City of Manistee

### Notes to the Financial Statements

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Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

#### **Actuarial Methods and Assumptions**

Projections of benefits for financial reporting purposes are based on the personnel policy currently in place. In the June 30, 2011, actuarial valuation, the alternative valuation method was used. The actuarial assumptions include: (a) a rate of return on investments of 4.50%; (b) projected healthcare benefit increases of 0.0%. The City's unfunded actuarial accrued liability will be amortized over 30 years in level dollar amounts. There are no assets as the City is funding OPEB on a "pay-as-you-go" basis.

#### Housing Commission

The Housing Commission participates in a defined benefit pension plan and provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. The Commission participates in the Municipal Employees' Retirement System of Michigan (MERS), an agent multiple-employer plan administered by the MERS Retirement Board, Act No. 427 of the Public Acts of 1984, as amended, establishes and amends the benefit provisions of the participants in MERS. Statistical information concerning the plan can be obtained from MERS, which is contained in their annual actuarial valuation. The Commission is not required to contribute to the plan. The Commission's eligible employees are required to contribute 6% of annual covered payroll to participate in the plan. The contribution requirements of the Commission are established and may be amended by the MERS Retirement Board. The contribution requirements of plan members are established and amended by the Commission's Board depending on the MERS contribution program adopted by the Commission.

## City of Manistee

### Notes to the Financial Statements

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#### Note 10 – Post-employment Health Care Benefits

##### Plan Description

In the fiscal year ending June 30, 2010, the City adopted the provision of Governmental Accounting Standards Board Statement No. 45, Accounting and Financial Reporting by Employers for Postretirement Benefits Other Than Pension Plans on a prospective basis. The new rules will cause the government-wide financial statements to recognize the cost of providing retiree health care coverage over the working life of the employee, rather than at the time the health care premiums are paid. In addition to the pension benefits described in Note 9, the City provides a post retirement health insurance premium contribution of up to 50% of the premium, or a maximum of \$250 per month, from normal retirement until age 65 or eligibility for Medicare.

##### Funding Policy

There are no required contributions by plan participants. The required contribution is based on pay-as-you-go financing requirements. The City paid \$16,000 in health insurance premiums for 8 participants for the year ended June 30, 2012. The benefit is funded by assets in the City's General Fund and Water and Sewer Fund depending on what department the employee was employed.

##### Annual OPEB Cost

The City's annual other post employment benefit (OPEB) cost (expense) is calculated based on the actual required contribution of the employer. The City is not pre-funding their obligation, choosing to meet the requirements on a pay-as-you-go basis.

Annual Required Contribution	\$ 36,106
Interest on Net OPEB Obligation	2,205
Annual OPE Cost (Expense)	<u>38,311</u>
Less: Contributions Made	<u>16,000</u>
Increase in OPEB Obligation	22,311
Net OPEB Obligation - Beginning	27,567
Net OPEB Obligation - Ending	<u>\$ 49,878</u>

## City of Manistee

### Notes to the Financial Statements

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The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2012 are as follows:

	<b>Fiscal Year Ended June 30,</b>	
	<b>2012</b>	<b>2011</b>
Annual OPEB Cost (Expense)	\$ 38,311	\$ 42,799
Percentage of OPEB Cost Contributed	42%	45%
Net OPEB Obligation	\$ 49,878	\$ 27,567

#### **Note 11 – Prior Period Adjustment**

The Housing Commission's independent auditor made a prior period adjustment to correct net assets, which was understated as of December 31, 2011. The adjustment decreased the reported net assets amount by \$76,457 as of January 1, 2011.

**REQUIRED SUPPLEMENTARY INFORMATION**

**City of Manistee**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**General Fund**  
**For the Year Ended June 30, 2012**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		<u>Favorable (Unfavorable) Final to Actual</u>
<b>Revenues</b>				
Tax Revenues	\$ 3,365,949	\$ 3,365,949	\$ 3,399,257	\$ 33,308
Grants & Contributions	23,700	23,700	70,685	46,985
State Shared Revenues	516,648	516,648	588,250	71,602
Earned Interest	4,629	4,629	1,953	(2,676)
Rental/Lease	29,385	29,385	25,562	(3,823)
Fees, Fines & Forfeits	40,000	40,000	24,513	(15,487)
Refunds & Reimbursements	185,491	185,491	216,649	31,158
Charges For Services	742,000	742,000	850,107	108,107
Franchise Fees	86,000	86,000	91,301	5,301
Other Revenue	184,909	184,909	186,439	1,530
Interest on Investments	--	--	591	591
<b>Total Revenues</b>	<u>5,178,711</u>	<u>5,178,711</u>	<u>5,455,307</u>	<u>276,596</u>
<b>Other Financing Sources</b>				
Proceeds of Refunded Bonds	--	--	35,000	35,000
Proceeds from Debt Issuance	--	--	16,043	16,043
Transfers from Other Funds	--	--	428,585	428,585
<b>Total Revenues and Other Financing Sources</b>	<u>5,178,711</u>	<u>5,178,711</u>	<u>5,934,935</u>	<u>756,224</u>
<b>Expenditures</b>				
<b>General Government</b>				
Legislative	47,911	47,911	38,177	9,734
Manager	201,524	201,524	198,131	3,393
Clerk	181,741	181,741	168,844	12,897
Finance/Treasurer	199,635	199,635	191,704	7,931
Assessor	108,512	113,512	114,613	(1,101)
Municipal Buildings	133,650	133,650	118,765	14,885
Attorney	80,000	92,000	104,077	(12,077)
City Engineer	36,000	36,000	36,000	--
Boards & Comissions	11,425	11,425	6,876	4,549
Other Administrative Expenses	309,980	309,980	292,034	17,946
<b>Public Safety</b>				
Police	956,991	971,991	950,072	21,919
Fire	695,432	725,432	736,526	(11,094)
<b>Public Works</b>				
Highways & Streets	1,023,255	1,036,255	1,041,365	(5,110)
<b>Community &amp; Economic Development</b>				
Community Development Office	277,925	277,925	272,484	5,441
<b>Recreation &amp; Culture</b>				
Parks & Recreation	357,276	372,276	387,230	(14,954)

**City of Manistee**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**General Fund**  
**For the Year Ended June 30, 2012**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>		<u>Favorable (Unfavorable) Final to Actual</u>
<b>Appropriations</b>				
Alternatives for Area Youth	13,000	13,000	13,000	--
211	2,500	2,500	2,500	--
Alliance for Economic Success	45,384	45,384	45,384	--
Junior Basketball	3,000	3,000	3,000	--
Manistee Recreation Association	28,500	28,500	28,500	--
Historical Museum	10,500	10,500	10,500	--
PEG Studio	24,000	24,000	24,000	--
<b>Debt Service</b>				
Debt Service - Principal	200,000	461,220	461,220	--
Debt Service - Interest	147,047	325,827	344,842	(19,015)
<b>Total Expenditures</b>	<u>5,095,188</u>	<u>5,625,188</u>	<u>5,589,844</u>	<u>35,344</u>
<b>Other Financing Uses</b>				
Transfers to Other Funds	60,000	60,000	151,030	(91,030)
<b>Total Expenditures and Other Financing Uses</b>	<u>5,155,188</u>	<u>5,685,188</u>	<u>5,740,874</u>	<u>(55,686)</u>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	<u>23,523</u>	<u>(506,477)</u>	<u>194,061</u>	<u>700,538</u>
<b>Net Change in Fund Balance</b>	<u>23,523</u>	<u>(506,477)</u>	<u>194,061</u>	<u>700,538</u>
<i>Fund Balance at Beginning of Period</i>	981,242	981,242	981,242	--
<b>Fund Balance at End of Period</b>	<u>\$ 1,004,765</u>	<u>\$ 474,765</u>	<u>\$ 1,175,303</u>	<u>\$ 700,538</u>

**City of Manistee**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Local Street**  
**For the Year Ended June 30, 2012**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance</b>
	<u>Original</u>	<u>Final</u>		<b>Favorable (Unfavorable) Final to Actual</b>
<b>Revenues</b>				
State Shared Revenues	\$ 121,278	\$ 121,278	\$ 130,854	\$ 9,576
Earned Interest	300	300	66	(234)
<i>Total Revenues</i>	<u>121,578</u>	<u>121,578</u>	<u>130,920</u>	<u>9,342</u>
<b>Other Financing Sources</b>				
Transfers from Other Funds	--	--	1,170,000	1,170,000
<i>Total Revenues and Other Financing Sources</i>	<u>121,578</u>	<u>121,578</u>	<u>1,300,920</u>	<u>1,179,342</u>
<b>Expenditures</b>				
Highways & Streets	142,000	224,000	130,766	93,234
Capital Outlay	1,100,000	1,100,000	1,100,000	--
<i>Total Expenditures</i>	<u>1,242,000</u>	<u>1,324,000</u>	<u>1,230,766</u>	<u>93,234</u>
<b>Other Financing Uses</b>				
Transfers to Other Funds	--	--	111,062	(111,062)
<i>Total Expenditures and Other Financing Uses</i>	<u>1,242,000</u>	<u>1,324,000</u>	<u>1,341,828</u>	<u>(17,828)</u>
<i>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</i>	<u>(1,120,422)</u>	<u>(1,202,422)</u>	<u>(40,908)</u>	<u>1,161,514</u>
<i>Net Change in Fund Balance</i>	<u>(1,120,422)</u>	<u>(1,202,422)</u>	<u>(40,908)</u>	<u>1,161,514</u>
<i>Fund Balance at Beginning of Period</i>	<u>81,017</u>	<u>81,017</u>	<u>81,017</u>	<u>--</u>
<i>Fund Balance at End of Period</i>	<u>\$ (1,039,405)</u>	<u>\$ (1,121,405)</u>	<u>\$ 40,109</u>	<u>\$ 1,161,514</u>

**City of Manistee**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual**  
**Major Street**  
**For the Year Ended June 30, 2012**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance</b>
	<u>Original</u>	<u>Final</u>		<b>Favorable (Unfavorable) Final to Actual</b>
<b>Revenues</b>				
Grants & Contributions	\$ 1,182,000	\$ 1,182,000	\$ 45,113	\$ (1,136,887)
State Shared Revenues	345,000	345,000	364,303	19,303
Earned Interest	500	500	177	(323)
Charges For Services	170,000	170,000	190,335	20,335
<b>Total Revenues</b>	<u>1,697,500</u>	<u>1,697,500</u>	<u>599,928</u>	<u>(1,097,572)</u>
<b>Other Financing Sources</b>				
Transfers from Other Funds	1,412,911	1,412,911	1,161,571	(251,340)
<b>Total Revenues and Other Financing Sources</b>	<u>3,110,411</u>	<u>3,110,411</u>	<u>1,761,499</u>	<u>(1,348,912)</u>
<b>Expenditures</b>				
Highways & Streets	2,879,911	2,879,911	1,519,733	1,360,178
Debt Service - Principal	110,000	110,000	120,000	(10,000)
Debt Service - Interest	29,100	29,100	23,350	5,750
<b>Total Expenditures</b>	<u>3,019,011</u>	<u>3,019,011</u>	<u>1,663,083</u>	<u>1,355,928</u>
<b>Other Financing Uses</b>				
Transfers to Other Funds	81,283	81,283	70,000	11,283
<b>Total Expenditures and Other Financing Uses</b>	<u>3,100,294</u>	<u>3,100,294</u>	<u>1,733,083</u>	<u>1,367,211</u>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	<u>10,117</u>	<u>10,117</u>	<u>28,416</u>	<u>18,299</u>
<b>Net Change in Fund Balance</b>	<b>10,117</b>	<b>10,117</b>	<b>28,416</b>	<b>18,299</b>
<i>Fund Balance at Beginning of Period</i>	73,860	73,860	73,860	--
<b>Fund Balance at End of Period</b>	<b>\$ 83,977</b>	<b>\$ 83,977</b>	<b>\$ 102,276</b>	<b>\$ 18,299</b>

**City of Manistee**  
**Required Supplementary Information**  
**MERS Agent Multiple-Employer Defined Benefit Pension Plan**  
**Schedule of Funding Progress (Unaudited)**

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability (AAL) Entry Age (b)</b>	<b>(Overfunded) Unfunded AAL (UAAL) (b-a)</b>	<b>Funded Ratio Total</b>	<b>Covered Payroll (c)</b>	<b>UAL as a Percentage of Covered Payroll ((b-a)/c)</b>
12/31/2006	\$ 13,972,151	\$ 12,962,702	\$ (1,009,449)	108%	\$ 2,443,941	0%
12/31/2007	14,502,328	13,529,509	(972,819)	107%	2,574,152	0%
12/31/2008	14,550,907	14,248,609	(302,298)	102%	2,674,474	0%
12/31/2009	14,554,867	13,932,527	(622,640)	104%	2,659,384	0%
12/31/2010	14,693,334	14,152,755	(540,579)	104%	2,381,687	0%

**OTHER SUPPLEMENTARY INFORMATION**

**City of Manistee  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2012**

	Special Revenue					
	City Refuse	EPA Grant - Hazardous	EPA Grant - Petroleum	Peg Commission	Brownfield Redevelopment Authority	Building Inspector
<b>ASSETS</b>						
Cash & Cash Equivalents	\$ 227,536	\$ 41,945	\$ 17,593	\$ 4,408	\$ 142,736	\$ 17,835
Receivables	23,848	--	--	--	--	--
Due from Agency Funds	11,167	--	--	--	--	--
Due from Other Funds	--	--	--	--	--	--
<b>Total Assets</b>	<b>\$ 262,551</b>	<b>\$ 41,945</b>	<b>\$ 17,593</b>	<b>\$ 4,408</b>	<b>\$ 142,736</b>	<b>\$ 17,835</b>
<b>LIABILITIES</b>						
Accounts Payable	\$ 38,178	\$ --	\$ 3,549	\$ --	\$ 2,000	\$ --
Accrued Liabilities	--	1,694	--	--	4,162	--
Deferred Revenue	--	40,251	14,044	--	--	--
Due to Other Funds	16,452	--	--	--	60,000	--
<b>Total Liabilities</b>	<b>54,630</b>	<b>41,945</b>	<b>17,593</b>	<b>--</b>	<b>66,162</b>	<b>--</b>
<b>FUND BALANCE</b>						
Restricted	207,921	--	--	--	76,574	--
Committed	--	--	--	--	--	--
Assigned	--	--	--	4,408	--	17,835
Unassigned	--	--	--	--	--	--
<b>Total Fund Balance</b>	<b>207,921</b>	<b>--</b>	<b>--</b>	<b>4,408</b>	<b>76,574</b>	<b>17,835</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 262,551</b>	<b>\$ 41,945</b>	<b>\$ 17,593</b>	<b>\$ 4,408</b>	<b>\$ 142,736</b>	<b>\$ 17,835</b>

**City of Manistee  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2012**

	<u>Special Revenue</u>		<u>Capital Projects</u>			<u>Total Nonmajor Governmental Funds</u>
	<u>Street Improvement</u>	<u>Grant Management Fund</u>	<u>Capital Improvement</u>	<u>Renaissance Park</u>	<u>2010 Capital Improvements</u>	
<b>ASSETS</b>						
Cash & Cash Equivalents	\$ 89,757	\$ 358,288	\$ 179,844	\$ 12,319	\$ 11,830	\$ 1,104,091
Receivables	31,963	--	--	--	--	55,811
Due from Agency Funds	2,895	--	--	--	--	14,062
Due from Other Funds	--	--	32,258	--	67,346	99,604
<i>Total Assets</i>	<u>\$ 124,615</u>	<u>\$ 358,288</u>	<u>\$ 212,102</u>	<u>\$ 12,319</u>	<u>\$ 79,176</u>	<u>\$ 1,273,568</u>
<b>LIABILITIES</b>						
Accounts Payable	\$ --	\$ 749	\$ 2,000	\$ --	\$ --	\$ 46,476
Accrued Liabilities	--	--	--	--	--	5,856
Deferred Revenue	10,292	36,213	--	--	--	100,800
Due to Other Funds	--	25,533	52,410	--	--	154,395
<i>Total Liabilities</i>	<u>10,292</u>	<u>62,495</u>	<u>54,410</u>	<u>--</u>	<u>--</u>	<u>307,527</u>
<b>FUND BALANCE</b>						
Restricted	--	--	--	--	79,176	363,671
Committed	--	295,793	157,692	--	--	453,485
Assigned	114,323	--	--	12,319	--	148,885
Unassigned	--	--	--	--	--	--
<i>Total Fund Balance</i>	<u>114,323</u>	<u>295,793</u>	<u>157,692</u>	<u>12,319</u>	<u>79,176</u>	<u>966,041</u>
<i>Total Liabilities and Fund Balance</i>	<u>\$ 124,615</u>	<u>\$ 358,288</u>	<u>\$ 212,102</u>	<u>\$ 12,319</u>	<u>\$ 79,176</u>	<u>\$ 1,273,568</u>

**City of Manistee**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2012**

	Special Revenue					
	City Refuse	EPA Grant - Hazardous	EPA Grant - Petroleum	Peg Commission	Brownfield Redevelopment Authority	Building Inspector
<b>Revenues</b>						
Tax Revenues	\$ 217,251	\$ --	\$ --	\$ --	\$ --	\$ --
Grants & Contributions	--	11,382	12,974	38,247	--	--
Charges for Services	195,594	--	--	--	--	12,049
Refunds & Reimbursements	--	--	--	--	--	--
Interest on Investments	3,543	--	--	18	104	27
<b>Total Revenues</b>	<b>416,388</b>	<b>11,382</b>	<b>12,974</b>	<b>38,265</b>	<b>104</b>	<b>12,076</b>
<b>Expenditures</b>						
General Government	--	--	--	44,014	--	--
Public Safety	--	--	--	--	--	15,922
Public Works	460,202	11,382	13,745	--	33,093	--
Recreation & Culture	--	--	--	--	--	--
Capital Outlay	--	--	--	--	--	--
Debt Service - Principal	--	--	--	--	--	--
<b>Total Expenditures</b>	<b>460,202</b>	<b>11,382</b>	<b>13,745</b>	<b>44,014</b>	<b>33,093</b>	<b>15,922</b>
<b>Excess of Revenues Over (Under) Expenditures</b>	<b>(43,814)</b>	<b>--</b>	<b>(771)</b>	<b>(5,749)</b>	<b>(32,989)</b>	<b>(3,846)</b>
<b>Other Financing Sources (Uses)</b>						
Transfers from Other Funds	--	--	--	--	10,075	--
Transfers to Other Funds	--	--	--	--	--	--
<b>Net Other Financing Sources (Uses)</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>10,075</b>	<b>--</b>
<b>Net Change in Fund Balance</b>	<b>(43,814)</b>	<b>--</b>	<b>(771)</b>	<b>(5,749)</b>	<b>(22,914)</b>	<b>(3,846)</b>
<i>Fund Balance at Beginning of Period</i>	251,735	--	771	10,157	99,488	21,681
<b>Fund Balance at End of Period</b>	<b>\$ 207,921</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ 4,408</b>	<b>\$ 76,574</b>	<b>\$ 17,835</b>

**City of Manistee**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2012**

	<u>Special Revenue</u>		<u>Capital Projects</u>			<u>Total Nonmajor Governmental Funds</u>
	<u>Street Improvement</u>	<u>Grant Management Fund</u>	<u>Capital Improvement</u>	<u>Renaissance Park</u>	<u>2010 Capital Improvements</u>	
<b>Revenues</b>						
Tax Revenues	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 217,251
Grants & Contributions	--	266,638	--	--	--	329,241
Charges for Services	28,575	--	--	--	--	236,218
Refunds & Reimbursements	21,429	--	--	--	--	21,429
Interest on Investments	893	--	580	26	542	5,733
<b>Total Revenues</b>	<u>50,897</u>	<u>266,638</u>	<u>580</u>	<u>26</u>	<u>542</u>	<u>809,872</u>
<b>Expenditures</b>						
General Government	--	10,000	13,271	--	--	67,285
Public Safety	--	22,089	2,795	--	--	40,806
Public Works	15,467	--	--	--	--	533,889
Recreation & Culture	--	--	183	--	--	183
Capital Outlay	--	134,911	75,488	--	--	210,399
Debt Service - Principal	--	--	--	5,616	--	5,616
<b>Total Expenditures</b>	<u>15,467</u>	<u>167,000</u>	<u>91,737</u>	<u>5,616</u>	<u>--</u>	<u>858,178</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	<u>35,430</u>	<u>99,638</u>	<u>(91,157)</u>	<u>(5,590)</u>	<u>542</u>	<u>(48,306)</u>
<b>Other Financing Sources (Uses)</b>						
Transfers from Other Funds	--	195,000	342,782	--	1,041,456	1,589,313
Transfers to Other Funds	--	--	(544,442)	--	(2,163,346)	(2,707,788)
<b>Net Other Financing Sources (Uses)</b>	<u>--</u>	<u>195,000</u>	<u>(201,660)</u>	<u>--</u>	<u>(1,121,890)</u>	<u>(1,118,475)</u>
<b>Net Change in Fund Balance</b>	<b>35,430</b>	<b>294,638</b>	<b>(292,817)</b>	<b>(5,590)</b>	<b>(1,121,348)</b>	<b>(1,166,781)</b>
<i>Fund Balance at Beginning of Period</i>	78,893	1,155	450,509	17,909	1,200,524	2,132,822
<b>Fund Balance at End of Period</b>	<u>\$ 114,323</u>	<u>\$ 295,793</u>	<u>\$ 157,692</u>	<u>\$ 12,319</u>	<u>\$ 79,176</u>	<u>\$ 966,041</u>

**City of Manistee**  
**Combining Statement of Net Assets**  
**Nonmajor Enterprise Funds**  
**June 30, 2012**

	<u>Enterprise</u>			<u>Total Enterprise Funds</u>
	<u>Boat Ramp</u>	<u>Marina</u>	<u>Ramsdell Theatre</u>	
<b>ASSETS</b>				
<i>Current Assets</i>				
Cash & Cash Equivalents	\$ 8,992	\$ 28,249	\$ 32,464	\$ 69,705
Receivables	15	21,874	1,985	23,874
Prepaid Expenditures	--	359	171	530
Inventory	--	16,324	--	16,324
Due from Other Funds	--	2,000	53,362	55,362
<b>Total Current Assets</b>	<u>9,007</u>	<u>68,806</u>	<u>87,982</u>	<u>165,795</u>
<i>Noncurrent Assets</i>				
Capital Assets, net	383,334	1,333,359	2,073,221	3,789,914
<b>Total Assets</b>	<u>392,341</u>	<u>1,402,165</u>	<u>2,161,203</u>	<u>3,955,709</u>
<b>LIABILITIES</b>				
<i>Current Liabilities</i>				
Accounts Payable	209	29,431	2,497	32,137
Accrued Liabilities	--	3,488	--	3,488
Due to Other Governments	--	98	--	98
Security Deposits	--	--	2,980	2,980
Accrued Payroll & Related Liabilities	--	1,232	541	1,773
Accrued Interest Payable	--	3,887	21,857	25,744
Current Portion of Long-term Debt	--	20,725	124,227	144,952
Due to Other Funds	131,176	274,482	21,725	427,383
<b>Total Current Liabilities</b>	<u>131,385</u>	<u>333,343</u>	<u>173,827</u>	<u>638,555</u>
<i>Noncurrent Liabilities</i>				
Accrued Absences	--	--	1,120	1,120
Long-term Debt less Current Portion	--	339,201	1,381,175	1,720,376
<b>Total Liabilities</b>	<u>131,385</u>	<u>672,544</u>	<u>1,556,122</u>	<u>2,360,051</u>
<b>NET ASSETS</b>				
Invested in Fixed Assets Net of Related Debt	383,334	973,433	567,819	1,924,586
<i>Restricted for:</i>				
Restricted	--	16,683	171	16,854
<i>Unrestricted</i>	(122,378)	(260,495)	37,091	(345,782)
<b>Total Net Assets</b>	<u>\$ 260,956</u>	<u>\$ 729,621</u>	<u>\$ 605,081</u>	<u>\$ 1,595,658</u>

**City of Manistee**  
**Combining Statement of Revenues, Expenses, and Changes in Net Assets**  
**Nonmajor Enterprise Funds**  
**For the Year Ended June 30, 2012**

	<u>Enterprise</u>			<u>Total Enterprise Funds</u>
	<u>Boat Ramp</u>	<u>Marina</u>	<u>Ramsdell Theatre</u>	
<b>Operating Revenues</b>				
Charges for Services	\$ 24,235	\$ 201,750	\$ 57,294	\$ 283,279
Other Revenue	--	27,684	668	28,352
<b>Total Operating Revenues</b>	<u>24,235</u>	<u>229,434</u>	<u>57,962</u>	<u>311,631</u>
<b>Operating Expenses</b>				
Recreation & Culture	--	--	133,411	133,411
Boat Ramp	13,134	--	--	13,134
Marina	--	220,339	--	220,339
Depreciation & Amortization	24,475	50,627	32,034	107,136
<b>Total Operating Expenses</b>	<u>37,609</u>	<u>270,966</u>	<u>165,445</u>	<u>474,020</u>
<b>Operating Income (Loss)</b>	<u>(13,374)</u>	<u>(41,532)</u>	<u>(107,483)</u>	<u>(162,389)</u>
<b>Non-Operating Revenues (Expenses)</b>				
Grants & Contributions	--	18,841	5,917	24,758
Interest on Investments	13	188	1,585	1,786
Interest Expense	(4,176)	(12,095)	(53,376)	(69,647)
<b>Net Non-Operating Revenues (Expenses)</b>	<u>(4,163)</u>	<u>6,934</u>	<u>(45,874)</u>	<u>(43,103)</u>
<b>Transfers</b>	<u>(17,537)</u>	<u>(34,598)</u>	<u>(153,357)</u>	<u>(205,492)</u>
Transfers from Other Funds	--	40,000	321,878	361,878
Transfers to Other Funds	--	--	--	--
<b>Change In Net Assets</b>	<u>(17,537)</u>	<u>5,402</u>	<u>168,521</u>	<u>156,386</u>
<i>Net Assets at Beginning of Period</i>	<u>278,493</u>	<u>724,219</u>	<u>436,560</u>	<u>1,439,272</u>
<b>Net Assets at End of Period</b>	<u>\$ 260,956</u>	<u>\$ 729,621</u>	<u>\$ 605,081</u>	<u>\$ 1,595,658</u>

**City of Manistee  
Statement of Cash Flows  
Nonmajor Enterprise Funds  
For the Year Ended June 30, 2012**

	Business-type Activities Enterprise Funds			Total Nonmajor Enterprise Funds
	Boat Ramp	Marina	Ramsdell Theatre	
<b>Cash Flows from Operating Activities</b>				
Receipts from Customers	\$ 24,220	\$ 221,721	\$ 56,227	\$ 302,168
Payments to Suppliers	(13,147)	(282,565)	(113,291)	(409,003)
Payments to Employees	-	(38,768)	(27,271)	(66,039)
<b>Total Cash Flows from Operating Activities</b>	<b>11,073</b>	<b>(99,612)</b>	<b>(84,335)</b>	<b>(172,874)</b>
<b>Cash Flows from Non-capital Financing Activities</b>				
Transfers from (to) Other Funds	-	40,000	321,878	361,878
(Increase) Decrease in Due from Other Funds	-	(2,000)	(53,362)	(55,362)
(Decrease) Increase in Due to Other Funds	(3,824)	(43,770)	21,725	(25,869)
<b>Total Cash Flows from Non-capital Financing Activities</b>	<b>(3,824)</b>	<b>(5,770)</b>	<b>290,241</b>	<b>280,647</b>
<b>Cash Flows from Capital and Related Financing Activities</b>				
Proceeds from Debt Issuance	-	-	1,250,000	1,250,000
Receipts From Other Agencies	-	18,841	5,917	24,758
Purchase of Capital Assets	-	(138,189)	(1,314,238)	(1,452,427)
Principal Paid on Capital Debt	-	(20,074)	(88,470)	(108,544)
Interest Paid on Capital Debt	(4,176)	(12,312)	(35,885)	(52,373)
<b>Total Cash Flows from Capital and Related Financing Activities</b>	<b>(4,176)</b>	<b>(151,734)</b>	<b>(182,676)</b>	<b>(338,586)</b>
<b>Cash Flows from Investing Activities</b>				
Interest on Investments	13	188	1,585	1,786
<b>Total Cash Flows from Investing Activities</b>	<b>13</b>	<b>188</b>	<b>1,585</b>	<b>1,786</b>
<b>Net Increase (Decrease) in Cash &amp; Cash Equivalents</b>	<b>3,086</b>	<b>(256,928)</b>	<b>24,815</b>	<b>(229,027)</b>
Cash & Cash Equivalents - Beginning of Year	5,906	285,177	7,649	298,732
<b>Cash &amp; Cash Equivalents - End of Year</b>	<b>\$ 8,992</b>	<b>\$ 28,249</b>	<b>\$ 32,464</b>	<b>\$ 69,705</b>

**City of Manistee  
Statement of Cash Flows  
Nonmajor Enterprise Funds  
For the Year Ended June 30, 2012**

	<b>Business-type Activities Enterprise Funds</b>			<b>Total Nonmajor Enterprise Funds</b>
	<b>Boat Ramp</b>	<b>Marina</b>	<b>Ramsdell Theatre</b>	
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</b>				
Operating Income (Loss)	\$ (13,374)	\$ (41,532)	\$ (107,483)	\$ (162,389)
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities				
Depreciation and Amortization Expense	24,475	50,627	32,034	107,136
Changes in Assets & Liabilities				
Receivables	(15)	(7,713)	(1,735)	(9,463)
Inventory	-	(4,363)	-	(4,363)
Prepaid Expenses	-	(252)	(150)	(402)
Accounts Payable	(13)	(97,611)	(6,730)	(104,354)
Compensated Absences	-	-	(812)	(812)
Accrued Payroll	-	1,232	541	1,773
				-
<b>Net Cash Provided by Operating Activities</b>	<b>\$ 11,073</b>	<b>\$ (99,612)</b>	<b>\$ (84,335)</b>	<b>\$ (172,874)</b>

## Gabridge Wilson CPAs

3015 M-137

P.O. Box 205

Interlochen MI 49643

Rob Gabridge, CPA  
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Fax: (231) 276-7687  
E-mail: [dwilson@gabridgeco.com](mailto:dwilson@gabridgeco.com)

October 5, 2012

To the City Council  
City of Manistee, Michigan

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Manistee for the year ended June 30, 2012. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, *Government Auditing Standards* and OMB Circular A-133), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated August 24, 2012. Professional standards also require that we communicate to you the following information related to our audit.

### Our Responsibility Under Auditing Standards Generally Accepted in the United States of America and OMB Circular A-133

As stated in our engagement letter dated August 24, 2012, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your responsibilities.

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing opinions on the financial statements and not to provide assurance on the internal control over financial reporting. We also considered internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, for which noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit. Also, in accordance with OMB Circular A-133, we examined, on a test basis, evidence about the City's compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* applicable to each of its major federal programs for the

purpose of expressing an opinion on the City's compliance with those requirements. While our audit provides a reasonable basis for our opinion, it does not provide a legal determination of the City's compliance with those requirements.

### Significant Audit Findings

#### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City of Manistee are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the fiscal year ended June 30, 2012. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the City of Manistee's financial statements were:

- Management's estimate of the useful lives of depreciable capital assets is based on the length of time it is believed that those assets will provide some economic benefit in the future.
- Management's estimate of the accrued compensated absences and the related pay rates as of June 30, 2012.
- Management's estimate of the net present value of post employment benefits, other than pension.

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

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

#### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

*Disagreements with Management*

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

*Management Representations*

We have requested certain representations from management that are included in the management representation letter dated October 5, 2012.

*Management Consultations with Other Independent Accountants*

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

*Other Audit Findings or Issues*

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

This information is intended solely for the use of management, the City Council, and others within the organization and is not intended to be and should not be used by anyone other than these specified parties.

*Gabridge Wilson, CPA*

Gabridge Wilson, CPA  
Interlochen, MI

## Gabridge Wilson CPAs

3015 M-137

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

October 5, 2012

To the City Council  
City of Manistee, Michigan

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Manistee, Michigan as of and for the year ended June 30, 2012, which collectively comprise the City of Manistee, Michigan's basic financial statements and have issued our report thereon dated October 5, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

#### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Manistee's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion of the effectiveness of the City of Manistee's internal control over financial reporting.

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

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

This report is intended solely for the information and use of management, the City Council, and others within the entity and is not intended to be and should not be used by anyone other than these specified parties.

Best regards,

*Gabridge Wilson, CPA*

Gabridge Wilson, CPA  
Interlochen, MI



## APPLICANTS NEEDED

### BOARDS and COMMISSIONS VACANCIES

**BROWNFIELD REDEVELOPMENT AUTHORITY.** One unexpired term ending 06/30/14. Purpose: Promote revitalization of environmentally distressed & functionally obsolete areas.

**COMPENSATION COMMISSION.** Two vacancies – five year term ending 09/30/17. Purpose: Establishes compensation for city council members.

**HARBOR COMMISSION.** Three vacancies – three year terms ending 10/31/15. Purpose: Advisory on marina, harbor development issues.

**PLANNING COMMISSION.** Three vacancies – three year terms ending 10/31/15. Purpose: Reviews Master Plan, zoning, site plans, and development issues.

**ZONING BOARD OF APPEALS –** One vacancy (alternate member) – unexpired term ending 5/31/15. Purpose: Hears appeals to zoning and building issues.

Application forms are available at the City Clerk's office, 70 Maple Street or on the City website at <http://www.manisteemi.gov> . All applications should be returned prior to the October 16, 2012 City Council meeting when appointments will be made.



APPLICATION FOR APPOINTMENT

Thank you for your expression of interest in serving this community by volunteering for appointment to a board or commission. Please provide the requested information in addition to any other information you think appropriate for the Mayor and City Council to consider. Please plan on attending the Council meeting at which this matter will be considered. The public notice for this vacancy included that date.

BOARD OR COMMISSION APPLIED FOR: City of Manistee Planning Commission

NAME: Ray Fortner

ADDRESS: 367 11th St. P.O. Box 404 Manistee, MI 49660

PHONE: (Home) 231-723-7258 (Work) NA

E-MAIL: NA ( ) personal or ( ) work

I want to volunteer for this position because: I HAVE SERVED ON THE PLANNING COMMISSION 16 OR 17 YEARS. I AM A QUALIFIED MASTER PLANNER.

Please add any particular education, experience or background you think appropriate to include: 2 year on City Council

Feel free to attach any additional information.

I (will) (will not) be able to attend the Council meeting. Please circle one.

Signature: Ray Fortner

Dated: 10-1-12

The City of Manistee does not discriminate on the basis of race, color, religion, sex, national origin, age or disability. If you have a disability and may need accommodation to participate fully on this board or commission, please contact the City ADA Officer, or check this box and someone will contact you to discuss your needs.



RECEIVED

OCT 01 2012

CITY OF MANISTEE  
CLERK-TREASURER

## APPLICATION FOR APPOINTMENT

Thank you for your expression of interest in serving this community by volunteering for appointment to a board or commission. Please provide the requested information in addition to any other information you think appropriate for the Mayor and City Council to consider. Please plan on attending the Council meeting at which this matter will be considered. The public notice for this vacancy included that date.

BOARD OR COMMISSION APPLIED FOR: Harbor Commission

NAME: Rick Schrock

ADDRESS: 603 Harvard Ln  
Manistee, MI 49660

PHONE: (Home) 231 723-4030 (Work) \_\_\_\_\_

E-MAIL: wildone@gmail.com  personal or  work

I want to volunteer for this position because:

I am currently the Vice-Chair of the Harbor Comm.  
I would like to continue to serve the city in this  
role.

Please add any particular education, experience or background you think appropriate to include:

I have a Masters Degree. I am a sailor who has  
visited Marinas in Lake Michigan, Alaska, British Columbia,  
Washington, California, and Hawaii. I am a homeowner and  
taxpayer in the City of Manistee.

Feel free to attach any additional information.

I  (will)  (will not) be able to attend the Council meeting. Please circle one.

Richard A. Schrock 10/1/12  
Signature Dated

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RECEIVED

OCT 08 2012

CITY OF MANISTEE  
CLERK-TREASURER

## APPLICATION FOR APPOINTMENT

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BOARD OR COMMISSION APPLIED FOR: Harbor

NAME: Rosemary Daniels

ADDRESS: 703 Hopkins  
Manistee, mi 49660

PHONE: (Home) 231-715-2039 (Work) \_\_\_\_\_

E-MAIL: doc.1942@hotmail.com ( personal or  work)

I want to volunteer for this position because:

I would like to make a difference in my  
community.

Please add any particular education, experience or background you think appropriate to include:

27 years in Management for Meijer Inc.  
Manage Kitchen at Manistee County Jail  
Currently on County Planning Board

Feel free to attach any additional information.

I  (will) (will not) be able to attend the Council meeting. Please circle one.

Rosemary Daniels  
Signature

10-6-2012  
Dated

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RECEIVED

OCT 08 2012

CITY OF MANISTEE  
CLERK-TREASURER

### APPLICATION FOR APPOINTMENT

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BOARD OR COMMISSION APPLIED FOR: Harbor

NAME: Thomas R. Smith

ADDRESS: 1703 Hopkins  
Manistee, mi 49660

PHONE: (Home) 231-715-2039 (Work) \_\_\_\_\_

E-MAIL: doe1942@hotmail.com  personal or  work

I want to volunteer for this position because:

I would like to be an active part of my  
community.

Please add any particular education, experience or background you think appropriate to include:

lic. Contractor for 20 years. State Director for Michigan  
Jaycees. Currently running for County Drain Commissioner  
2 yrs Probation officer Montcalm county.

Feel free to attach any additional information.

I  (will)  (will not) be able to attend the Council meeting. Please circle one.

Thomas R. Smith 10-16-12  
Signature Dated

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