



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF TREASURY
LANSING

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STATE TREASURER

April 11, 2019

For the purposes of consistency and completing the **F-65**¹ (Michigan Form 3965) and the **Auditing Procedures Report (APR)** (Michigan Form 496), please be aware that the definition for **Governmental Long-Term Debt** has been revised.

For these forms only, the following definition will be used prospectively:

Governmental Long-Term Debt is the total year-end amount of all long-term liabilities including, but not limited to, both long-term debt (such as bonds, notes, and loans) and all other long-term liabilities (such as compensated absences, leases payable, and claims and judgments). Only pension and OPEB liabilities are excluded. For these purposes, this amount also includes both the amounts due in more than one year and the portion due within one year. Only governmental activities are included; business-type activities and discretely presented component units are excluded.

This revision was made to provide a clearer definition as well as to achieve consistency between the reports. Other long-term liabilities are included in the definition because other long-term liabilities are not reported anywhere else on the F65 or APR.

Governmental Long-Term Debt can be calculated on the Statement of Net Position in the financial statements. An example showing how to perform this calculation has been included on the next page. Governmental Long-Term Debt equals the sum of the amounts highlighted in yellow in this example.

Governmental Long-Term Debt can be found on the F-65 under Other Balance Sheet Information on the Statement of Position tab and can be found on the APR in the Financial Statements section. F-65 and APR reports submitted after the date of this memorandum will be expected to comply with this revision.

Thank you.

¹ Only primary units of government (counties, cities, villages, and townships) file an F-65.

Statement of Net Position

June 30, 2018

	Primary Government		Total	Component Units
	Governmental Activities	Business-type Activities		
Assets				
Cash and cash equivalents	\$ 12,934,480	\$ 8,850,718	\$ 21,785,198	\$ 944,603
Receivables:				
Taxes	234,715	366,096	600,811	-
Customers	-	2,159,401	2,159,401	-
Other	436,970	-	436,970	-
Due from other governmental units	802,311	85,187	887,498	-
Advance to component units (Note 5)	985,000	-	985,000	-
Internal balances (Note 5)	1,928,112	(1,928,112)	-	-
Inventory	324,706	197,071	521,777	-
Prepaid expenses and other assets	239,256	1,000	240,256	-
Investment in joint ventures (Note 12)	539,315	-	539,315	-
Capital assets: (Note 4)				
Assets not subject to depreciation	2,523,904	14,242	2,538,146	-
Assets subject to depreciation	20,701,249	45,767,280	66,468,529	2,270,710
Total assets	41,650,018	55,512,883	97,162,901	3,215,313
Deferred Outflows of Resources - Pensions (Note 9)	3,356,135	239,107	3,595,242	-
Liabilities				
Accounts payable	795,396	581,863	1,377,259	1,540
Accrued liabilities and other	1,153,790	148,162	1,301,952	-
Noncurrent liabilities:				
Due within one year:				
Compensated absences (Note 6)	755,564	108,931	864,495	-
Current portion of advance from primary government (Note 5)	-	-	-	170,000
Current portion of long-term debt (Note 6)	502,290	2,949,000	3,451,290	-
Due in more than one year:				
Compensated absences (Note 6)	858,569	160,295	1,018,864	-
Advance from primary government (Note 5)	-	-	-	815,000
Net pension liability (Note 9)	31,872,684	3,704,443	35,577,127	-
Net OPEB obligation (Note 7)	47,782,239	5,236,410	53,018,649	-
Long-term debt, net of current portion (Note 6)	752,060	11,031,937	11,783,997	-
Total liabilities	84,472,592	23,921,041	108,393,633	986,540
Deferred Inflows of Resources				
Pensions (Note 9)	1,554,699	89,318	1,644,017	-
Other postemployment benefits (Note 7)	725,205	79,475	804,680	-
Total deferred inflows of resources	2,279,904	168,793	2,448,697	-
Net Position				
Net investment in capital assets	21,970,803	31,800,585	53,771,388	1,350,710
Restricted:				
Roads	138,512	-	138,512	-
Grant operations	423,779	-	423,779	-
Library	198,491	-	198,491	-
S.I.N.C. operations	395,594	-	395,594	-
Capital charges	-	2,173,088	2,173,088	-
Refuse	56,025	-	56,025	-
Police	16,012	-	16,012	-
Unrestricted	(64,945,559)	(2,311,517)	(67,257,076)	878,063
Total net position	\$ (41,746,343)	\$ 31,662,156	\$ (10,084,187)	\$ 2,228,773