

November 18, 2021

To the City Council and Management  
City of Grosse Pointe Woods, Michigan

We have audited the financial statements of the City of Grosse Pointe Woods, Michigan (the "City") as of and for the year ended June 30, 2021 and have issued our report thereon dated November 18, 2021. Professional standards require that we provide you with the following information related to our audit, which is divided into the following sections:

Section I - Internal Control Related Matters Identified in an Audit

Section II - Required Communications with Those Charged with Governance

Section III - Other Recommendations and Related Information

Sections I and II include information that we are required to communicate to those individuals charged with governance of the City. Section I communicates a deficiency we observed in the City's internal control that we believe is a material weakness. Section II communicates significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process.

Section III presents informational legislative items offered in the interest of helping the City toward continuous improvements and to remain informed of the changing legislative landscape.

We would like to take this opportunity to thank the City's staff for the cooperation and courtesy extended to us during our audit. Their assistance and professionalism are invaluable.

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

We welcome any questions you may have regarding the following communications, and we would be willing to discuss these or any other questions that you might have at your convenience.

Very truly yours,

**Plante & Moran, PLLC**



William E. Brickey  
Partner



Joshua L. Yde  
Senior Manager

## Section I - Internal Control Related Matters Identified in an Audit

In planning and performing our audit of the financial statements of the City as of and for the year ended June 30, 2021, in accordance with auditing standards generally accepted in the United States of America, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses, and, therefore, material weaknesses or significant deficiencies may exist that were not identified.

However, as discussed below, we identified a certain deficiency in internal control that we consider to be a material weakness.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis.

A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

We consider the following deficiency in the City's internal control to be a material weakness:

- During the audit, the City required assistance preparing various journal entries that were needed to adjust the year-end balances to be in conformity with generally accepted accounting principles. These journal entries were related to the net pension liability and the net other postemployment benefit (OPEB) liability and their related deferred inflows/outflows and expenses, as well as capital assets, debt, and prepaids related to the Milk River Drainage District. Failure to properly identify and record year-end journal entries could lead to materially inaccurate financial reporting.

## Section II - Required Communications with Those Charged with Governance

### Our Responsibility Under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated September 7, 2021, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities. Our responsibility is to plan and perform the audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement.

As part of our audit, we considered the internal control of the City. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters.

We have noted the following instances of noncompliance with laws and regulations during the course of our audit: The City budgeted fund deficits in the Grosse-Gratiot Drain Fund, the Act 302 Training Fund, and the Capital Improvement Fund. Actual activity resulted in a positive fund balance. This is disclosed in the budgetary comparison schedules in the other supplemental information within the financial statements.

### Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our meeting about planning matters on September 7, 2021.

### Significant Audit Findings

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

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the City are described in Note 1 to the financial statements.

As described in Note 1, the City changed accounting policies related to GASB Statement No. 84, *Fiduciary Activities*, which changed how fiduciary activities are presented on the statements.

We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus.

There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

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 financial statements include the liabilities and expense associated with pension and OPEB, the liability associated with estimated property tax refunds, unbilled water and sewer charges, and incurred but not reported liabilities related to self-insurance.

Management's estimates of the pension and OPEB liability and expense are based on discount rates, rate of return, and other assumptions, which are used by an actuary to calculate the total net pension liability and net OPEB liability. While the actuary uses assumptions to calculate the total pension and OPEB liabilities, it is management's responsibility to assess whether the assumptions made are reasonable.

## **Section II - Required Communications with Those Charged with Governance (Continued)**

In the current year, pension valuations were prepared in accordance with GASB 67/68. The total pension liability of the main plan decreased by \$11,690,710, a 14.2 percent decrease, primarily due to actuarial assumption changes, and the supplemental annuity plan total liability increased by \$58,271, a 1.5 percent increase. The City continues to use an open amortization period, which means that the City's actuarially determined contributions may not be sufficient to close the gap between the plan net position and the total pension liabilities.

Management's estimate of property tax refunds is calculated by known contested taxable values and the City's assessor's and lawyer's estimates, which are based on historical data.

At year end, due to the timing of the billing cycles for water and sewer, it is necessary to record an estimate for the amount unbilled to customers. Management estimated this amount based on billing registers and the timing of bills and recorded this amount as a receivable in the Water and Sewer Fund.

The estimates of the incurred but not reported amounts related to the City's self-insured workers' compensation and health insurance obligations are disclosed in Note 15 to the financial statements. Management's estimate of the various incurred but not reported amounts is based on historical information regarding claims.

We evaluated the key assumptions used to calculate these estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

The disclosures in the financial statements are neutral, consistent, and clear.

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

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

### ***Disagreements with Management***

For the purpose 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.

### ***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.

### ***Significant Findings or Issues***

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, business conditions affecting the City, and business plans and strategies that may affect the risks of material misstatement, with management each year prior to our retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship, and our responses were not a condition of our retention.

### ***Management Representations***

We have requested certain representations from management that are included in the management representation letter dated November 18, 2021.

**Section II - Required Communications with Those Charged with Governance  
(Continued)**

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

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

**Other Information in Documents Containing Audited Financial Statements**

Our responsibility for other information in documents containing the City's financial statements and report does not extend beyond the financial statements. We do not have an obligation to determine whether or not such other information is properly stated. However, we read the introductory section and statistical section, and nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information or manner of its presentation appearing in the financial statements.

### **Section III - Legislative and Informational Items**

#### **COVID-19 Resource Center and ARPA**

Throughout the COVID-19 pandemic, Plante & Moran, PLLC's COVID-19 task force of leaders across the firm has monitored, addressed, and provided insight related to the virus and the unique challenges our local governments have faced while continuing to provide essential services to their communities through our COVID-19 resource center at <https://www.plantemoran.com/explore-our-thinking/areas-of-focus/covid-19-government-resource-center>. This will continue as our nation emerges from this crisis.

In March 2021, the president signed the American Rescue Plan Act (ARPA) into law, which included federal stimulus funding for state and local governments of all sizes. The largest of all funding streams, the Coronavirus State and Local Fiscal Recovery Funds (CSLFRF), represents a \$350 billion top-line allocation for state and local governments. Funding began to be distributed nationwide in May 2021, although smaller municipalities will need to wait for the funding to pass through their state governments. The U.S. Department of the Treasury recently published the interim final rule (IFR), which establishes a framework for determining the types of programs and services that are eligible uses of the CSLFRF funding.

The ARPA award terms provide that payments from the Fiscal Recovery Funds as a general matter will be subject to the provision of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"), including the cost principles and restrictions on general provisions for selected items of cost. The City will need to understand these reforms and may be required to evaluate, document, and monitor internal procedures around compliance, including maintaining certain required policies.

The COVID-19 resource center is being continuously updated for the latest guidance and strategy related to CSLFRF and will help keep the City running smoothly through our nation's recovery.

Want to receive relevant content directly to your email? Subscribe at <https://www.plantemoran.com/subscribe> where you can customize your subscription preferences based on your specific interests and industry selection.

#### **2021 Public Sector Webinar Series - Insight to Help You Prepare for What is Next**

Plante & Moran, PLLC is proud to have hosted a six-session CPE-eligible webinar series, Public Sector Webinar Series, in which our experts broke down what you need to know about regulatory updates, the impact of COVID-19 funds, and more. The webinar series covered the following topics:

- Charting GASB's course - Available on demand
- Preparing for your single audit: A roadmap for funding compliance - Available on demand
- Navigating the AICPA's revised *State and Local Government Client Affiliates* independence guidance - Available on demand
- GASB 87: Your advanced implementation questions answered - Available on demand
- 2021 Compliance Supplement and single audit update - Available on demand
- Financial sustainability: A framework to address budgetary and operational challenges - Available on demand

We welcome the City's participation in what we hope are very informative programs.

#### **Michigan's COVID-19 Updates and Related Grant Programs**

The Michigan Department of Treasury has developed a webpage with numbered letters, memorandums, webinars, and resources regarding COVID-19 updates and related grant programs: [https://www.michigan.gov/treasury/0,4679,7-121-1751\\_98769---,00.html](https://www.michigan.gov/treasury/0,4679,7-121-1751_98769---,00.html).

### Section III - Legislative and Informational Items (Continued)

#### **Legacy Costs**

Legacy costs and the challenge of funding them continue to be topics of discussion. GASB pronouncements of late have placed even more focus on the net long-term liability arising from these benefit promises by requiring governmental financial statements to reflect the net pension and OPEB liabilities. For many governments, these net liabilities are significant. In addition, Public Act 202 of 2017 has brought further focus on the funding level of these plans.

The following are the funding levels per the financial statements for the last three years for both pension and OPEB:

	<b>Pension</b>	<b>OPEB</b>
2020	65.03% - 67.84%	4.21%
2019	43.17% - 50.41%	2.75%
2018	45.99% - 45.15%	2.45%

Maintaining or even improving the funded status of the plan(s) is dependent upon a number of factors, including the government's contribution policies, its amortization policy for funding the unfunded actuarial accrued liability, its benefit levels, and the ability to make future changes to the plan.

#### **Cybersecurity and Information Technology Controls**

Cyberattacks are on the rise across the globe, and the cost of these attacks is ever increasing. Because of these attacks, municipalities stand to lose their reputation, the ability to operate efficiently, and proprietary information or assets. Communities potentially can also be subject to financial and legal liabilities. Managing this issue is especially challenging because even a municipality with a highly mature cybersecurity risk management program still has a residual risk that a material cybersecurity breach could occur and not be detected in a timely manner. We understand that the technology department continues to monitor and evaluate this risk, which are critical best practices. Additionally, periodic assessments of the system in order to verify that the control environment is working as intended are key parts of measuring associated business risk. We encourage administration and those charged with governance to work with the technology team on this very important topic. If we can be of assistance in the process, we would be happy to do so.

#### **Updated Uniform Chart of Accounts**

In April 2017, the State released an updated Uniform Chart of Accounts. Originally, local units of government were expected to comply with the changes beginning with June 30, 2018 year ends. However, the State has extended the deadline for compliance. On April 20, 2020, the State issued a memo that sets an implementation date for fiscal years ending on October 31, 2022 and thereafter. The State has committed to releasing various tools to help local units with implementation, including FAQs and clarification on which accounts should be used when implementing GASB 84. A final release of the chart of accounts was issued in November 2020 and is available at this link: [https://www.michigan.gov/documents/uniformchart\\_24524\\_7.pdf](https://www.michigan.gov/documents/uniformchart_24524_7.pdf). This final version follows various exposure drafts and revisions in order to comply with changing GASB standards and statutory changes and reformats the document to make it more user-friendly. The Treasury will provide alerts for any guidance and resources, and local units can sign up for alerts at this link: [https://public.govdelivery.com/accounts/MITREAS/subscriber/new?gps=MITREAS\\_1](https://public.govdelivery.com/accounts/MITREAS/subscriber/new?gps=MITREAS_1).

#### **Revenue Sharing**

The fiscal year 2021 governor's budget recommendation includes \$1.4 billion for revenue sharing. Further details of the breakdown of this amount are available at [https://www.michigan.gov/treasury/0,,7-121-1751\\_2197---,00.html](https://www.michigan.gov/treasury/0,,7-121-1751_2197---,00.html).

### **Section III - Legislative and Informational Items (Continued)**

In order to receive the City, Village, and Township Revenue Sharing (CVTRS) payments in FY 2021, qualified local units will once again need to comply with the same best practices as they did last year as follows:

- A citizen's guide to local finances with disclosure of unfunded liabilities
- Performance dashboard
- Debt service report
- Two-year budget projection

#### **Rules Governing Management of Federal Programs**

The Office of Management and Budget (OMB) issued significant reforms to the compliance requirements that must be followed by nonfederal entities receiving federal funding related to awards on or after December 26, 2014. While these revisions were not too recent, the revisions were the most significant change to occur to federal grants management in recent history. While many communities have historically been below the \$750,000 single audit threshold, recent legislation provides for an increase in federal spending and, therefore, may be subject to an audit requirement; the City will need to understand these reforms and may be required to make changes to internal procedures, processes, and controls.

- **Cost Principles** - There were certain changes made to allowable costs and significant changes in the area of time and effort reporting and indirect costs.
- **Administrative Requirements** - Nonfederal entities receiving federal funding must adhere to revised rules related to administering federal awards. Most notably, the requirements may impact the City's procurement systems, including maintaining written conflict of interest policies and disclosures.

The City will need to ensure that consideration of the implementation of these regulations has occurred; if it has not, the City needs to work quickly to put the requirements into practice. Plante & Moran, PLLC has many experts in this area and welcomes any questions or needs you may have.

#### **Federal Procurement Threshold Changes**

The Office of Management and Budget (OMB) has issued significant reforms to the compliance requirements that must be followed by nonfederal entities. The Office of Management and Budget recently issued Memorandum M-18-18, which provides guidance on changes to micropurchases and simplified acquisition threshold requirements. The key changes are as follows:

- Threshold for micropurchases is increased to \$10,000.
- Threshold for simplified acquisitions (small purchase procedures limit) increased to \$250,000.

Key adoption considerations for micropurchase and simplified acquisition thresholds include the following:

- During the original adoption of the Uniform Guidance (UG) procurement standards, were specific amounts included within the City's procurement policy, or were references to the UG sections or amounts as adjusted referenced? If specific amounts were referenced, the procurement policy will need to be updated to take advantage of the changes.
- If the City's procurement policy was written to allow for changes in amounts, the procedures will need to be updated to conform.
- If this change is inconsistent with other procurement policies within the organization, the City must decide how the policy will be enacted. Remember local ordinances in place may limit full utilization of changes.
- If the City has chosen not to fully adopt the change and maintain a lower threshold, then the City is not required to use these thresholds but cannot exceed them.

### **Section III - Legislative and Informational Items (Continued)**

#### **Auditor Reporting Standards**

The AICPA Auditing Standards Board (ASB) issued several new standards that will be effective shortly, which will significantly change the independent auditor's report and make some changes to certain required audit procedures. The standards discussed below are both first effective for your fiscal year ending (June 30, 2022).

Statement on Auditing Standards No. 137 addresses auditors' responsibilities relating to other information included in annual reports. This new standard may increase the scope of audit procedures and may result in some audit work being performed outside of the normal timing. To the extent that the City issues a document meeting the AICPA's definition of an annual report under the standard, which, for your organization, includes your Popular Annual Financial Report, additional audit procedures will need to be performed on that separate document before it is issued.

Statement on Auditing Standards No. 134 requires changes in the form and content of the auditor's report issued as a result of an audit of financial statements in order to provide financial statement users with more meaningful information about the audit process and meaning of auditor opinions. This is the first significant change to auditors' reports in years.

Significant elements of the new standard include:

- Revision of order for elements of the opinion letter, including moving the auditor's opinion to the top of the letter
- Expansion of information to be included within a basis of opinion section and notification to the user that the auditor is required to be independent of the entity and meet other ethical responsibilities
- Explanation of how misstatements to financial statements are determined to be material
- Addition of definition of "reasonable assurance" and identifying that the risk of material misstatement due to fraud is greater than the risk due to error
- Enhanced reporting related to going concern, including a description of management's responsibilities when required by the applicable reporting framework
- Description of the auditor's responsibilities, including responsibilities relating to professional judgment and professional skepticism, internal controls, identification of risks of material misstatement to the financial statements, evaluation of accounting policies used, conclusion on the entity's ability to continue as a going concern, and the auditor's communications with those charged with governance

We are happy to discuss these changes with you so that you are well prepared.

#### **Upcoming Accounting Standards Requiring Preparation**

##### ***GASB Statement No. 87 - Leases***

This new accounting pronouncement will be effective for reporting periods beginning after December 15, 2019 (June 15, 2021 after extension within GASB Statement No. 95). This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

We recommend beginning to accumulate information now related to all significant lease agreements in order to more efficiently implement this new standard once it becomes effective.

### **Section III - Legislative and Informational Items (Continued)**

Plante & Moran, PLLC will be providing trainings and other resources to our clients in the coming months to help prepare for the implementation of all these new standards. In the interim, please reach out to your engagement team for assistance in getting started.

#### ***GASB Statement No. 92 - Omnibus 2020***

This new accounting pronouncement has various effective dates that were postponed by one year after extension within GASB Statement No. 95. This statement addresses eight unrelated practice issues and technical inconsistencies in authoritative literature. The standard addresses leases, intraentity transfers of assets, postemployment benefits, government acquisitions, risk financing and insurance-related activities of public entity risk pools, fair value measurements, and derivative instruments.

#### ***GASB Statement No. 94 - Public-Private and Public-Public Partnerships and Availability Payment Arrangements***

This new accounting pronouncement will be effective for reporting periods beginning after June 15, 2022. This statement improves accounting and financial reporting for arrangements where a governmental entity contracts with an operator to provide public services by conveying control of the right to operate or use nonfinancial assets, such as infrastructure or other capital assets, for a period of time in an exchange or exchange-like transaction. It establishes the definitions of public-private and public-public partnerships (PPPs) and availability payment arrangements (APAs) and provides uniform guidance on accounting and financial reporting for transactions that meet those definitions. The first step of implementation is identifying the types of arrangements that are PPPs and analyzing each of those arrangements through the requirements of this standard. In the interim period prior to the required implementation date, please reach out to your engagement team with any questions or for assistance in getting started.

#### ***GASB Statement No. 96 - Subscription-Based Information Technology Arrangements (SBITAs)***

This new accounting pronouncement will be effective for the City's year ending June 30, 2023. This statement defines SBITAs and provides accounting and financial reporting for SBITAs by governments, including requiring a government to recognize a subscription liability and an intangible right-to-use subscription asset for SBITAs.

#### ***GASB Statement No. 97 - Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans***

Certain aspects of this standard impacting defined contribution pension and OPEB plans and other employee benefit plans were effective immediately in June 2020, but the provisions of this statement related to 457 plans clarifying when a 457 plan should be considered a pension plan or an other employee benefit plan to assist in the application of GASB Statement No. 84 are effective for reporting periods beginning after June 15, 2021.

#### ***Significant GASB Proposals Worth Watching***

The GASB is working on three interrelated projects that result in a comprehensive look at financial reporting for state and local governments. Of these three efforts, two are likely to result in significant changes to governmental financial statements in the future.

The Financial Reporting Model is currently in exposure draft stage and is expected to be issued as a final statement next year. While this standard proposes changes to many aspects of the City's financial statements, this proposed standard will most significantly impact the City's governmental fund financial statements.

**Section III - Legislative and Informational Items  
(Continued)**

The Revenue and Expense Recognition project aims to develop a comprehensive accounting and financial reporting model for transactions that result in revenue and expenses. Currently, the GASB has issued a preliminary views document that proposes a new categorization framework that replaces the exchange/nonexchange transaction notion with a four-step process for classifying a transaction. In addition to this new framework, the proposal also addresses recognition and measurement of revenue and expense transactions.

Plante & Moran, PLLC has spent significant time digesting these new proposed standards and recently testified to the GASB about our feedback. We strongly encourage the City to monitor developments with these standards, as the potential impacts are quite broad.

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# City of Grosse Pointe Woods, Michigan

(Prepared by the Office of the City's Finance Department)

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**Annual Comprehensive Financial Report  
with Supplemental Information  
as of and for the year ended  
June 30, 2021**

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# CITY OF GROSSE POINTE WOODS

20025 Mack Plaza Drive

Grosse Pointe Woods, Michigan 48236-2397

To the Honorable Mayor  
and City Council  
City of Grosse Pointe Woods, Michigan

The Annual Comprehensive Financial Report (ACFR) of the City of Grosse Pointe Woods, Michigan for the fiscal year ended June 30, 2021 is submitted herewith, in accordance with provisions of Section 8.7 (Charter) of the City of Grosse Pointe Woods and the rules and regulations as put forward by the State of Michigan Department of Treasury. This report was prepared by and is the responsibility of the City's Finance Department. This document represents the official report of the City's financial operations to its residents, elected officials, employees, investment firms, banks and rating and regulatory agencies, and other interested parties. The data, as presented in the report, is accurate in all material respects, is shown in a manner designed to clearly and fairly set forth the financial activity of all the various funds established and utilized by the City and all disclosures have been included to enable the reader to gain the maximum understanding of the City's financial operations. The independent auditing firm of Plante & Moran, PLLC performed the annual audit of the City of Grosse Pointe Woods' financial statements as required by the Michigan Department of Treasury and has issued its unmodified opinion here within.

This document consists of management's representations concerning the finances of the City of Grosse Pointe Woods. Consequently, Administration assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these presentations, City Administration has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with generally accepted accounting principles. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. To ensure that the City's system of internal controls is providing the security needed, the City's auditors are routinely consulted before any changes are made to the system and are requested to advise management of any improvements that would benefit operations. As Administration, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

To the Honorable Mayor  
and City Council  
City of Grosse Pointe Woods, Michigan

November 18, 2021

Furthermore, it is important to note that this letter complements the Management's Discussion and Analysis (MD&A), which is found in the financial section.

### **Reporting Entity**

This report includes all funds for which the City's elected officials have operational and financial authority. This authority implies that the elected and administrative officials are legally responsible for establishing and implementing the fiscal policies and overseeing the financial management of the City. Where required, actual results of individual government funds are shown with its original/amended budgetary appropriations. This required disclosure allows the reader to compare the effectiveness of the administration to stay within the spending guidelines (budget) established by the City Council during the budget process and to disclose other variations that may occur during the course of the fiscal year.

### **Legal Requirement**

This report has been prepared pursuant to and in compliance with Michigan Department of Treasury regulations, which, in part, require that an annual independent audit of the City's financial records of accounts and transactions be performed. The opinion by the City's independent auditor, Plante & Moran, PLLC, dated November 18, 2020 on the basic financial statements and individual fund statements and schedules is included in the financial section of this report. There is not a separately issued Single Audit Report for the Federal Grant Fund under the 2 CFR 200 regulations because the total federal grant expenditures were less than the threshold of \$750,000, which is the minimum expenditure limit needed to be subject to the regulations of the Single Audit Act. Through the Wayne County Community Development Block Grant (CDBG) Program, the City is designated as a sub-grantee and coordinates its program.

Consistent with previous years, the intent and responsibility of Administration is to effectively adhere to the fiscal policies and initiatives established by the City Council while remaining cost efficient and responsive to the needs of the residents. Many of the financial policies and procedures established by the City Council are detailed in the City's annual budget. In accordance with the City Charter, the City Administrator and the Treasurer/Comptroller will have presented their budgetary estimates of revenues and expenditures of all the City's funds (excluding Trust & Agency Funds and selected Special Revenue Funds) to the Mayor and City Council no later than the first meeting in April. These estimates are then forwarded to the City's

To the Honorable Mayor  
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Finance Committee, which performs a thorough review of the operational, financial, and capital components of the budget. Upon completing this budget review along with recommendations, the budget is presented back to the Mayor and City Council for additional review and comments. The proposed budget document is formally approved by the Mayor and City Council no later than the third Monday in May. Throughout the course of the fiscal year, the Finance Committee may review any significant changes to the original budget document as recommended by the City Administrator and/or the Treasurer/Comptroller. Per the City Charter, the Mayor and City Council must formally approve any proposed adjustments to the budget. This process allows the City to remain flexible to changes in the revenue and expenditure patterns that occur throughout the year as well as keeping the elected officials updated on the financial condition of the City. Following the passage of the budget, a summary of the completed document is made available to all residents, and a budget summary published in the local newspaper and in the annual City calendar.

### **Fiscal Policies/Major Initiatives**

One of the most elemental functions of our City is to establish practices to guide us through good times and challenging times. Implementing cost cutting initiatives and maintaining excellent service levels to the community has provided the City with the ability to build a strong cash reserve. Currently, we have an unassigned fund balance of 36 percent of actual expenses. Our cash reserves are acceptable based upon the GFOA recommendation of a 10-15 percent fund balance. We are ever cognizant of the delicate balancing that is required to maintain adequate operational reserves while maintaining essential city services and funding infrastructure improvements. City administration continues to look for efficiencies, expanding community partnerships and alternative sources of revenue to keep our City financially strong and maintain our desirability as one of the premier communities in southeast Michigan to live, work and play.

The City's long-term financial stability is the result of a strong and continuous commitment to fundamental principles of fiscal integrity. The City's current administration has taken many steps over the last several years toward improved budgeting, cost containment, and improved efficiency, which has helped in dealing with the current economic conditions. The City has developed a cautious but proactive strategy to evaluating the needs of our community. Excess reserve funds have been budgeted throughout the course of fiscal year 2020 – 2021 to accomplish numerous projects that include:

- The global COVID-19 pandemic continued to have an operating impact during fiscal year end June 30, 2021. The City continues to adhere to COVID-19 safety guidelines; providing personal protective equipment, maintaining social barriers and continuing remote work when necessary. The City has gradually implemented recreational programs back into the community, keeping the safety of our residents the number one priority.
- The City continues to maintain and improve water and sewer infrastructure. Capital outlay totaling \$3.4 million that includes construction and engineering oversight came from water and sewer reserves to fund the following projects in fiscal year 2020-2021:
  - Replacement of water mains on Hollywood (Goethe to Marter), Severn (Mack to Hollywood and Christine Court.
  - Sewer rehabilitation that includes open cut repair and cured in place pipe lining repair and maintenance.
- The City continues its commitment to the local street repair and maintenance program that began in 2015. The reconstruction of Oxford Road (Mack to Holiday) and asphalt patching of Lochmoor (Fairway to Morningside) were included in the road program for fiscal year 2020-2021. Project costs totaling \$729,000 were funded through a transfer from General Fund balance.
- Maintaining Lake Front Park also continues to be a priority for the City, the vehicular bridge was replaced during fiscal year 2020-2021. Capital outlay totaling \$799,000 that includes construction and engineering oversight was funded from General Fund balance.
- Replacing the City's aging vehicles and equipment have also been a priority for the City. During fiscal year 2020-2021, the City invested over \$1.6 million in capital outlay that includes three (3) new vehicles and an E-One Fire Apparatus in the Department of Public Safety, four (4) new trucks in the Department of Public Works and one (1) new vehicle for Administration.
- The City's general fund balance continues to maintain a sound financial state at fiscal year 2020-2021. Prior year reserves totaling just over \$1.0 million were used to fund capital projects and purchase of vehicles and equipment.
- City administration continues to look for funding opportunities, cost containment initiatives, community partnerships and potential grant funds to fund and maintain the high level of public services provided to our community. Significant amenities the City provides include Lake Front Park, where you can spend the day with your family poolside, host a picnic or special event, or take a stroll on the boardwalk that overlooks Lake St. Clair. In addition, the Community Center offers programs for all ages, where members of the community can participate.

To the Honorable Mayor  
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Additionally, maintaining a strong cash reserve is paramount in order to continue with our Water/Sewer bond rating of AA+ allowing for the City to make the costs of borrowing lower and allow us to better invest in our city. Just as importantly, we need to build our savings so that we can pay continue operations in the event of a fiscal emergency or natural disaster. Lastly, increasing our reserves would demonstrate to businesses, governmental organizations, and ratings agencies that we have prudent, disciplined fiscal practices and that we are good stewards of our taxpayers' money. This stability is good for business and good for the people of Grosse Pointe Woods.

### **Economic Conditions and Outlook**

The City of Grosse Pointe Woods is one of the most desired areas to live in the State of Michigan, located 10 miles northeast of Detroit. Its population of 15,332 is distributed among approximately 6,874 households and has a median household income of \$104,848. The median home value of an owner-occupied residence in the City is \$244,500. The labor force is comprised largely of professional, healthcare, hospitality and education services, with 61% having a bachelor's or graduate degree.

The City has struggled over the last decade as a result of a low inflation rate multiplier used to calculate taxable value on all properties. Low inflation rates significantly impact property tax revenue and the funding of essential City services. In tax year 2021, the inflation rate factor was 1.4 percent.

Continued re-development and re-investment within the City will add value in fiscal year 2022. Re-investment is key to maintaining the health and welfare of established communities where land is not readily available for new construction. The building department and its staff had a very busy year with plan reviews, inspections and public contacts as our businesses and residents performed upgrades, additions and/or renovations to maintain and enhance their home and property. The City is fortunate to have such commitment in our residents and businesses who work hard to maintain the status that the City of Grosse Pointe Woods enjoys.

To the Honorable Mayor  
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In accordance with the City Charter, the City may levy up to 20 mills. The Headlee Act, which amended the State Constitution in regard to property tax relief, has forced the City to roll back its 20 mills to 13.2903 mills.

The City's General Fund year-end fund balance is approximately \$7.3 million; \$2.2 million is committed, assigned, or non-spendable, leaving \$5.1 million unassigned.

The City is committed to providing excellence in public safety, public works, and recreational opportunities and also promotes a true sense of community. We are proud of our Lake Front Park which provides the largest outdoor swimming complex in the Midwest and all of our recreational programs and community events.

### **Administrative Summary**

The City's strengths continue to be strong financial management, sound finances, and low debt levels. Because of this, the City's Water and Sewer Fund enjoys an outstanding bond rating of "AA" and the City's overall rating is "AA+" from Standard & Poor's. This outstanding bond rating allows the City to borrow at the lowest possible interest rate, saving taxpayers thousands of dollars in future costs.

The Government Finance Officers Association (GFOA) of the United States and Canada awarded the Certificate of Achievement for Excellence in Financial Reporting to the City for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2020. This is the 48<sup>th</sup> consecutive year that the City of Grosse Pointe Woods received this prestigious award. In fact, our City is the longest-standing recipient in GFOA's history.

In 2020, GFOA awarded the City with a Popular Annual Financial Reporting Award (PAFR). This is the eighth consecutive year the City has received this award which is presented to local governments that successfully extract information from their Annual Comprehensive Financial Report (ACFR) and produce a high-quality report specifically designed to be readily accessible and easily understandable to the general public and others who do not have a background in public finance.

The City continues to maintain our well respected status and is proud to be labeled as one of the most desired areas to live in southeast Michigan. The challenge to the City is to continue to

To the Honorable Mayor  
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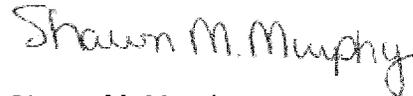
November 18, 2021

provide a multitude of public services, while complying with increased state regulations for accountability and transparency. Administration also remains confident that City Council and the employees possess the capability, foresight, and resolve necessary to successfully meet these challenges.

Sincerely,



Bruce J. Smith  
City Administrator



Shawn M. Murphy  
Treasurer/Comptroller



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

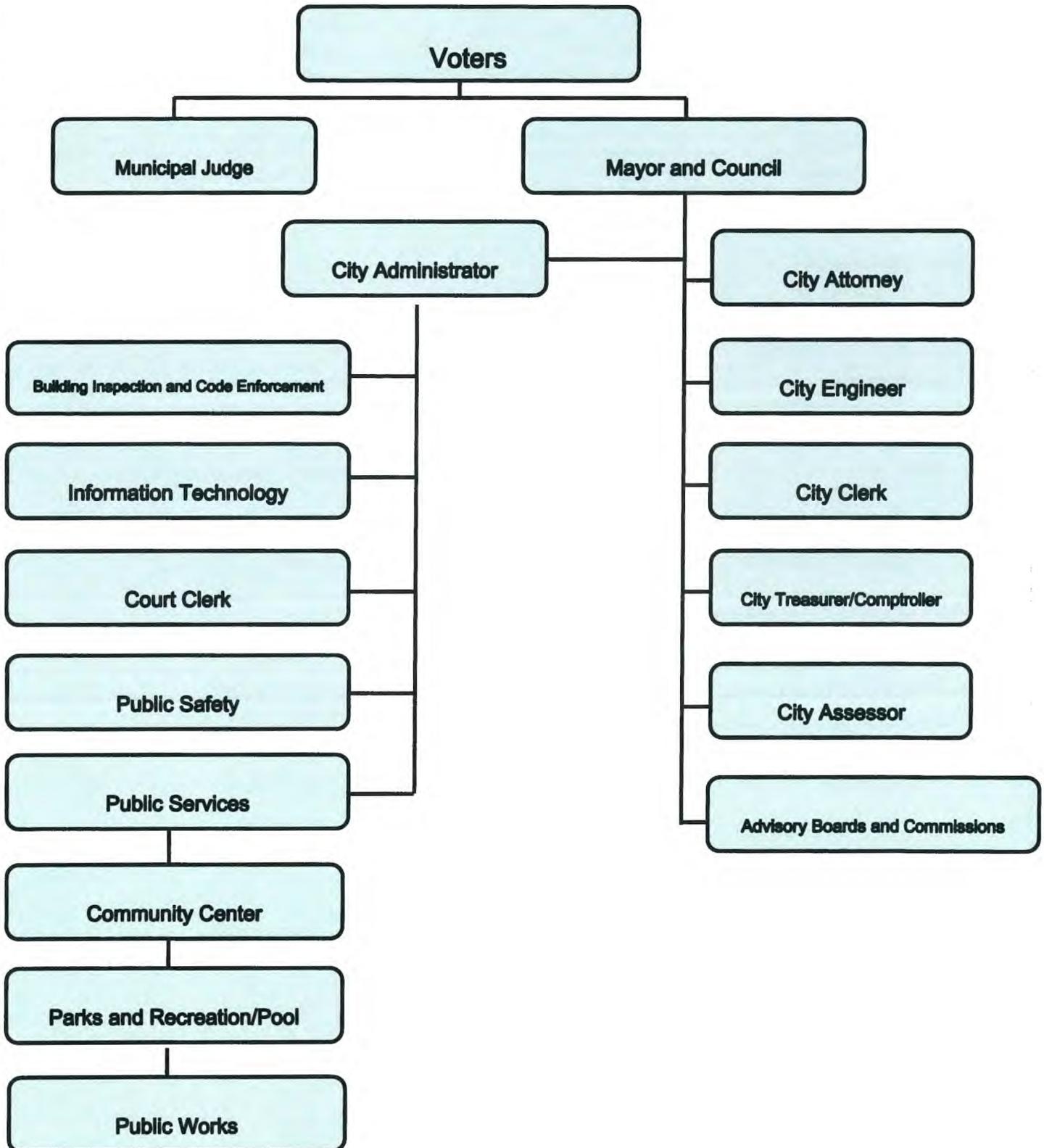
**City of Grosse Pointe Woods  
Michigan**

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

June 30, 2020

*Christopher P. Morill*

Executive Director/CEO



# City of Grosse Pointe Woods, Michigan

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## List of Elected Officials

### **Elected Officials**

Mayor

Arthur W Bryant

Council Member

Victoria A Granger

Council Member

Angela Coletti Brown

Council Member

Kenneth Gafa

Council Member

Michael Koester

Council Member

Todd A. McConaghy

Council Member

Thomas S. Vaughn

### **Municipal Judge**

Municipal Judge

Theodore A. Metry

### **Administrator's Office**

Administrator

Bruce J. Smith

### **Clerk's Office**

Clerk

Lisa K. Hathaway

### **City Treasurer/Comptroller's Office**

Treasurer/Comptroller

Shawn M. Murphy

### **City Attorney**

City Attorney

Rosati, Schultz,  
Joppich &  
Amtsbuechler, P.C.

City Attorney

York, Dolan & Tomlinson, P.C.

## **Independent Auditor's Report**

To the Honorable Mayor and City Council  
City of Grosse Pointe Woods, Michigan

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Grosse Pointe Woods, Michigan (the "City") as of and for the year ended June 30, 2021 and the related notes to the financial statements, which collectively comprise the City of Grosse Pointe Woods, Michigan's basic financial statements, as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

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

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

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

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Grosse Pointe Woods, Michigan as of June 30, 2021 and the respective changes in its financial position and, where applicable, cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Emphasis of Matter**

As discussed in Note 1 to the financial statements, during the year ended June 30, 2021, the City adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*, which gives guidance on the identification and reporting of fiduciary activities. Our opinion is not modified with respect to this matter.

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To the Honorable Mayor and City Council  
City of Grosse Pointe Woods, Michigan

**Other Matter**

*Required Supplemental Information*

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

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Grosse Pointe Woods, Michigan's basic financial statements. The other supplemental information, as identified in the table of contents, and the introductory section and the statistical section are presented for the purpose of additional analysis and are not a required part of the basic financial statements.

The other supplemental information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplemental information is fairly stated in all material respects in relation to the basic financial statements as a whole.

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

*Plante & Moran, PLLC*

November 18, 2021

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# City of Grosse Pointe Woods, Michigan

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## Management's Discussion and Analysis

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Our discussion and analysis of the City of Grosse Pointe Woods, Michigan's (the "City") financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2021. Please read it in conjunction with the City's financial statements.

### **Financial Highlights**

The following represents the most significant financial highlights for the year ended June 30, 2021:

- Property taxes continue to be the City's largest source of revenue; slow but steady increases have been realized over the last three fiscal years. The City has had incremental increases, with a CPI of 1.4 percent for fiscal year 2020-2021. Although the millage rate is essentially at the Headlee cap, the general operating property tax revenue remained consistent with 2019-2020.
- Revenue sharing from the State of Michigan remains our second largest revenue source. The City continues to meet all requirements of accountability and transparency with the State and received 100 percent of our state-shared revenue allocation in 2020-2021.
- The City remains vigilant with property maintenance enforcement to ensure properties are maintained. Maintaining property values and preventing decline through an effective property maintenance and rental inspection program is an important component of our overall financial plan and maintaining the quality of life within our community
- Repair and maintenance of Lake Front Park is a priority for the City. The vehicular bridge was replaced during fiscal year 2020-2021. Project costs totaling \$799,000 were funded from the General Fund fund balance.
- Road repair and reconstruction continue to be a priority for the City. Road projects included in fiscal year 2020-2021 are the reconstruction of Oxford Road (Mack to Holiday) and asphalt patching of Lochmoor Road (Fairway to Morningside). Project costs totaling \$729,000 were funded through a transfer from the General Fund and the Water and Sewer Fund reserves.
- Maintaining and improving water and sewer infrastructure is a priority for the City. Projects included in fiscal year 2020-2021 are the replacement of water mains on Hollywood (Goethe to Marter), Severn (Mack to Hollywood), and Christine Court. Sewer rehabilitation included open cut repair and cured-in-place pipe lining repair and maintenance. Project costs totaling \$3.4 million were funded from water and sewer reserves.
- Replacement of the City's aging vehicles and equipment is a priority for the City. The City invested \$1.6 million in vehicles and equipment during fiscal year 2020-2021. This included eight new vehicles/trucks and one E-One Fire Apparatus.
- The City has realized a decrease in its General Fund fund balance of just over \$1 million exclusive of the Cable Franchise and Local Street funds. This is a result of the continued priority of repairing/reconstruction of city streets and maintaining Lake Front Park.

### **Using This Annual Report**

This annual report consists of a series of financial statements. The statement of net position and the statement of activities provide information about the activities of the City as a whole and present a longer-term view of the City's finances. This longer-term view uses the accrual basis of accounting so that it can measure the cost of providing services during the current year and whether the taxpayers have funded the full cost of providing government services.

The fund financial statements present a short-term view; they tell the reader how the taxpayers' resources were spent during the year, as well as how much is available for future spending. Fund financial statements also report the City's operations in more detail than the government-wide financial statements by providing information about the City's most significant funds. The fiduciary fund statements provide financial information about activities for which the City acts solely as a trustee or agent for the benefit of those outside of the government.

# City of Grosse Pointe Woods, Michigan

## Management's Discussion and Analysis (Continued)

### The City as a Whole

The following table shows, in a condensed format, the net position as of the current date compared to the prior year:

#### Summary Condensed Statement of Net Position

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
<b>Assets</b>						
Current and other assets	\$ 14,782,157	\$ 16,809,153	\$ 15,288,558	\$ 15,655,928	\$ 30,070,715	\$ 32,465,081
Capital assets	<u>64,523,429</u>	<u>61,032,581</u>	<u>30,953,015</u>	<u>29,960,580</u>	<u>95,476,444</u>	<u>90,993,161</u>
Total assets	79,305,586	77,841,734	46,241,573	45,616,508	125,547,159	123,458,242
<b>Deferred Outflows of Resources</b>						
	678,448	8,895,176	136,052	804,861	814,500	9,700,037
<b>Liabilities</b>						
Current liabilities	2,093,693	1,837,114	828,369	922,742	2,922,062	2,759,856
Noncurrent liabilities	<u>84,878,998</u>	<u>105,372,716</u>	<u>11,453,897</u>	<u>13,792,363</u>	<u>96,332,895</u>	<u>119,165,079</u>
Total liabilities	86,972,691	107,209,830	12,282,266	14,715,105	99,254,957	121,924,935
<b>Deferred Inflows of Resources</b>	<u>16,579,476</u>	<u>3,570,077</u>	<u>1,488,051</u>	<u>392,635</u>	<u>18,067,527</u>	<u>3,962,712</u>
<b>Net Position (Deficit)</b>						
Net investment in capital assets	37,562,491	34,307,867	24,837,411	23,036,705	62,399,902	57,344,572
Restricted	3,224,854	3,879,012	198,090	198,090	3,422,944	4,077,102
Unrestricted	<u>(64,355,478)</u>	<u>(62,229,876)</u>	<u>7,571,807</u>	<u>8,078,834</u>	<u>(56,783,671)</u>	<u>(54,151,042)</u>
Total net position (deficit)	<u><b>\$ (23,568,133)</b></u>	<u><b>\$ (24,042,997)</b></u>	<u><b>\$ 32,607,308</b></u>	<u><b>\$ 31,313,629</b></u>	<u><b>\$ 9,039,175</b></u>	<u><b>\$ 7,270,632</b></u>

Capital assets in governmental activities increased by approximately \$3.5 million, net of \$2.2 million in depreciation. The City's ongoing work related to the Milk River Drainage District totals \$1.9 million and the remaining increase in capital assets of approximately \$3.9 million is related to the City's continued investment in road improvement projects and other infrastructure assets.

The decrease in long-term liabilities was \$20.5 million primarily due to the favorable market conditions in fiscal year 2020-2021 related to the pension plan. The City continues to make the required contributions to the pension plans. Market conditions and changes in the governmental accounting standards have changed the manner in which these liabilities are reported on the City's statement of net position.

# City of Grosse Pointe Woods, Michigan

## Management's Discussion and Analysis (Continued)

The following table shows the City's major revenue and expenses as a whole for both the governmental and business-type activities. The bottom of the table shows the changes in net position during the current year in comparison to the prior year:

### Summary Condensed Statement of Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
<b>Revenue</b>						
Program revenue:						
Charges for services	\$ 762,235	\$ 735,843	\$ 8,398,139	\$ 8,869,111	\$ 9,160,374	\$ 9,604,954
Operating grants	1,706,735	1,566,077	-	-	1,706,735	1,566,077
Capital grants	24,628	930,108	-	-	24,628	930,108
General revenue:						
Property taxes	16,333,840	15,997,173	-	-	16,333,840	15,997,173
Intergovernmental	2,395,549	1,649,486	-	-	2,395,549	1,649,486
Investment earnings	25,167	338,402	47,253	241,682	72,420	580,084
Other revenue:						
Cable franchise fees	341,918	369,566	-	-	341,918	369,566
Other miscellaneous income	443,932	1,129,700	-	-	443,932	1,129,700
<b>Total revenue</b>	<b>22,034,004</b>	<b>22,716,355</b>	<b>8,445,392</b>	<b>9,110,793</b>	<b>30,479,396</b>	<b>31,827,148</b>
<b>Expenses</b>						
General government	2,593,302	518,836	-	-	2,593,302	518,836
Public safety	6,675,082	5,741,383	-	-	6,675,082	5,741,383
Public works	7,888,744	6,547,839	-	-	7,888,744	6,547,839
Solid waste	1,725,517	1,661,616	-	-	1,725,517	1,661,616
Community and economic development	1,017,990	1,283,863	-	-	1,017,990	1,283,863
Parks and recreation	939,350	1,848,120	-	-	939,350	1,848,120
Debt service	719,155	560,896	-	-	719,155	560,896
Water and Sewer Fund	-	-	6,089,411	6,399,751	6,089,411	6,399,751
Parking Utility Fund	-	-	899,113	432,624	899,113	432,624
Boat Dock Rental Fund	-	-	157,547	132,434	157,547	132,434
Commodity Sales Fund	-	-	5,642	5,279	5,642	5,279
<b>Total expenses</b>	<b>21,559,140</b>	<b>18,162,553</b>	<b>7,151,713</b>	<b>6,970,088</b>	<b>28,710,853</b>	<b>25,132,641</b>
<b>Change in Net Position</b>	<b>474,864</b>	<b>4,553,802</b>	<b>1,293,679</b>	<b>2,140,705</b>	<b>1,768,543</b>	<b>6,694,507</b>
<b>Net Position (Deficit) - Beginning of year</b>	<b>(24,042,997)</b>	<b>(28,596,799)</b>	<b>31,313,629</b>	<b>29,172,924</b>	<b>7,270,632</b>	<b>576,125</b>
<b>Net Position (Deficit) - End of year</b>	<b><u>\$(23,568,133)</u></b>	<b><u>\$(24,042,997)</u></b>	<b><u>\$ 32,607,308</u></b>	<b><u>\$ 31,313,629</u></b>	<b><u>\$ 9,039,175</u></b>	<b><u>\$ 7,270,632</u></b>

### **Governmental Activities**

The City's governmental revenue totaled approximately \$22 million, with the greatest revenue source being property taxes. Total revenue for governmental activities decreased approximately \$680,000 compared to fiscal year 2019-2020. The decrease is related a decrease in capital grant contributions, investment earnings, and other miscellaneous income.

Property taxes make up approximately 74 percent of total governmental revenue. That percentage increased from the 70 percent reported in fiscal year 2019-2020. Overall, the City experienced an increase of 3.2 percent in taxable value for 2020-2021, down slightly from 3.8 percent in fiscal year 2019-2020.

# City of Grosse Pointe Woods, Michigan

## Management's Discussion and Analysis (Continued)

Total governmental expenses for the City were approximately \$21.6 million. This is an increase of approximately \$3.4 million compared to fiscal year 2019-2020. This increase is primarily due to additional pension and retiree health care expenses recognized in the current year.

### ***Business-type Activities***

The City's business-type activities consist of the funds for water and sewer, parking utility, commodity sales, and boat dock.

Water and sewer utility system revenue is primarily from fees paid by customers based on use. Water and sewer rates were increased in the current year to cover increased costs to purchase water and to fund required infrastructure improvements.

The remaining business-type funds continue to be funded exclusively by user fees, and there were no significant changes in revenue or expenses in the current year.

In the business-type activities, revenue decreased by approximately \$665,000, primarily due to a decrease investment earnings and user fees. Expenses increased approximately \$120,000 due to an increase in parking lot maintenance and an overall decrease in water and sewer expenses.

### ***The City's Funds***

An analysis of the City's major funds begins on page 12, following the government wide financial statements. The fund financial statements provide detailed information about the most significant funds, not the City as a whole. The City Council created funds to help manage money for specific purposes and to show accountability for certain activities, such as special property tax millages. The City's major governmental funds for fiscal year 2020-2021 include the General Fund and the Grosse-Gratiot Drain Fund. Since the Local Street Fund and the Cable Franchise Fund receive the majority of their revenue from unrestricted sources, they can no longer be classified as special revenue funds. Therefore, they are included in the General Fund. The City's major business-type fund is the Water and Sewer Fund.

### **General Fund**

The General Fund pays for most of the City's governmental services. The two largest services funded by the General Fund are public safety (combined police and fire services) and public works, which account for \$10 million in expenses. The parks and recreation department accounted for \$1.5 million in expenses, with this department of the City being primarily funded through tax revenue and user fees.

Other major activities in the General Fund include recreation and culture, solid waste, and all general government administrative and services operations. Some of these activities rely on fees for services to help offset costs, and some do not generate any significant service-related revenue. Many of these activities rely heavily on property taxes and revenue sharing to subsidize their operations.

In fiscal year 2020-2021, the General Fund's fund balance decreased by \$563,428. The decrease is the result of road construction and municipal improvement projects and the use of prior year reserves.

The City's General Fund year-end fund balance is approximately \$7.3 million; \$2.2 million is committed, assigned, or nonspendable, leaving \$5.1 million unassigned. The unassigned amount represents approximately 36 percent of fiscal year 2020-2021 actual expenditures. This level of fund balance is above the recommended level of between 10 percent and 15 percent of annual expenditures; however, the City strives to maintain a cash surplus sufficient to maintain superior city services and retain a favorable bond rating.

### **Grosse-Gratiot Drain Fund**

The Grosse-Gratiot Drain Fund is used to accumulate resources for payment of operations and maintenance costs, as well as the Grosse-Gratiot Drain improvements financed by issuance of debt. During the year ended June 30, 2021, the Milk River Intercounty Drain Drainage Board issued debt in the amount of \$40 million for system updates and improvements. The City is responsible for 51.28 percent of the first debt issuance and 35.89 percent of the second debt issuance that was issued for cost overruns. The project is expected to be completed by June 30, 2022.

## City of Grosse Pointe Woods, Michigan

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### Management's Discussion and Analysis (Continued)

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In fiscal year 2020-2021, the fund derived revenue from property taxes of approximately \$2.9 million and expenditures of approximately \$2.2 million related to drain operations and maintenance provided by Wayne County, Michigan and \$3.1 million related to capital expenditures.

This Grosse-Gratiot Drain Fund's fund balance decreased \$994,922; its fund balance at year end is \$1,211,788. This will be used to fund operations and maintenance as well as future principal and interest payments.

#### **Water and Sewer Fund**

The Water and Sewer Fund continues to maintain a small amount of working capital and the required reserves to meet bond covenants. Because revenue is derived from user fees that are adjusted periodically to cover expenses, the fund is very secure. Unlike the governmental activities of the City, the Water and Sewer Fund does not rely on tax dollars and state aid for its financial well-being.

Water and sewer rates remained constant with fiscal year 2019-2020. These fees cover the expenses imposed by the Great Lakes Water Authority; Wayne County, Michigan; city billing staff; and city operations and maintenance staff, and infrastructure improvements are financed by issuance of debt and the use of reserves.

The City Council and administration review revenue and expenditures annually to ensure revenue remains at an adequate level to support the required expenditures of the water and sewer systems.

#### **General Fund Budgetary Highlights**

The City experienced a 3.2 percent increase in taxable value in fiscal year 2020-2021, resulting in a modest increase in property tax revenue. The City Council and administration review expenditures to determine if appropriate funding levels from property taxes and revenue sharing will adequately cover expenditures. Expenditures exceeded revenue for fiscal year 2020-2021 by approximately \$1 million. The increase in expenditures is the result of local road maintenance and construction projects and Lake Front Park improvements. General Fund balance was used to fund these projects.

#### **Local Street Activity**

The Local Street Fund accounts for the maintenance and replacement of all local streets within the City. The City has approximately 42 miles of local streets within our municipal boundaries. The primary source of financing for this fund is provided by distribution of gas tax proceeds from the State under Public Act 51, with the City receiving just over \$480,000 in fiscal year 2020-2021. In addition the City received \$42,000 from the State for PA 248 funding. The other primary income source is through a transfer from the General Fund. The Local Street Fund additionally receives a small amount of its revenue from fees, special assessment, and interest on investments.

The Local Street Fund's fund balance increased by \$484,538. This increase is the direct result of fiscal year 2020-2021 projects being finalized and closing payments to contractors being made in fiscal year 2021-2022. The Local Street Fund's fund balance at June 30, 2021 is \$1.28 million. For reporting purposes, this fund balance has been classified as committed and rolled into the General Fund.

#### **Cable Franchise Activity**

The Cable Franchise Fund was established to invest the proceeds from the sale of the City's interest in a cable company's earnings used for capital improvements.

The Cable Franchise Fund's fund balance increased to \$550,130 primarily as a result of annual interest earnings and is reported in the General Fund as assigned.

#### **Capital Asset and Debt Administration**

General obligation debt for the City in fiscal year 2020-2021 includes the 2015 Road Construction Bonds, the 2017 Road Construction Bonds, and the 2018 Capital Improvement Bonds utilized to fund municipal infrastructure needs throughout various city-owned buildings and properties. These general obligation bonds are secured by an issuing government's pledge to use all available resources to repay holders of the bond, and they are backed by the full faith and credit of the City of Grosse Pointe Woods, Michigan as the issuing authority. Fiscal year 2020-2021 ended with general obligation debt of \$7.9 million in outstanding principal.

# City of Grosse Pointe Woods, Michigan

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## Management's Discussion and Analysis (Continued)

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The City added an installment loan for the new E-One Fire Apparatus that was purchased in fiscal year 2020-2021. The City financed \$500,000 over five years of the \$1 million dollar purchase. Overall, the City's debt remains low with combined governmental long-term debt at \$27 million, with \$18.5 million directly attributed to the Milk River Drainage Project. Detailed information on the City's debt can be found in the statistical section of this report in the debt capacity and direct and overlapping debt schedules. For more information regarding the activity of capital assets and debt, please refer to Notes 4 and 6, respectively.

### ***Economic Factors***

Property tax values increased pursuant to the Consumer Price Index (CPI) approximately 1.4 percent and realized an overall increase of 3.2 percent in fiscal year 2020-2021. The overall increase is inclusive of all taxable value additions and losses calculated into this final percentage. This resulted in an increase in property tax revenue of approximately \$337,000 in fiscal year 2020-2021. The City remains hopeful that the rebound from the 2007 decline in taxable values continues. Prudent fiscal management continues to be a top priority, as the City continues to implement cost-saving measures: reducing discretionary spending, evaluating and prioritizing capital projects, and working to establish partnerships with other agencies.

The global COVID-19 pandemic continued to have an operating impact during fiscal year 2020-2021. The City continues to adhere to COVID-19 safety guidelines, providing personal protective equipment, maintaining social barriers, and continuing remote work when necessary. The City has gradually brought back recreational programs and community events, keeping the safety of our residents the number one priority.

### ***Contacting the City's Management***

This financial report is intended to provide our citizens, taxpayers, customers, and investors with a general overview of the City's finances and demonstrate the City's accountability for the money it receives. If you have questions about this report or need additional information, please contact the city administrator's office at (313) 343-2450.

# City of Grosse Pointe Woods, Michigan

## Statement of Net Position

June 30, 2021

	Governmental Activities	Business-type Activities	Total
<b>Assets</b>			
Cash and investments (Note 3)	\$ 12,763,996	\$ 13,288,159	\$ 26,052,155
Receivables:			
Customer receivables	-	1,772,588	1,772,588
Accrued interest receivable	6,417	8,033	14,450
Other receivables	7,217	-	7,217
Due from other governments	755,410	18,779	774,189
Internal balances	11,535	(11,535)	-
Prepaid expenditures and other assets	1,150,998	14,444	1,165,442
Restricted assets	22,163	198,090	220,253
Investment in Grosse Pointes-Clinton Refuse Disposal Authority (Note 14)	64,421	-	64,421
Capital assets: (Note 4)			
Assets not subject to depreciation	22,887,380	1,363,382	24,250,762
Assets subject to depreciation - Net	41,636,049	29,589,633	71,225,682
<b>Total assets</b>	<b>79,305,586</b>	<b>46,241,573</b>	<b>125,547,159</b>
<b>Deferred Outflows of Resources</b>			
Deferred pension costs	643,899	132,695	776,594
Deferred OPEB costs	34,549	3,357	37,906
<b>Total deferred outflows of resources</b>	<b>678,448</b>	<b>136,052</b>	<b>814,500</b>
<b>Liabilities</b>			
Accounts payable	1,376,957	781,088	2,158,045
Accrued liabilities and other:			
Accrued salaries and wages	85,743	5,964	91,707
Payroll taxes and withholdings	16,118	1,508	17,626
Accrued interest payable	170,227	37,549	207,776
Accrued other	415,749	2,260	418,009
Unearned revenue	28,899	-	28,899
Noncurrent liabilities:			
Due within one year:			
Compensated absences (Note 6)	771,224	44,058	815,282
Provision for claims (Notes 6 and 15)	167,679	3,526	171,205
Current portion of bonds and contracts payable (Note 6)	1,935,174	833,270	2,768,444
Due in more than one year:			
Compensated absences (Note 6)	255,281	23,661	278,942
Net pension liability (Note 8)	23,861,970	2,078,172	25,940,142
Net OPEB obligation (Note 10)	32,839,743	3,188,876	36,028,619
Bonds and contracts payable - Net of current portion (Note 6)	25,047,927	5,282,334	30,330,261
<b>Total liabilities</b>	<b>86,972,691</b>	<b>12,282,266</b>	<b>99,254,957</b>
<b>Deferred Inflows of Resources</b>			
Deferred pension cost reductions	16,171,216	1,448,417	17,619,633
Deferred OPEB cost reductions	408,260	39,634	447,894
<b>Total deferred inflows of resources</b>	<b>16,579,476</b>	<b>1,488,051</b>	<b>18,067,527</b>
<b>Net Position (Deficit)</b>			
Net investment in capital assets	37,562,491	24,837,411	62,399,902
Restricted:			
Roads	1,191,449	-	1,191,449
Debt service	1,564,596	198,090	1,762,686
Public safety	10,430	-	10,430
Solid waste	355,471	-	355,471
Community development	89,716	-	89,716
Grants	13,192	-	13,192
Unrestricted	(64,355,478)	7,571,807	(56,783,671)
<b>Total net position (deficit)</b>	<b>\$ (23,568,133)</b>	<b>\$ 32,607,308</b>	<b>\$ 9,039,175</b>

# City of Grosse Pointe Woods, Michigan

Functions/Programs	Program Revenue			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 2,593,302	\$ 473,529	\$ 44,577	\$ -
Public safety	6,675,082	232,067	-	-
Public works	7,888,744	-	1,662,158	24,628
Solid waste	1,725,517	-	-	-
Municipal improvement	1,017,990	-	-	-
Parks and recreation	939,350	56,639	-	-
Interest on long-term debt	719,155	-	-	-
Total governmental activities	21,559,140	762,235	1,706,735	24,628
Business-type activities:				
Water and Sewer Fund	6,089,411	7,831,304	-	-
Parking Utility Fund	899,113	318,653	-	-
Boat Dock Rental Fund	157,547	236,098	-	-
Commodity Sales Fund	5,642	12,084	-	-
Total business-type activities	7,151,713	8,398,139	-	-
Total primary government	<b>\$ 28,710,853</b>	<b>\$ 9,160,374</b>	<b>\$ 1,706,735</b>	<b>\$ 24,628</b>

General revenue:  
 Property taxes  
 State-shared revenue  
 Unrestricted investment income  
 Franchise fees  
 Other miscellaneous income  
 Total general revenue

### Change in Net Position

Net Position (Deficit) - Beginning of year

Net Position (Deficit) - End of year

## Statement of Activities

Year Ended June 30, 2021

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business-type Activities	Total
\$ (2,075,196)	\$ -	\$ (2,075,196)
(6,443,015)	-	(6,443,015)
(6,201,958)	-	(6,201,958)
(1,725,517)	-	(1,725,517)
(1,017,990)	-	(1,017,990)
(882,711)	-	(882,711)
(719,155)	-	(719,155)
(19,065,542)	-	(19,065,542)
-	1,741,893	1,741,893
-	(580,460)	(580,460)
-	78,551	78,551
-	6,442	6,442
-	1,246,426	1,246,426
(19,065,542)	1,246,426	(17,819,116)
16,333,840	-	16,333,840
2,395,549	-	2,395,549
25,167	47,253	72,420
341,918	-	341,918
443,932	-	443,932
19,540,406	47,253	19,587,659
474,864	1,293,679	1,768,543
(24,042,997)	31,313,629	7,270,632
\$ (23,568,133)	\$ 32,607,308	\$ 9,039,175

# City of Grosse Pointe Woods, Michigan

## Governmental Funds Balance Sheet

June 30, 2021

	General Fund	Debt Service Fund - Grosse-Gratiot Drain Fund	Nonmajor Funds	Total Governmental Funds
<b>Assets</b>				
Cash and investments (Note 3)	\$ 7,461,551	\$ 913,200	\$ 2,556,770	\$ 10,931,521
Receivables:				
Accrued interest receivable	4,902	199	-	5,101
Other receivables	-	-	7,217	7,217
Due from other governments	534,046	-	217,571	751,617
Due from other funds (Note 5)	11,900	-	1,960	13,860
Advances to other funds	152,873	-	-	152,873
Prepaid expenditures and other assets	144,117	924,499	13,860	1,082,476
Restricted assets	-	-	22,163	22,163
	<u>\$ 8,309,389</u>	<u>\$ 1,837,898</u>	<u>\$ 2,819,541</u>	<u>\$ 12,966,828</u>
Total assets				
<b>Liabilities</b>				
Accounts payable	\$ 594,102	\$ 563,740	\$ 177,789	\$ 1,335,631
Due to other funds (Note 5)	365	-	1,960	2,325
Advances from other funds	-	-	152,873	152,873
Accrued liabilities and other:				
Accrued salaries and wages	80,080	-	4,521	84,601
Payroll taxes and withholdings	14,673	-	1,147	15,820
Accrued other	282,581	62,370	70,088	415,039
Unearned revenue	-	-	28,899	28,899
Provision for claims	37,610	-	5,289	42,899
	<u>1,009,411</u>	<u>626,110</u>	<u>442,566</u>	<u>2,078,087</u>
Total liabilities				
<b>Fund Balances</b>				
Nonspendable	296,990	924,499	13,860	1,235,349
Restricted:				
Roads	-	-	1,182,868	1,182,868
Public safety	-	-	8,704	8,704
Debt service	-	287,289	352,808	640,097
Grants	-	-	13,192	13,192
Community service	-	-	89,716	89,716
Solid waste	-	-	351,918	351,918
Capital improvement	-	-	22,163	22,163
Committed - Local streets	1,273,809	-	-	1,273,809
Assigned:				
Public safety	50,000	-	50,839	100,839
Capital projects	-	-	159,809	159,809
Parkway beautification	-	-	131,098	131,098
Cable	550,130	-	-	550,130
Unassigned	5,129,049	-	-	5,129,049
	<u>7,299,978</u>	<u>1,211,788</u>	<u>2,376,975</u>	<u>10,888,741</u>
Total fund balances				
Total liabilities and fund balances	<u>\$ 8,309,389</u>	<u>\$ 1,837,898</u>	<u>\$ 2,819,541</u>	<u>\$ 12,966,828</u>

**City of Grosse Pointe Woods, Michigan**

**Governmental Funds**

**Reconciliation of the Balance Sheet to the Statement of Net Position**

**June 30, 2021**

<b>Fund Balances Reported in Governmental Funds</b>	<b>\$ 10,888,741</b>
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and are not reported in the funds	61,438,393
Investments in joint ventures are not financial resources and are not reported in the funds	64,421
Bonds payable and capital lease obligations are not due and payable in the current period and are not reported in the funds	(26,683,174)
Accrued interest is not due and payable in the current period and is not reported in the funds	(170,227)
Some employee fringe benefits are payable over a long period of years and do not represent a claim on current financial resources; therefore, they are not reported as fund liabilities:	
Employee compensated absences	(989,452)
Pension benefits	(38,097,380)
Retiree health care benefits (OPEB)	(32,289,287)
Internal service funds are included as part of governmental activities	<u>2,269,832</u>
<b>Net Position (Deficit) of Governmental Activities</b>	<b><u><u>\$ (23,568,133)</u></u></b>

# City of Grosse Pointe Woods, Michigan

## Governmental Funds

### Statement of Revenue, Expenditures, and Changes in Fund Balances

Year Ended June 30, 2021

	General Fund	Debt Service Fund - Grosse-Gratiot Drain Fund	Nonmajor Funds	Total Governmental Funds
<b>Revenue</b>				
Property taxes:				
Property taxes	\$ 10,424,701	\$ 2,923,080	\$ 2,986,059	\$ 16,333,840
Franchise fees	341,918	-	-	341,918
Intergovernmental:				
Federal grants	495,545	-	20,000	515,545
State sources	2,361,584	14,919	1,230,236	3,606,739
Charges for services	622,309	-	-	622,309
Fines and forfeitures	232,067	-	-	232,067
Investment income	16,425	3,370	802	20,597
Other revenue	258,588	-	181,517	440,105
Total revenue	14,753,137	2,941,369	4,418,614	22,113,120
<b>Expenditures</b>				
Current services:				
General government	2,814,151	-	343,439	3,157,590
Public safety	6,232,522	-	113,037	6,345,559
Public works	3,767,516	4,180,509	2,602,019	10,550,044
Community and economic development	-	-	1,015,605	1,015,605
Parks and recreation	1,516,796	-	24,282	1,541,078
Debt service:				
Principal	-	740,996	935,500	1,676,496
Interest on long-term debt	-	421,376	251,297	672,673
Total expenditures	14,330,985	5,342,881	5,285,179	24,959,045
<b>Excess of Revenue Over (Under) Expenditures</b>	422,152	(2,401,512)	(866,565)	(2,845,925)
<b>Other Financing Sources (Uses)</b>				
Transfers in	275,000	-	1,264,407	1,539,407
Transfers out	(1,264,407)	-	(275,000)	(1,539,407)
New debt issued	-	1,406,590	-	1,406,590
Insurance recoveries	3,827	-	-	3,827
Total other financing (uses) sources	(985,580)	1,406,590	989,407	1,410,417
<b>Net Change in Fund Balances</b>	(563,428)	(994,922)	122,842	(1,435,508)
<b>Fund Balances - Beginning of year</b>	7,863,406	2,206,710	2,254,133	12,324,249
<b>Fund Balances - End of year</b>	<u>\$ 7,299,978</u>	<u>\$ 1,211,788</u>	<u>\$ 2,376,975</u>	<u>\$ 10,888,741</u>

## City of Grosse Pointe Woods, Michigan

### Governmental Funds Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balances to the Statement of Activities

Year Ended June 30, 2021

<b>Net Change in Fund Balances Reported in Governmental Funds</b>	<b>\$ (1,435,508)</b>
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures; however, in the statement of activities, these costs are allocated over their estimated useful lives as depreciation:	
Depreciation expense	(1,882,010)
Donated assets	4,628
Capital outlay	4,078,795
Revenue in the statement of activities that does not provide current financial resources is not reported as revenue in the funds until it is available	(688)
Issuing debt provides current financial resources to governmental funds but increases long-term liabilities in the statement of net position	(1,406,590)
Repayment of bond principal is an expenditure in the governmental funds but not in the statement of activities (where it reduces long-term debt)	1,738,265
Interest expense is recognized in the government-wide statements as it accrues	(107,563)
Some employee costs (pension, OPEB, and compensated absences) do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds	(677,020)
Change in investment in a joint Grosse Pointes-Clinton Refuse Disposal Authority is not recorded in the funds	9,073
Internal service funds are included as part of governmental activities	153,482
<b>Change in Net Position of Governmental Activities</b>	<b><u>\$ 474,864</u></b>

# City of Grosse Pointe Woods, Michigan

## Proprietary Funds Statement of Net Position

June 30, 2021

	Enterprise Funds				Governmental
	Water and Sewer Fund	Parking Utility Fund	Nonmajor Enterprise	Total	Internal Service Funds
<b>Assets</b>					
Current assets:					
Cash and investments	\$ 11,840,615	\$ 1,069,212	\$ 378,332	\$ 13,288,159	\$ 1,832,475
Receivables:					
Customer receivables	1,772,588	-	-	1,772,588	-
Accrued interest receivable	7,256	777	-	8,033	1,316
Due from other governments	18,779	-	-	18,779	3,793
Due from other funds	-	365	-	365	-
Prepaid expenditures and other assets	12,116	2,328	-	14,444	68,522
Total current assets	13,651,354	1,072,682	378,332	15,102,368	1,906,106
Noncurrent assets:					
Restricted assets	198,090	-	-	198,090	-
Capital assets:					
Assets not subject to depreciation	1,363,382	-	-	1,363,382	-
Assets subject to depreciation - Net	28,579,939	514,629	495,065	29,589,633	3,085,036
Total noncurrent assets	30,141,411	514,629	495,065	31,151,105	3,085,036
Total assets	43,792,765	1,587,311	873,397	46,253,473	4,991,142
<b>Deferred Outflows of Resources</b>					
Deferred pension costs	112,833	19,862	-	132,695	59,982
Deferred OPEB costs	2,691	666	-	3,357	962
Total deferred outflows of resources	115,524	20,528	-	136,052	60,944
<b>Liabilities</b>					
Current liabilities:					
Accounts payable	730,882	48,229	1,977	781,088	41,326
Due to other funds	-	-	11,900	11,900	-
Accrued liabilities and other	44,523	1,562	1,196	47,281	2,150
Compensated absences	33,864	10,194	-	44,058	-
Provision for claims	3,526	-	-	3,526	124,780
Current portion of bonds and contracts payable	833,270	-	-	833,270	-
Total current liabilities	1,646,065	59,985	15,073	1,721,123	168,256
Noncurrent liabilities:					
Compensated absences	18,186	5,475	-	23,661	37,053
Net pension liability	1,611,632	466,540	-	2,078,172	791,201
Net OPEB obligation	2,557,848	631,028	-	3,188,876	913,758
Bonds and contracts payable - Net of current portion	5,282,334	-	-	5,282,334	299,927
Total noncurrent liabilities	9,470,000	1,103,043	-	10,573,043	2,041,939
Total liabilities	11,116,065	1,163,028	15,073	12,294,166	2,210,195
<b>Deferred Inflows of Resources</b>					
Deferred pension cost reductions	1,128,243	320,174	-	1,448,417	560,688
Deferred OPEB cost reductions	31,790	7,844	-	39,634	11,371
Total deferred inflows of resources	1,160,033	328,018	-	1,488,051	572,059

**City of Grosse Pointe Woods, Michigan**

**Proprietary Funds  
Statement of Net Position (Continued)**

**June 30, 2021**

	Enterprise Funds			Total	Governmental
	Water and Sewer Fund	Parking Utility Fund	Nonmajor Enterprise		Internal Service Funds
<b>Net Position</b>					
Net investment in capital assets	\$ 23,827,717	\$ 514,629	\$ 495,065	\$ 24,837,411	\$ 2,785,109
Restricted - Debt service	198,090	-	-	198,090	-
Unrestricted	7,606,384	(397,836)	363,259	7,571,807	(515,277)
<b>Total net position</b>	<b>\$ 31,632,191</b>	<b>\$ 116,793</b>	<b>\$ 858,324</b>	<b>\$ 32,607,308</b>	<b>\$ 2,269,832</b>

**City of Grosse Pointe Woods, Michigan**

**Proprietary Funds**  
**Statement of Revenue, Expenses, and Changes in Net Position**

**Year Ended June 30, 2021**

	Enterprise Funds			Total	Governmental Activities
	Water and Sewer Fund	Parking Utility Fund	Nonmajor Enterprise		Internal Service Funds
<b>Operating Revenue</b>					
Water sales and charges for services	\$ 7,654,763	\$ -	\$ -	\$ 7,654,763	\$ -
Interest and penalty charges	98,413	-	-	98,413	-
Fees and violations	-	310,823	-	310,823	-
Docking and launching fees	-	-	236,098	236,098	-
Commodity sales	-	-	12,084	12,084	-
Other revenue	49,857	7,830	-	57,687	1,600
Charges to other funds	-	-	-	-	1,326,402
Total operating revenue	7,803,033	318,653	248,182	8,369,868	1,328,002
<b>Operating Expenses</b>					
Cost of water	3,340,255	-	-	3,340,255	-
Cost of insurance claims	-	-	-	-	97,729
General and administrative	455,245	747,674	75,449	1,278,368	392,929
Operation and maintenance	780,217	103,062	12,036	895,315	-
Charges from internal service funds	395,000	-	-	395,000	-
Vehicle operation and maintenance	-	-	-	-	354,859
Depreciation	907,749	48,377	75,228	1,031,354	366,825
Total operating expenses	5,878,466	899,113	162,713	6,940,292	1,212,342
<b>Operating Income (Loss)</b>	1,924,567	(580,460)	85,469	1,429,576	115,660
<b>Nonoperating Revenue (Expense)</b>					
Investment income	42,106	5,037	110	47,253	2,031
Interest expense	(210,945)	-	(476)	(211,421)	-
Gain on sale of assets	-	-	-	-	10,070
Amortization of debt premium	28,271	-	-	28,271	-
Insurance proceeds	-	-	-	-	25,721
Total nonoperating (expense) revenue	(140,568)	5,037	(366)	(135,897)	37,822
<b>Change in Net Position</b>	1,783,999	(575,423)	85,103	1,293,679	153,482
<b>Net Position - Beginning of year</b>	29,848,192	692,216	773,221	31,313,629	2,116,350
<b>Net Position - End of year</b>	<u>\$ 31,632,191</u>	<u>\$ 116,793</u>	<u>\$ 858,324</u>	<u>\$ 32,607,308</u>	<u>\$ 2,269,832</u>

# City of Grosse Pointe Woods, Michigan

## Proprietary Funds Statement of Cash Flows

Year Ended June 30, 2021

	Enterprise Funds				Governmental Activities
	Water and Sewer Fund	Parking Utility Fund	Nonmajor Enterprise	Total	Internal Service Funds
<b>Cash Flows from Operating Activities</b>					
Receipts from customers	\$ 7,812,019	\$ 318,653	\$ 248,182	\$ 8,378,854	\$ 1,600
Receipts from interfund services and reimbursements	91	-	-	91	1,328,021
Payments to suppliers	(3,135,953)	(376,120)	(34,634)	(3,546,707)	(240,586)
Payments to employees and fringes	(1,888,804)	(270,524)	(52,830)	(2,212,158)	(354,277)
Payments from other funds	-	(327)	(19,141)	(19,468)	-
Claims paid	-	-	-	-	(95,882)
Net cash and cash equivalents provided by (used in) operating activities	2,787,353	(328,318)	141,577	2,600,612	638,876
<b>Cash Flows from Capital and Related Financing Activities</b>					
Issuance of bonds	-	-	-	-	500,000
Proceeds from insurance	-	-	-	-	25,721
Proceeds from sale of capital assets	-	-	-	-	10,070
Purchase of capital assets	(1,973,380)	-	(50,408)	(2,023,788)	(1,656,260)
Principal and interest paid on capital debt	(982,341)	-	(476)	(982,817)	(200,073)
Net cash and cash equivalents used in capital and related financing activities	(2,955,721)	-	(50,884)	(3,006,605)	(1,320,542)
<b>Cash Flows from Investing Activities</b>					
Interest received on investments	58,846	6,289	110	65,245	10,013
(Purchases of investments) proceeds from sale and maturities of investment securities	(1,251,041)	(254,276)	-	(1,505,317)	494,552
Net cash and cash equivalents (used in) provided by investing activities	(1,192,195)	(247,987)	110	(1,440,072)	504,565
<b>Net (Decrease) Increase in Cash and Cash Equivalents</b>	(1,360,563)	(576,305)	90,803	(1,846,065)	(177,101)
<b>Cash and Cash Equivalents - Beginning of year</b>	8,250,974	656,741	287,529	9,195,244	1,267,110
<b>Cash and Cash Equivalents - End of year</b>	<b>\$ 6,890,411</b>	<b>\$ 80,436</b>	<b>\$ 378,332</b>	<b>\$ 7,349,179</b>	<b>\$ 1,090,009</b>
<b>Classification of Cash and Cash Equivalents</b>					
Cash and investments	\$ 11,840,615	\$ 1,069,212	\$ 378,332	\$ 13,288,159	\$ 1,832,475
Restricted cash	198,090	-	-	198,090	-
Less amounts classified as investments	(5,148,294)	(988,776)	-	(6,137,070)	(742,466)
Total cash and cash equivalents	<b>\$ 6,890,411</b>	<b>\$ 80,436</b>	<b>\$ 378,332</b>	<b>\$ 7,349,179</b>	<b>\$ 1,090,009</b>

# City of Grosse Pointe Woods, Michigan

## Proprietary Funds Statement of Cash Flows (Continued)

Year Ended June 30, 2021

	Enterprise Funds			Total	Governmental
	Water and Sewer Fund	Parking Utility Fund	Nonmajor Enterprise		Activities Internal Service Funds
<b>Reconciliation of Operating Income (Loss) to Net Cash from Operating Activities</b>					
Operating income (loss)	\$ 1,924,567	\$ (580,460)	\$ 85,469	\$ 1,429,576	\$ 115,660
Adjustments to reconcile operating income (loss) to net cash from operating activities:					
Depreciation	907,749	48,377	75,228	1,031,354	366,825
Changes in assets and liabilities:					
Receivables	35,617	-	-	35,617	(3,793)
Due to and from other funds	91	(327)	(19,141)	(19,377)	1,619
Prepaid and other assets	(3,517)	(568)	-	(4,085)	99,976
Net pension or OPEB asset	(237,092)	159,363	(1,711)	(79,440)	41,189
Accounts payable	159,938	45,297	1,732	206,967	21,326
Estimated claims liability	-	-	-	-	(3,926)
Total adjustments	862,786	252,142	56,108	1,171,036	523,216
Net cash and cash equivalents provided by (used in) operating activities	<u>\$ 2,787,353</u>	<u>\$ (328,318)</u>	<u>\$ 141,577</u>	<u>\$ 2,600,612</u>	<u>\$ 638,876</u>

**City of Grosse Pointe Woods, Michigan**

**Fiduciary Funds  
Statement of Fiduciary Net Position**

**June 30, 2021**

	Pension and Other Employee Benefit Trust Funds	Custodial Fund Tax Collection Fund
<b>Assets</b>		
Cash and cash equivalents	\$ 498,090	\$ -
Investments:		
Stocks	18,530,072	-
Corporate bonds	7,896,577	-
Exchange-traded funds	23,209,364	-
Receivables - Accrued interest receivable	2	-
Total assets	50,134,105	-
<b>Liabilities</b>		
	-	-
<b>Net Position</b>		
Restricted for pension	45,943,628	-
Restricted for postemployment benefits other than pension	4,190,477	-
Total net position	\$ 50,134,105	\$ -

**City of Grosse Pointe Woods, Michigan**

**Fiduciary Funds  
Statement of Changes in Fiduciary Net Position**

**Year Ended June 30, 2021**

	Pension and Other Employee Benefit Trust Funds	Custodial Fund  Tax Collection Fund
<b>Additions</b>		
Investment income (loss):		
Interest and dividends	\$ 908,693	\$ -
Net increase in fair value of investments	12,174,279	-
Investment costs	(49,486)	-
Net investment income	13,033,486	-
Contributions:		
Employer contributions	3,584,385	-
Employee contributions	341,926	-
Total contributions	3,926,311	-
Property tax collections for other governments	-	33,809,151
Total additions	16,959,797	33,809,151
<b>Deductions</b>		
Benefit payments	5,280,500	-
Tax distributions to other governments	-	33,809,151
Total deductions	5,280,500	33,809,151
<b>Net Increase in Fiduciary Net Position</b>	11,679,297	-
<b>Net Position - Beginning of year</b>	38,454,808	-
<b>Net Position - End of year</b>	<b>\$ 50,134,105</b>	<b>\$ -</b>

**Note 1 - Significant Accounting Policies**

***Reporting Entity***

The City of Grosse Pointe Woods, Michigan (the "City") is governed by an elected mayor and a six-member City Council. In accordance with government accounting principles, there are no separate legal entities appropriate to be reported within these financial statements other than the fiduciary component units.

**Fiduciary Component Units**

The City of Grosse Pointe Woods Pension Plan and the City of Grosse Pointe Woods Pension Plan Supplemental Annuity are governed by a five-member pension board that includes the mayor, one member of City Council, one resident appointed by the mayor, and two employees - one general and one public safety. Although they are legally separate from the City, they are reported as fiduciary component units because the City appoints a voting majority to the pension board and the plan imposes a financial burden on the City.

The Grosse Pointe Woods Retiree Healthcare Plan is governed by a five-member pension board that includes the mayor, one member of City Council, one resident appointed by the mayor, and two employees - one general and one public safety. Although it is legally separate from the City, it is reported as fiduciary component units because the City appoints a voting majority to the retiree health care plan board and the plan imposes a financial burden on the City.

***Accounting and Reporting Principles***

The City follows accounting principles generally accepted in the United States of America (GAAP), as applicable to governmental units. Accounting and financial reporting pronouncements are promulgated by the Governmental Accounting Standards Board (GASB). The following is a summary of the significant accounting policies used by the City:

***Report Presentation***

Governmental accounting principles require that financial reports include two different perspectives - the government-wide perspective and the fund-based perspective. The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units, as applicable. The government-wide financial statements are presented on the economic resources measurement focus and the full accrual basis of accounting. Property taxes are recognized as revenue 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. The statements also present a schedule reconciling these amounts to the modified accrual-based presentation found in the fund-based statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenue. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenue includes: (1) charges to customers or applicants for goods, services, or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions, including special assessments. Taxes, unrestricted intergovernmental receipts, and other items not properly included among program revenue are reported instead as general revenue.

As a general rule, the effect of interfund activity has been removed from the government-wide financial statements. Exceptions to this general rule occur when there are charges between the City's water and sewer function and various other functions. Eliminations of these charges would distort the direct costs and program revenue reported for the various functions concerned.

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, if any, are reported as separate columns in the fund financial statements.

June 30, 2021

**Note 1 - Significant Accounting Policies (Continued)**

***Basis of Accounting***

The governmental funds use the current financial resources measurement focus and the modified accrual basis of accounting. This basis of accounting is intended to better demonstrate accountability for how the City has spent its resources.

Expenditures are reported when the goods are received or the services are rendered. Capital outlays are reported as expenditures (rather than as capital assets) because they reduce the ability to spend resources in the future; conversely, employee benefit costs that will be funded in the future (such as pension and retiree health care-related costs or sick and vacation pay) are not counted until they come due for payment. In addition, debt service expenditures, claims, and judgments are recorded only when payment is due.

Revenue is not recognized until it is collected or collected soon enough after the end of the year that it is available to pay for obligations outstanding at the end of the year. For this purpose, the City considers amounts collected within 60 days of year end to be available for recognition. The following major revenue sources meet the availability criterion: state-shared revenue, state gas and weight tax revenue, court fines, and interest associated with the current fiscal period. Conversely, amounts collected after the period of availability are recorded as a deferred inflow, along with a corresponding receivable.

Proprietary funds and fiduciary funds, as applicable, use the economic resources measurement focus and the full accrual basis of accounting. Revenue is recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

***Fund Accounting***

The City accounts for its various activities in several different funds in order to demonstrate accountability for how it spends certain resources; separate funds allow the City to show the particular expenditures for which specific revenue is used. The various funds are aggregated into three broad fund types:

**Governmental Funds**

Governmental funds include all activities that provide general governmental services that are not business-type activities. Governmental funds can include the General Fund, special revenue funds, debt service funds, capital project funds, and permanent funds. The City reports the following funds as major governmental funds:

- The General Fund is the primary operating fund because it accounts for all financial resources used to provide government services other than those specifically assigned to another fund.
- The Grosse-Gratiot Drain Fund is used to account for revenue received that is used to pay for capital projects related to the drain, as well as principal and interest on the Grosse-Gratiot Drain long-term debt. Funding is provided by a specific property tax millage.

**Proprietary Funds**

Proprietary funds include enterprise funds (which provide goods or services to users in exchange for charges or fees) and internal service funds (which provide goods or services to other funds of the City). The City reports the following fund as a major enterprise funds:

- The Water and Sewer Fund provides water to customers and disposes of sanitary sewage in exchange for quarterly user charges.
- The Parking Utility Fund accounts for the City's parking meters and costs associated with maintaining the meters. Funding is provided by parking meter fees and violation fees.

**Note 1 - Significant Accounting Policies (Continued)**

The City's internal service funds are used to allocate insurance costs and machinery and equipment purchases and maintenance to the various funds on a full accrual basis so that the full costs are recognized and allocated to the various funds in the year that the costs are incurred. The City has two internal service funds:

- The Motor Vehicle Fund has been established to account for costs associated with vehicles purchased by the City and used by all department within the City.
- The Workers' Compensation Fund is used to fund workers' compensation claims and purchase insurance that provides coverage for employees. The fund is financed primarily by charges to various departments within the City.

**Fiduciary Funds**

Fiduciary funds include amounts held in a fiduciary capacity for others. These amounts are not used to operate the City's programs. Activities that are reported as fiduciary include the following:

- The Pension and Other Employee Benefit Trust Funds account for the activities of the employee benefit plans, which accumulate resources for pension benefit payments to retirees and other postemployment benefit payments to qualified retirees.
- The Tax Collection Fund collects taxes on behalf of all the taxing authorities (state, county, school district, and the various smaller authorities).

**Interfund Activity**

During the course of operations, the City has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Furthermore, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

**Specific Balances and Transactions**

**Cash and Investments**

Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value based on quoted market prices; estimated using other inputs, such as interest rates and yield curves, that are observable at commonly quoted intervals; or are stated at net asset value (NAV).

**Prepaid Items**

Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both government-wide and fund financial statements, when applicable. Prepaid items are recorded as expenditures when consumed rather than when purchased.

**Note 1 - Significant Accounting Policies (Continued)**

**Restricted Assets**

The capital improvement fund has unspent bond proceeds of \$22,163 at June 30, 2021, and these have been restricted.

The revenue bonds of the Water and Sewer Fund require amounts to be set aside for debt service. These amounts have been classified as restricted assets. The balance of the restricted asset account for revenue bond restriction for debt payments is \$198,090 at June 30, 2021. These amounts have also been classified as restricted net position.

**Capital Assets**

Capital assets, which include property, plant, equipment, intangible assets, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column 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 one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

Capital assets are depreciated using the straight-line method over the following useful lives:

Capital Asset Class	Depreciable Life - Years
Infrastructure	10-50
Buildings	25
Water and sewer lines	20
Equipment	5
Vehicles	3-7
Land improvements	10-40

**Long-term Obligations**

In the government-wide financial statements and the 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 position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed at the time they are incurred. In the fund financial statements, governmental fund types recognize bond issuances and premiums as other financing sources and bond discounts as other financing uses. The General Fund and debt service funds generally are used to liquidate governmental long-term debt, and the Water and Sewer Fund is generally used to liquidate business-type long-term debt.

**Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future periods and will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time.

**Note 1 - Significant Accounting Policies (Continued)**

The City reports the following deferred outflows of resources and deferred inflows of resources:

	Inflows	Outflows
Deferred pension costs (or cost reductions)	✓	✓
Deferred OPEB costs (or cost reductions)	✓	✓

**Net Position**

Net position of the City is classified in three components. Net investment in capital assets consists of capital assets net of accumulated depreciation and is reduced by the current balances of any outstanding borrowings used to finance the purchase or construction of those assets. The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Unrestricted net position is the remaining net position that does not meet the definition of invested in capital or restricted.

**Net Position Flow Assumption**

The City will sometimes fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

**Fund Balance Flow Assumptions**

The City will sometimes fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Furthermore, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

**Fund Balance Policies**

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The nonspendable fund balance component represents amounts that are not in spendable form or are legally or contractually required to be maintained intact. Restricted fund balance represents amounts that are legally restricted by outside parties, constitutional provisions, or enabling legislation for use for a specific purpose. The City itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the City's highest level of decision-making authority. The City Council is the highest level of decision-making authority for the City that can, by passing a resolution prior to the end of the fiscal year, commit fund balance. Once passed, the limitation imposed by the resolution remains in place until a similar action is taken (the passing of another resolution) to remove or revise the limitation.

June 30, 2021

**Note 1 - Significant Accounting Policies (Continued)**

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The City has, by resolution, authorized the finance director to assign fund balance. The City Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally exist only temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

**Property Tax Revenue**

Property taxes are levied on each December 31. The related property taxes are billed and become a lien on July 1 of the following year. Taxes are considered delinquent on February 28 of the following year, at which time they are added to the county tax rolls.

The City's 2020 property tax revenue was levied and collectible on July 1, 2020 and was recognized as revenue in the year ended June 30, 2021 when the proceeds of the levy were budgeted and available for the financing of operations.

The 2020 taxable valuation of the City totaled \$746 million. Taxes were levied as follows:

Purpose	Millage Rate	Revenue
General operating	13.2903 \$	9,912,000
Public relations	0.0665	50,000
Solid waste disposal	2.5406	1,894,000
Road bond debt	1.5000	1,118,000
Grosse-Gratiot Drain	3.9550	2,947,000
Total		<u>\$ 15,921,000</u>

**Pension**

The City offers a defined benefit pension plan to its employees. The City records a net pension liability for the difference between the total pension liability calculated by the actuary and the pension plan's fiduciary net position. For the purpose of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the pension plan and additions to/deductions from the pension plan's fiduciary net position have been determined on the same basis as they are reported by the pension plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**Other Postemployment Benefit Costs**

The City offers retiree health care benefits to retirees. The City records a net OPEB liability for the difference between the total OPEB liability calculated by the actuary and the OPEB plan's fiduciary net position. For the purpose of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the OPEB plan and additions to/deductions from the OPEB plan's fiduciary net position have been determined on the same basis as they are reported by the OPEB plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**Note 1 - Significant Accounting Policies (Continued)**

**Compensated Absences (Vacation and Sick Leave)**

It is the City's policy that employees earn vacation pay benefits on their anniversary date and sick benefits monthly. The government-wide and proprietary fund statements accrue all vacation and sick pay as it is used or vested (whichever is earlier). A liability for these amounts is reported in governmental funds as it comes due for payment (when the time is taken off or employees terminate). The General Fund, Water and Sewer Fund, and each nonmajor proprietary fund are generally used to liquidate compensated absences.

**Proprietary Funds Operating Classification**

Proprietary funds distinguish operating revenue and expenses from nonoperating items. Operating revenue 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 revenue of proprietary funds is charges to customers for sales or services. In addition, the Water and Sewer Fund recognizes the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for these funds include the cost of sales or services and administrative expenses and may include depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenue and expenses.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

**Upcoming Accounting Pronouncements**

In June 2017, the GASB issued Statement No. 87, *Leases*, which improves accounting and financial reporting for leases by governments. This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The City is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement are effective for the City's financial statements for the year ending June 30, 2022.

In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*, which clarifies the existing definition of conduit debt, provides a single method of reporting conduit debt obligations by issuers, and eliminates diversity in practice associated with commitments extended by issuers, arrangements associated with conduit debt obligations, and related note disclosures. As a result, issuers should not recognize a liability for items meeting the definition of conduit debt; however, a liability should be recorded for additional or voluntary commitments to support debt service if certain recognition criteria are met. The standard also addresses the treatment of arrangements where capital assets are constructed or acquired with the proceeds of a conduit debt obligation and used by a third-party obligor. The requirements of the standard will be applied retrospectively and are effective for the City's financial statements for the June 30, 2022 fiscal year.

June 30, 2021

**Note 1 - Significant Accounting Policies (Continued)**

In March 2020, the GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, to bring a uniform guidance on how to report public-private and public-public partnership arrangements. As a result, transferors in public-private or public-public arrangements will recognize receivables for installment payments; deferred inflows of resources; and, when applicable, capital assets. Operators will recognize liabilities for installment payments and intangible right-to-use assets and, when applicable, deferred outflows of resources and liabilities for assets being transferred. This statement also provides guidance for accounting and financial reporting for availability payment arrangements in which a government compensates an operator for services such as designing, constructing, financing, maintaining, or operating an underlying asset for a period of time in an exchange or exchange-like transaction. The provisions of this statement are effective for the City's financial statements for the year ending June 30, 2023.

In May 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*, which defines SBITAs and provides accounting and financial reporting for SBITAs by governments. This statement requires a government to recognize a subscription liability and an intangible right-to-use subscription asset for SBITAs. The City is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement are effective for the City's financial statements for the year ending June 30, 2023.

In June 2020, the GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. While this standard had certain aspects impacting defined contribution pension and OPEB plans and other employee benefit plans that were effective immediately, it also clarifies when a 457 should be considered a pension plan or an other employee benefit plan to assist in the application of GASB Statement No. 84 to these types of plans. The City is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement related to 457 plans are effective for the City's financial statements for the year ending June 30, 2022.

**Adoption of New Accounting Pronouncement**

During the current year, the City adopted GASB Statement No. 84, *Fiduciary Activities*, which establishes criteria for identifying and reporting fiduciary activities. As a result of implementing this standard, the following activities that were previously reported as fiduciary activities no longer meet the definition of such; therefore, these activities are now reported within governmental funds: performance bonds, municipal court bonds, and undistributed taxes within the City.

There was no effect of this new standard on fund balance/net position.

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

**Construction Code Fees**

The City oversees building construction, in accordance with the State's Construction Code Act, including inspection of building construction and renovation to ensure compliance with the building codes. The City charges fees for these services. The law requires that collection of these fees be used only for construction code costs, including an allocation of estimated overhead costs. A summary of the current year activity and the cumulative surplus or shortfall generated since January 1, 2000 is as follows:

Cumulative shortfall at July 1, 2020	\$ (826,842)
Current year permit revenue	455,168
Related expenses - Direct costs	<u>(500,033)</u>
Current year net loss	<u>(44,865)</u>
Cumulative shortfall June 30, 2021	<u>\$ (871,707)</u>

**Note 2 - Stewardship, Compliance, and Accountability (Continued)**

***Budgeted Fund Deficits***

The City budgeted fund deficits in the following funds: Grosse-Gratiot Drain Fund, Act 302 Training Fund, and the Capital Improvement Fund. Actual activity resulted in a positive fund balances.

**Note 3 - Deposits and Investments**

Michigan Compiled Laws Section 129.91 (Public Act 20 of 1943, as amended) authorizes local governmental units to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations that have offices in Michigan. The law also allows investments outside the state of Michigan when fully insured. 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; repurchase agreements; bankers' acceptances of United States banks; commercial paper rated within the two highest classifications that matures no more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions that are rated as investment grade; and mutual funds composed of investment vehicles that are legal for direct investment by local units of government in Michigan.

The pension trust fund and retiree health care fund are also authorized by Michigan Public Act 314 of 1965, as amended, to invest in certain reverse repurchase agreements, stocks, diversified investment companies, annuity investment contracts, real estate leased to public entities, mortgages, real estate, debt or equity of certain small businesses, certain state and local government obligations, and certain other specified investment vehicles.

The City has designated five banks for the deposit of its funds. The investment policy adopted by the City Council in accordance with Public Act 196 of 1997 has authorized investment in all of the state statutory authorities listed above, except for obligations of the State of Michigan or its political subdivisions. Also, the City's investment policy allows the City to invest no more than 50 percent of any one fund in commercial paper rated at the time of purchase within the three highest classifications established by no fewer than two standard rating services. The City's deposits and investments are in accordance with statutory authority.

The City's cash and investments are subject to several types of risk, which are examined in more detail below:

***Custodial Credit Risk of Bank Deposits***

Custodial credit risk is the risk that, in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk. At year end, the City had bank deposits of \$4,158,943 (certificates of deposit and checking and savings accounts) that were uninsured and uncollateralized. The City believes that, due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits. As a result, the City evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

***Interest Rate Risk***

Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. The City's investment policy minimizes interest rate risk by restricting investment maturities to securities maturing three years or less from the date of purchase, unless matched to a specific cash flow requirement. However, the repurchase agreements may be collateralized using longer-dated investments not to exceed 30 years to maturity. Additionally, no more than 40 percent of the City's total investment portfolio, as of June 30 of the preceding year, shall be placed in securities maturing in more than three years.

June 30, 2021

**Note 3 - Deposits and Investments (Continued)**

At year end, the City had the following investments and maturities:

Primary Government		Carrying Value	0-5 Years	
Municipal bonds		\$ 214,539	\$	214,539
Negotiable certificates of deposit		493,006		493,006
Federal Home Loan Mortgage Corporation		1,992,385		1,992,385
Federal National Mortgage Association		253,595		253,595
Federal Home Loan Bank		1,700,948		1,700,948
Federal Farm Credit Bank		1,494,685		1,494,685
Certificates of deposit		3,963,436		3,963,436
<b>Total</b>		<b>\$ 10,112,594</b>	<b>\$</b>	<b>10,112,594</b>

Fiduciary Funds	Carrying Value	0-5 Years	5-15 Years	More Than 15 Years
Commercial bond funds	\$ 7,896,577	\$ -	\$ -	\$ -

**Credit Risk**

State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations. The City has no investment policy that would further limit its investment choices. As of June 30, 2021, the credit quality ratings of debt securities (other than the U.S. government) are as follows:

Investment	Carrying Value	Rating	Rating Organization
<b>Primary Government</b>			
Negotiable CDs	\$ 493,006	Not rated	Moody's
Federal Home Loan Mortgage Corporation	1,700,948	AAA	Moody's
Federal National Mortgage Association - Fixed	253,595	AAA	Moody's
Federal Home Loan Bank - Fixed	1,992,385	AAA	Moody's
Federal Farm Credit Bank	1,494,685	AAA	Moody's
Municipal bonds	214,539	AAA	Moody's
<b>Fiduciary Funds</b>			
Commercial bond funds	\$ 7,896,577	Not rated	N/A

**Concentration of Credit Risk**

The City's investment policy minimizes concentration of credit risk by placing limits on the amount that the City may invest in any one issuer or security type to no more than 50 percent of the total investment portfolio invested in a single security type or 25 percent invested with a single financial institution. The City has more than 5 percent of its investments in the following:

Primary Government	Percent
Federal Home Loan Mortgage Corporation	16.82 %
Federal Home Loan Bank	19.70
Federal Farm Credit Bank	14.78

June 30, 2021

**Note 3 - Deposits and Investments (Continued)**

Fiduciary Funds	Percent
iShares	43.21 %
DFA Emerging Markets	6.57
American Fund Europacific	10.05
Charles Schwab Bonds	15.76

**Fair Value Measurements**

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs, and Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy below.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The City's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset.

The City has the following recurring fair value measurements as of June 30, 2021:

	Assets Measured at Carrying Value on a Recurring Basis at June 30, 2021			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at June 30, 2021
Debt securities - Bond funds	\$ 7,896,577	\$ -	\$ -	\$ 7,896,577
Equity securities:				
Money market funds	329,446	-	-	329,446
Equity funds	41,739,435	-	-	41,739,435
Total equity securities	42,068,881	-	-	42,068,881
Governmental securities:				
U.S. governmental bonds	-	5,441,613	-	5,441,613
Municipal bonds	-	214,539	-	214,539
Total governmental securities	-	5,656,152	-	5,656,152
Total investments by fair value	<u>\$ 49,965,458</u>	<u>\$ 5,656,152</u>	<u>\$ -</u>	<u>\$ 55,621,610</u>

Debt and equity securities classified in Level 1 are valued using prices quoted in active markets for those securities.

The fair value of governmental securities and certificates of deposit at June 30, 2021 was determined primarily based on Level 2 inputs. The City estimates the fair value of these investments using other inputs, such as interest rates and yield curves, that are observable at commonly quoted intervals.

The valuation method for investments measured at net asset value (NAV) per share (or its equivalent) is presented in the table below.

June 30, 2021

**Note 3 - Deposits and Investments (Continued)**

**Investments in Entities that Calculate Net Asset Value per Share**

The City holds shares or interests in investment companies where the fair value of the investments is measured on a recurring basis using net asset value per share (or its equivalent) of the investment companies as a practical expedient.

At June 30, 2021, the fair value of those investments is as follows:

	<u>Carrying Value</u>
Comerica J Fund	\$ 387,472

The Comerica J Fund is not registered with the SEC and does not issue a separate report. The fair value of the position in the pool is not the same as the value of the pool shares since the pool does not meet the requirements under GASB Statement No. 79 to report its value for financial reporting purposes at amortized cost.

There were no unfunded commitments or redemptions associated with these investments.

**Note 4 - Capital Assets**

Capital asset activity of the City's governmental and business-type activities was as follows:

**Governmental Activities**

	<u>Balance July 1, 2020</u>	<u>Reclassifications</u>	<u>Additions</u>	<u>Disposals and Adjustments</u>	<u>Balance June 30, 2021</u>
Capital assets not being depreciated:					
Land	\$ 1,547,967	\$ -	\$ -	\$ -	\$ 1,547,967
Construction in progress	19,460,854	-	1,878,559	-	21,339,413
Subtotal	21,008,821	-	1,878,559	-	22,887,380
Capital assets being depreciated:					
Infrastructure	44,409,771	-	687,617	-	45,097,388
Buildings	12,234,686	-	76,437	-	12,311,123
Equipment and vehicles	8,795,160	-	2,287,705	(732,385)	10,350,480
Land improvements	713,206	-	840,795	-	1,554,001
Subtotal	66,152,823	-	3,892,554	(732,385)	69,312,992
Accumulated depreciation:					
Infrastructure	12,550,942	-	1,165,252	-	13,716,194
Buildings	5,937,786	-	418,872	-	6,356,658
Equipment and vehicles	7,299,760	-	616,495	(700,955)	7,215,300
Land improvements	340,575	-	48,216	-	388,791
Subtotal	26,129,063	-	2,248,835	(700,955)	27,676,943
Net capital assets being depreciated	40,023,760	-	1,643,719	(31,430)	41,636,049
Net governmental activities capital assets	<u>\$ 61,032,581</u>	<u>\$ -</u>	<u>\$ 3,522,278</u>	<u>\$ (31,430)</u>	<u>\$ 64,523,429</u>

June 30, 2021

**Note 4 - Capital Assets (Continued)**

***Business-type Activities***

	Balance July 1, 2020	Reclassifications	Additions	Disposals and Adjustments	Balance June 30, 2021
Capital assets not being depreciated - Construction in progress	\$ 82,460	\$ -	\$ 1,280,922	\$ -	\$ 1,363,382
Capital assets being depreciated:					
Water and sewer lines	45,551,288	-	692,459	-	46,243,747
Land improvements	2,457,060	-	50,408	-	2,507,468
Subtotal	48,008,348	-	742,867	-	48,751,215
Accumulated depreciation:					
Water and sewer lines	16,756,058	-	907,749	-	17,663,807
Land improvements	1,374,170	-	123,605	-	1,497,775
Subtotal	18,130,228	-	1,031,354	-	19,161,582
Net capital assets being depreciated	29,878,120	-	(288,487)	-	29,589,633
Net business-type activities capital assets	\$ 29,960,580	\$ -	\$ 992,435	\$ -	\$ 30,953,015

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

Governmental activities:	
General government	\$ 237,003
Public safety	93,977
Public works	1,276,793
Recreation and culture	274,237
Internal service funds	366,825
Total governmental activities	\$ 2,248,835
Business-type activities:	
Water and sewer	\$ 907,749
Parking utility	48,377
Boat dock	75,228
Total business-type activities	\$ 1,031,354

***Construction Commitments***

The City has active construction projects at year end. At June 30, 2021, the City has spent \$6,049,361 in connection with active construction projects, and the City's commitment with contractors was \$3,479,699.

**Note 5 - Interfund Receivables, Payables, and Transfers**

The City has made the following long-term advances between funds:

Fund Borrowed From	Fund Loaned To	Amount
General Fund	Nonmajor governmental funds	\$ 152,873

The advance is being repaid over a period of five years at an interest rate of 2.00 percent.

June 30, 2021

**Note 5 - Interfund Receivables, Payables, and Transfers (Continued)**

The composition of interfund balances in the fund statements is as follows:

Receivable	Payable	Amount
General Fund	Nonmajor enterprise funds	\$ 11,900
Nonmajor governmental funds	Nonmajor governmental funds	1,960
Parking Utility Fund	General Fund	365
	Total	<u>\$ 14,225</u>

These balances result from the time lag between the dates that goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system, and payments between funds are made.

Interfund transfers reported in the fund financial statements are composed of the following:

Paying Fund (Transfer Out)	Receiving Fund (Transfer In)	Amount
General Fund	Nonmajor governmental funds	\$ 1,264,407
Nonmajor governmental funds	General Fund	275,000

The transfers from General Fund represent transfers of unrestricted resources to finance operations of the various departments in accordance with budgetary authorizations. The transfers from nonmajor governmental funds represent transfers for capital projects.

**Note 6 - Long-term Debt**

Long-term debt activity for the year ended June 30, 2021 can be summarized as follows:

**Governmental Activities**

	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
<b>Bonds and contracts payable:</b>							
Direct borrowings and direct placements:							
State Revolving Fund, Series 5446-01 - Maturing through 2039	2.50%	\$740,996 - \$1,164,056	\$ 17,824,929	\$ -	\$ (740,996)	\$ 17,083,933	\$ 761,508
State Revolving Fund, Series 5446-02 - Maturing through 2039	1.875%	\$66,397 - \$89,725	-	1,406,590	-	1,406,590	66,397
Installment loan - Fire truck			-	500,000	(200,073)	299,927	-
Total direct borrowings and direct placements principal outstanding			17,824,929	1,906,590	(941,069)	18,790,450	827,905
<b>Other debt:</b>							
General obligation bonds - 2015 Road Construction bonds:							
Amount of issue - \$6,600,000		\$500,000 - \$1,000,000	3,850,000	-	(500,000)	3,350,000	600,000
Maturing through 2025	2.00% - 4.00%						
General obligation bonds - 2017 Road Construction bonds:							
Amount of issue - \$2,875,000		\$300,000 - \$345,000	2,580,000	-	(300,000)	2,280,000	305,000
Maturing through 2028	2.36%						
General obligation bonds - 2018 Capital Improvement bonds:							
Amount of issue - \$2,500,000		\$135,000 - \$210,000	2,370,000	-	(135,000)	2,235,000	140,000
Maturing through 2033	3.50%						
Total other debt principal outstanding			8,800,000	-	(935,000)	7,865,000	1,045,000
Unamortized bond premiums			389,920	-	(62,269)	327,651	62,269
Total bonds and contracts payable			27,014,849	1,906,590	(1,938,338)	26,983,101	1,935,174
Employee compensated absences			978,113	783,258	(734,866)	1,026,505	771,224
Estimated liability for workers' compensation and health claims (Note 15)			128,706	1,395,516	(1,356,543)	167,679	167,679
Total governmental activities long-term debt			\$ 28,121,668	\$ 4,085,364	\$ (4,029,747)	\$ 28,177,285	\$ 2,874,077

June 30, 2021

**Note 6 - Long-term Debt (Continued)**

***Business-type Activities***

	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Bonds and contracts payable:							
Direct borrowings and direct placements:							
2010 Drinking Water Revolving Fund Bond-7301-01:							
Amount of issue - \$2,095,606		\$105,000 - \$130,606	\$ 1,165,606	\$ -	\$ (105,000)	\$ 1,060,606	\$ 105,000
Maturing through 2030	2.50%						
2010 Drinking Water Revolving Fund - 7332-01:							
Amount of issue - \$3,531,192		\$170,000 - \$221,393	2,361,393	-	(170,000)	2,191,393	175,000
Maturing through 2029	2.50%						
2012 State Revolving Fund Bond - 5365-01:							
Amount of issue - \$2,922,065		\$130,000 - \$177,065	2,127,065	-	(130,000)	1,997,065	130,000
Maturing through 2033	2.50%						
Total direct borrowings and direct placements principal outstanding			5,654,064	-	(405,000)	5,249,064	410,000
Other debt - 2013 Revenue Refunding Bond:							
Amount of refunding - \$3,190,000	2.00% - 4.00%	\$375,000 - \$415,000	1,185,000	-	(375,000)	810,000	395,000
Maturing through 2023			84,811	-	(28,271)	56,540	28,270
Unamortized bond premiums							
Total bonds and contracts payable			6,923,875	-	(808,271)	6,115,604	833,270
Employee compensated absences			65,823	44,720	(42,824)	67,719	44,058
Estimated liability for workers' compensation and health claims (Note 15)			-	130,099	(126,573)	3,526	3,526
Total business-type activities long-term debt			<u>\$ 6,989,698</u>	<u>\$ 174,819</u>	<u>\$ (977,668)</u>	<u>\$ 6,186,849</u>	<u>\$ 880,854</u>

***General Obligation Bonds and Contracts***

The City issues general obligation bonds to provide for the construction of roads and other capital improvements. General obligations have been issued for governmental activities. General obligation bonds are direct obligations and pledge the full faith and credit of the City. County contractual agreements and installment purchase agreements are also general obligations of the City.

**Note 6 - Long-term Debt (Continued)**

***Other Long-term Liabilities***

For the governmental activities, claims and judgments and compensated absences are generally liquidated by the General Fund related to employee salaries and fringes. Additionally, for the business-type activities, claims and judgments and compensated absences are generally liquidated by the Water and Sewer Fund for employee salaries and fringes. Net pension obligations and net OPEB obligations typically are paid from the funds from which the individual employee's salaries and wages are paid, which are mainly the General Fund, the Major Street Fund, the Water and Sewer Fund, and the Parking Utility Fund. The City has pledged substantially all revenue of the Water and Sewer Fund, net of operating expenses, to repay the above water and sewer 2013 Revenue Refunding Bonds. The bonds are payable solely from the net revenue of the water and sewer system. The remaining principal and interest to be paid on the bonds total \$840,825. During the current year, net revenue of the system was \$1,924,567 compared to the annual debt requirements of \$417,525.

***Debt Service Requirements to Maturity***

Annual debt service requirements to maturity for the above bonds and note obligations are as follows:

Years Ending June 30	Governmental Activities				
	Direct Borrowings and Direct Placements		Other Debt		Total
	Principal	Interest	Principal	Interest	
2022	\$ 827,905	\$ 411,058	\$ 1,045,000	\$ 204,319	\$ 2,488,282
2023	945,718	397,672	1,205,000	165,785	2,714,175
2024	969,917	375,014	1,470,000	128,916	2,943,847
2025	994,153	351,773	1,480,000	96,088	2,922,014
2026	912,772	327,949	495,000	72,925	1,808,646
2027-2031	4,917,945	1,292,713	1,565,000	199,612	7,975,270
Thereafter	9,222,040	720,435	605,000	32,288	10,579,763
<b>Total</b>	<b>\$ 18,790,450</b>	<b>\$ 3,876,614</b>	<b>\$ 7,865,000</b>	<b>\$ 899,933</b>	<b>\$ 31,431,997</b>

Years Ending June 30	Business-type Activities				
	Direct Borrowings and Direct Placements		Other Debt		Total
	Principal	Interest	Principal	Interest	
2022	\$ 410,000	\$ 129,604	\$ 395,000	\$ 22,525	\$ 957,129
2023	425,000	119,292	415,000	8,300	967,592
2024	435,000	108,604	-	-	543,604
2025	445,000	97,729	-	-	542,729
2026	460,000	86,542	-	-	546,542
2027-2031	2,330,606	254,191	-	-	2,584,797
Thereafter	743,458	25,289	-	-	768,747
<b>Total</b>	<b>\$ 5,249,064</b>	<b>\$ 821,251</b>	<b>\$ 810,000</b>	<b>\$ 30,825</b>	<b>\$ 6,911,140</b>

**Note 7 - Milk River Drainage District**

The City is member of the Milk River Drainage District, administered by Wayne County, Michigan. The drainage district serves Wayne County, Michigan; the State of Michigan; and the cities of Grosse Pointe Woods, Harper Woods, and St. Clair Shores, Michigan. At June 30, 2021, the drainage district had issued \$40,089,169 of debt to make improvements to the system. The total cost of the project as of June 30, 2021 is \$42,256,263, and it is expected to be completed by June 30, 2022. The City of Grosse Pointe Woods, Michigan is responsible for funding 50.5 percent of the project. As of June 30, 2021, the City has recorded \$21,339,413 for its share of the completed capital improvements and \$18,490,523 for its share of the debt. In addition to the debt, the City has recorded \$924,499 in prepayments for additional costs as of June 30, 2021. The City records the activity in the Grosse-Gratiot Drain Fund.

**Note 8 - Pension Plans**

**Plan Description**

The City of Grosse Pointe Woods, Michigan provides a monthly retirement benefit to employees who meet the eligibility requirements, including age and years of service. The benefits are provided through the City of Grosse Pointe Woods Pension Plan (the "Pension Plan") and the City of Grosse Pointe Woods Pension Plan Supplemental Annuity (the "Supplemental Annuity"), which are single-employer plans administered by the pension board.

The financial statements of each pension system are included in these financial statements as a pension and other employee benefit trust fund (a fiduciary fund).

Management of the plans is vested in the pension board, which consists of five members, the mayor, one member of City Council, one resident appointed by the mayor, and two employees - one general and one public safety. The city treasurer serves as the treasurer of the retirement system and is the custodian of the cash and investments. The city attorney is the legal advisor to the pension board.

**Benefits Provided**

The City of Grosse Pointe Woods Pension Plan and the City of Grosse Pointe Woods Pension Plan Supplemental Annuity provide retirement, disability, and death benefits. Benefit terms for the Pension Plan are established by negotiation with the City's competitive bargaining units and the Retirement System Ordinance. Benefit terms for the Supplemental Annuity are established as a negotiable item within various union contracts. Retirement benefits for plan members range from \$3,000 annually for 10 years of services to a maximum of \$4,800 annually for 25 years of service.

**Employees Covered by Benefit Terms**

The following members were covered by the benefit terms:

	City of Grosse Pointe Woods Pension Plan	City of Grosse Pointe Woods Pension Plan Supplemental Annuity
Date of member count	June 30, 2021	June 30, 2021
Inactive plan members or beneficiaries currently receiving benefits	102	56
Inactive plan members entitled to but not yet receiving benefits	13	-
Active plan members	78	49
Total employees covered by the plan	<u>193</u>	<u>105</u>

**Note 8 - Pension Plans (Continued)**

**Contributions**

State law requires public employers to make pension contributions in accordance with an actuarial valuation. The City hires an independent actuary for this purpose and annually contributes the amount determined to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Employees are required to make pension contributions based on the City's collective bargaining units. The City's required contribution is determined after consideration of the required contribution rate of employees. For the year ended June 30, 2021, the average active employee contribution rate was 5.3 percent and 0.0 percent of covered payroll, and the City's contribution rate was 30.2 percent and 11.3 percent of covered payroll for the various employee groups for the Pension Plan and the Supplemental Annuity, respectively.

**Net Pension Liability**

The City chooses a date for each pension plan to measure its net pension liability. This is based on the measurement date of each pension plan, which may be based on a comprehensive valuation as of that date or based on an earlier valuation that has used procedures to roll the information forward to the measurement date.

	City of Grosse Pointe Woods Pension Plan	City of Grosse Pointe Woods Supplemental Annuity
Measurement date used for the City's net pension liability	June 30, 2021	June 30, 2021

Changes in the net pension liability during the measurement year were as follows:

**City of Grosse Pointe Woods Pension Plan**

Changes in Net Pension Liability	Increase (Decrease)		
	Total Pension Liability	Plan Net Position	Net Pension Liability
<b>Balance at July 1, 2020</b>	\$ 82,338,984	\$ 35,546,210	\$ 46,792,774
Changes for the year:			
Service cost	1,459,769	-	1,459,769
Interest	4,149,881	-	4,149,881
Differences between expected and actual experience	(219,966)	-	(219,966)
Changes in assumptions	(13,509,818)	-	(13,509,818)
Contributions - Employer	-	1,623,076	(1,623,076)
Contributions - Employee	-	282,203	(282,203)
Net investment income	-	12,109,682	(12,109,682)
Benefit payments, including refunds	(3,570,576)	(3,570,576)	-
Administrative expenses	-	(46,967)	46,967
Net changes	(11,690,710)	10,397,418	(22,088,128)
<b>Balance at June 30, 2021</b>	<b>\$ 70,648,274</b>	<b>\$ 45,943,628</b>	<b>\$ 24,704,646</b>

The plan's fiduciary net position represents 65.03 percent of the total pension liability.

**Note 8 - Pension Plans (Continued)**

**City of Grosse Pointe Woods Pension Plan Supplemental Annuity**

Changes in Net Pension Liability	Increase (Decrease)		
	Total Pension Liability	Plan Net Position	Net Pension Liability
<b>Balance at July 1, 2020</b>	\$ 3,783,060	\$ 1,907,226	\$ 1,875,834
Changes for the year:			
Service cost	43,432	-	43,432
Interest	275,505	-	275,505
Differences between expected and actual experience	21,271	-	21,271
Changes in assumptions	(15,148)	-	(15,148)
Contributions - Employer	-	318,174	(318,174)
Net investment income	-	649,743	(649,743)
Benefit payments, including refunds	(266,789)	(266,789)	-
Administrative expenses	-	(2,519)	2,519
<b>Net changes</b>	<b>58,271</b>	<b>698,609</b>	<b>(640,338)</b>
<b>Balance at June 30, 2021</b>	<b>\$ 3,841,331</b>	<b>\$ 2,605,835</b>	<b>\$ 1,235,496</b>

The plan's fiduciary net position represents 67.84 percent of the total pension liability.

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

For the year ended June 30, 2021, the City Council recognized pension expense of \$2,185,774 from the Pension Plan and \$222,648 from the Supplemental Annuity.

At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to the Pension Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 14,168	\$ (1,185,971)
Changes in assumptions	686,457	(10,762,507)
Net difference between projected and actual earnings on pension plan investments	-	(5,174,874)
<b>Total</b>	<b>\$ 700,625</b>	<b>\$ (17,123,352)</b>

At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to the Supplemental Annuity from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 62,118	\$ (81,066)
Changes in assumptions	13,851	(135,601)
Net difference between projected and actual earnings on pension plan investments	-	(279,614)
<b>Total</b>	<b>\$ 75,969</b>	<b>\$ (496,281)</b>

**Note 8 - Pension Plans (Continued)**

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows (note that employer contributions subsequent to the measurement date will reduce the net pension liability and, therefore, will not be included in future pension expense):

Years Ending June 30	Pension Plan	Supplemental Annuity
2022	\$ (5,113,157)	\$ (94,010)
2023	(4,639,737)	(131,774)
2024	(4,785,588)	(95,744)
2025	<u>(1,884,245)</u>	<u>(98,784)</u>
Total	<u>\$ (16,422,727)</u>	<u>\$ (420,312)</u>

**Actuarial Assumptions**

The total pension liability in each actuarial valuation was determined using the following actuarial assumptions applied to all periods included in the measurement:

	City of Grosse Pointe Woods Pension Plan	City of Grosse Pointe Woods Pension Plan Supplemental Annuity
Inflation	2.5%	2.5%
Salary increases (including inflation)	3.5%-7.3%	3.5%-7.3%
Investment rate of return (net of investment expenses)	7.5%	7.50%
Mortality rates	Pub-2010 Mortality Tables with MP-2018	Pub-2010 Mortality Tables with MP-2018

**Discount Rate**

The discount rate used to measure the total pension liability of the City of Grosse Pointe Woods Pension Plan and City of Grosse Pointe Woods Pension Plan Supplemental Annuity was 6.46 and 7.50 percent, respectively. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that city contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate.

Based on those assumptions, the pension plans' fiduciary net position was not projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate incorporates a municipal bond rate, which was 2.18 percent. The source of that bond rate was the S&P Municipal Bond 20 Year High Grade Rate Index as of June 30, 2021. The long-term expected rate of return was applied to projected benefit payments for the periods in which the plan maintains a positive fiduciary net position: from June 30, 2021 through July 1, 2068 and from June 30, 2021 through July 1, 2111 for the City of Grosse Pointe Woods Pension Plan and City of Grosse Pointe Woods Pension Plan Supplemental Annuity, respectively.

The long-term expected rate of return on both plans' investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

June 30, 2021

**Note 8 - Pension Plans (Continued)**

***Investment Rate of Return***

Best estimates of geometric real rates of return as of the June 30, 2021 measurement date for each major asset class included in the pension plan's target asset allocation, as disclosed in the investment footnote, for both the City of Grosse Pointe Woods Pension Plan and City of Grosse Pointe Woods Pension Plan Supplemental Annuity are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
U.S. large-cap equity	30.00 %	4.87 %
U.S. mid-cap equity	5.00	5.27
U.S. small-cap equity	7.00	6.08
International developed equity	10.00	6.08
International developed small cap	5.00	6.08
International emerging markets	10.00	7.70
U.S. core bonds	10.00	1.14
Public real estate (REITS)	3.00	4.87
High-yield bonds	10.00	4.87
Energy/MLPs	3.00	6.49
Liquid diversifying strategies	7.00	3.24

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

The following presents the net pension liability of the City, calculated using the current discount rate, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.46 or 6.50 percent for the Pension Plan or Supplemental Annuity, respectively) or 1 percentage point higher (7.46 or 8.50 percent for the Pension Plan or Supplemental Annuity, respectively) than the current rate:

	1 Percentage Point Decrease	Current Discount Rate	1 Percentage Point Increase
Net pension liability of the City of Grosse Pointe Woods Pension Plan	\$ 33,951,166	\$ 24,704,646	\$ 17,101,896
Net pension liability of the City of Grosse Pointe Woods Pension Plan Supplemental Annuity	1,647,891	1,235,496	888,174

***Assumption Changes***

The discount rate was updated to reflect the current and expected economic conditions.

**Note 8 - Pension Plans (Continued)**

**Investment Policy**

The Pension Plan's policy in regard to the allocation of invested assets is established and may be amended by the pension board by a majority vote of its members. It is the policy of the pension board to pursue an investment strategy that manages risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The Pension Plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the pension board's adopted asset allocation policy as of June 30, 2021:

Asset Class	Target Allocation
U.S. large-cap equity	30.00 %
U.S. mid-cap equity	5.00
U.S. small-cap equity	7.00
International developed equity	10.00
International developed small cap	5.00
International emerging markets	10.00
U.S. core bonds	10.00
Public real estate (REITS)	3.00
High-yield bonds	10.00
Energy/MLPs	3.00
Liquid diversifying strategies	7.00
Total	<u>100.00 %</u>

**Rate of Return**

For the year ended June 30, 2021, the annual money-weighted rate of return on pension plan investments and the supplemental annuity investments, net of pension plan investment expense, was 7.5 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**Note 9 - Aggregate Pension-related Balances**

The following table presents the aggregate balances for the net pension liability, deferred inflows related to pensions, deferred outflows related to pensions, and pension expense for the year ended June 30, 2021. Detailed information for each pension plan can be found in Note 8.

	Total Pension Liability	Plan Net Position	Net Pension Liability	Deferred Outflows	Deferred Inflows	Pension Expense
City of Grosse Pointe Woods Pension Plan	\$ 70,648,274	\$ 45,943,628	\$ 24,704,646	\$ 700,625	\$ 17,123,352	\$ 2,185,774
City of Grosse Pointe Woods Pension Plan Supplemental Annuity	3,841,331	2,605,835	1,235,496	75,969	496,281	222,648
Total	<u>\$ 74,489,605</u>	<u>\$ 48,549,463</u>	<u>\$ 25,940,142</u>	<u>\$ 776,594</u>	<u>\$ 17,619,633</u>	<u>\$ 2,408,422</u>

**Note 10 - Other Postemployment Benefit Plan**

**Plan Description**

The City provides the Grosse Pointe Woods Retiree Healthcare Plan (the "Plan"), a single-employer defined benefit OPEB plan that is used to provide postemployment benefits other than pensions (OPEB) for all eligible general, public safety, and fire plan members and their beneficiaries. The Plan is administered by the Grosse Pointe Woods Retiree Health Plan Board.

June 30, 2021

**Note 10 - Other Postemployment Benefit Plan (Continued)**

The financial statements of the OPEB plan are included in these financial statements as a pension and other employee benefit trust fund (a fiduciary fund).

Management of the Plan is vested in the Retiree Health Plan Board, which consists of five members - the mayor, one member of the City Council, one resident appointed by the mayor, and two employees - one general and one public safety. The city treasurer shall be the treasurer of the Retiree Healthcare Plan and shall be the custodian of the cash and investments. The city attorney shall be legal advisor to the Retiree Health Plan Board.

**Benefits Provided**

The Grosse Pointe Woods Retiree Healthcare Plan provides health care, dental, prescription, and vision benefits for retirees hired prior to 2012 and their dependents. Members are vested at 10 years of service. Benefits are provided through a third-party insurer, and the full cost of benefits is covered by the Plan.

City Ordinance 543 grants the authority to establish and amend the benefit terms to the board.

**Employees Covered by Benefit Terms**

The following members were covered by the benefit terms:

	<u>Grosse Pointe Woods Retiree Healthcare Plan</u>
Date of member count	June 30, 2020
Inactive plan members or beneficiaries currently receiving benefits	97
Inactive plan members currently receiving benefits and members entitled to but not yet receiving benefits	14
Active plan members	<u>44</u>
Total plan members	<u><u>155</u></u>

**Contributions**

City Ordinance 543 grants the authority to establish and amend the contribution requirements of the City and employees to the board. The board establishes contribution rates based on an actuarially determined rate per a funding valuation. For the year ended June 30, 2021, the City's contribution was \$1,643,135. Certain plan members are required to contribute based on the terms of their union contract. Total employee contributions were \$59,723.

**Net OPEB Liability**

The City has chosen to use the June 30 measurement date as its measurement date for the net OPEB liability. The June 30, 2021 fiscal year end reported net OPEB liability was determined using a measure of the total OPEB liability and the OPEB net position as of the June 30, 2021 measurement date. The June 30, 2021 measurement date total OPEB liability was determined by an actuarial valuation performed as of June 30, 2020 rolled forward to the measurement date of June 30, 2021.

**Note 10 - Other Postemployment Benefit Plan (Continued)**

Changes in the net OPEB liability during the measurement year were as follows:

Changes in Net OPEB Liability	Increase (Decrease)		
	Total OPEB Liability	Plan Net Position	Net OPEB Liability
<b>Balance at July 1, 2020</b>	\$ 36,386,477	\$ 1,001,372	\$ 35,385,105
Changes for the year:			
Service cost	431,244	-	431,244
Interest	2,527,585	-	2,527,585
Changes in assumptions	(288,910)	-	(288,910)
Contributions - Employer	-	1,643,135	(1,643,135)
Contributions - Employee	-	59,723	(59,723)
Net investment income	-	323,547	(323,547)
Benefit payments, including refunds	(1,443,135)	(1,443,135)	-
Net changes	1,226,784	583,270	643,514
<b>Balance at June 30, 2021</b>	<u>\$ 37,613,261</u>	<u>\$ 1,584,642</u>	<u>\$ 36,028,619</u>

The plan's fiduciary net position represents 4.21 percent of the total OPEB liability.

***OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB***

For the year ended June 30, 2021, the City recognized OPEB expense of \$2,081,358.

At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ (71,957)
Changes in assumptions	37,906	(192,610)
Net difference between projected and actual earnings on OPEB plan investments	-	(183,327)
<b>Total</b>	<u>\$ 37,906</u>	<u>\$ (447,894)</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows (note that employer contributions subsequent to the measurement date will reduce the net OPEB liability and, therefore, will not be included in future OPEB expense):

Years Ending June 30	Amount
2022	\$ (174,836)
2023	(144,341)
2024	(41,939)
2025	(48,872)
<b>Total</b>	<u>\$ (409,988)</u>

**Note 10 - Other Postemployment Benefit Plan (Continued)**

**Actuarial Assumptions**

The total OPEB liability in the June 30, 2020 actuarial valuation was determined using an investment rate of return (net of investment expenses) of 7.0 percent; a health care cost trend rate of 6.0 percent for the first year, decreasing 0.1 percent per year to an ultimate rate of 5.0 percent; and the Pub-2010 Mortality Table with MP-2019 improvement scale. These assumptions were applied to all periods included in the measurement.

**Discount Rate**

The discount rate used to measure the total OPEB liability was 7.0 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that city contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate.

Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

**Investment Rate of Return**

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and adding expected inflation. Best estimates of arithmetic real rates of return as of the June 30, 2020 measurement date for each major asset class included in the OPEB plan's target asset allocation, as disclosed in the investment footnote, are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
U.S. large-cap equity	25.00 %	5.29 %
U.S. mid-cap equity	15.00	5.74
U.S. small-cap equity	10.00	5.29
International developed equity	15.00	6.62
Emerging markets equity	5.00	8.38
U.S. core bonds	25.00	1.24
TIPs	5.00	1.32

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

The following presents the net OPEB liability of the City, calculated using the discount rate of 7.0 percent, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1 Percentage Point Decrease (6.0%)	Current Discount Rate (7.0%)	1 Percentage Point Increase (8.0%)
Net OPEB liability of the Grosse Pointe Woods Retiree Healthcare Plan	\$ 42,806,078	\$ 36,028,619	\$ 30,840,684

**Note 10 - Other Postemployment Benefit Plan (Continued)**

***Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rate***

The following presents the net OPEB liability of the City, calculated using the health care cost trend rate of 6.0 percent the first year, decreasing in 0.1 percent increments over the following 10 years to an ultimate assumed rate of 5.0 percent, as well as what the City's net OPEB liability would be if it were calculated using a health care cost trend rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1 Percentage Point Decrease (4.0 - 5.0%)	Current Health Care Cost Trend Rate (5.0 - 6.0%)	1 Percentage Point Increase (6.0 - 7.0%)
Net OPEB liability of the Grosse Pointe Woods Retiree Healthcare Plan	\$ 30,255,574	\$ 36,028,619	\$ 43,627,478

***Assumption Changes***

The mortality table was updated to the Pub-2010 Mortality Table with MP-2019 improvement scale.

***Investment Policy***

The OPEB plan's policy in regard to the allocation of invested assets is established and may be amended by the OPEB board by a majority vote of its members. It is the policy of the OPEB board to pursue an investment strategy that manages risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The OPEB plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the OPEB board's adopted asset allocation policy as of June 30, 2021:

**Grosse Pointe Woods Retiree Healthcare Plan**

Asset Class	Target Allocation
U.S. large-cap equity	25.00 %
U.S. mid-cap equity	15.00
U.S. small-cap equity	10.00
International developed equity	15.00
Emerging markets equity	5.00
U.S. core bonds	25.00
TIPS	5.00
Total	<u>100.00 %</u>

***Rate of Return***

For the year ended June 30, 2021, the annual money-weighted rate of return on OPEB plan investments, net of OPEB plan investment expense, was 24.76 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**Note 11 - Deferred Compensation**

The City offers its employees a deferred compensation plan (the "DC Plan") created in accordance with Internal Revenue Code Section 457. The DC Plan is available to all full-time city employees, which permits them to defer a portion of their salary until future years, and is administered by ICMA. Payment of the deferred compensation is not available to employees until retirement, death, or unforeseeable emergency. As of June 30, 2021, employees who had elected to participate in the DC Plan had total assets of \$5,583,709.

June 30, 2021

**Note 11 - Deferred Compensation (Continued)**

All amounts of compensation deferred under the DC Plan; all property and rights purchased with those amounts; and all income attributable to those amounts, property, or rights are solely the property and rights of the individual participants.

**Note 12 - Defined Contribution Healthcare Plan**

The City offers its employees a defined contribution health care plan through a health savings account (the "HSA Plan"). The HSA plan provides for the City to make a required contribution of \$150 per month for each employee hired after April 2011. Contributions to the plan totaled \$72,150 for the year ended June 30, 2021. Employees are also required to submit 1 percent of earnings to the HSA Plan. Employees are 100 percent vested after six years of employment. As of June 30, 2021, the HSA Plan had total assets of \$940,500.

**Note 13 - Pension and Other Employee Benefit Trust Funds**

The following are condensed financial statements for the individual pension plans and postemployment health care plan:

	Pension Trust Fund	Supplementary Annuity Fund	OPEB Trust Fund
<b>Statement of Net Position</b>			
Cash and cash equivalents	\$ 447,547	\$ 25,384	\$ 25,159
Stocks	17,535,492	994,580	-
Corporate bonds	7,472,738	423,839	-
Bonds	20,487,849	1,162,032	1,559,483
Other assets	2	-	-
Net position	<u>\$ 45,943,628</u>	<u>\$ 2,605,835</u>	<u>\$ 1,584,642</u>
<b>Statement of Changes in Net Position</b>			
Investment income	\$ 12,109,682	\$ 649,743	\$ 323,547
Contributions	1,905,279	318,174	1,702,858
Benefit payments	3,570,576	266,789	1,443,135
Other deductions	46,967	2,519	-
Net change in net position	<u>\$ 10,397,418</u>	<u>\$ 698,609</u>	<u>\$ 583,270</u>

**Note 14 - Joint Venture**

The City is a member of the Grosse Pointes-Clinton Refuse Disposal Authority joint venture (the "Authority"), which provides refuse disposal services to participating municipalities in the counties of Wayne and Macomb, Michigan. Other members include the cities of Grosse Pointe Farms, Grosse Pointe Park, Grosse Pointe, Harper Woods, Mount Clemens, and Grosse Pointe Woods, Michigan and the Township of Clinton. The City Council appoints one member to the Authority's governing board, which then approves its budget. The Authority currently contracts with a commercial refuse disposal company and bills members for their proportionate share of the costs.

The City's interest in the net position of the Authority totaled \$64,421 at June 30, 2021 and is reported as part of the governmental activities in the statement of net position. The City is unaware of any circumstances, including potential environmental remediation, that would cause an additional burden to the participating municipalities in the near future. Complete financial statements for the Authority can be obtained from its administrative offices at 27941 Harper Avenue, Suite 106, St. Clair Shores, MI 48081.

**Note 15 - 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. The City has purchased commercial insurance for claims relating to property loss claims, torts, and errors and omissions. The City is self-insured for workers' compensation claims and participates in a self-funding program for medical claims with other communities. Under the workers' compensation program and medical program, the City is held liable for the first \$400,000 and \$25,000, respectively, of any occurrence. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

The City is self-funding medical benefits up to a retention amount, at which time the City's reinsurance coverage begins. The self-funding program is done in conjunction with the cities of Grosse Pointe Park, Grosse Pointe Farms, and Grosse Pointe, Michigan and the Village of Grosse Pointe Shores, Michigan. The City of Grosse Pointe Woods, Michigan serves as the administrative agent for the program; however, each municipality is responsible for its individual claims.

The City estimates the liability for medical benefits claims that have been incurred through the end of the fiscal year, including both those claims that have been reported and those that have not yet been reported. The City's liability is based on individual claims and management's evaluation of experience with respect to the probable number and nature of claims.

The City estimates the liability for workers' compensation and medical benefits that have been incurred through the end of the fiscal year, including claims that have been reported, as well as those that have not yet been reported, which includes estimates of both future payments of losses and related claim adjustment expense, both allocated and unallocated. The liability is based on individual claims and management's evaluation of experience with respect to the probable number and nature of claims. Any adjustments resulting from the settlement of losses will be reflected in earnings at the time the adjustments are determined. These estimates are recorded in the Workers' Compensation Fund and within the governmental activities and business-type activities columns of the statement of net position for workers' compensation and in the modified accrual funds for medical claims.

Changes in the estimated liability for the past two fiscal years were as follows:

	Workers' Compensation		Medical Claims	
	2021	2020	2021	2020
Estimated liability - Beginning of year	\$ 128,706	\$ 196,475	\$ -	\$ 246,573
Estimated claims incurred, including changes in estimates	37,785	100,574	1,487,829	1,204,699
Claim payments	(42,886)	(168,343)	(1,440,229)	(1,451,272)
Estimated liability - End of year	<u>\$ 123,605</u>	<u>\$ 128,706</u>	<u>\$ 47,600</u>	<u>\$ -</u>

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## Required Supplemental Information

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# City of Grosse Pointe Woods, Michigan

## Required Supplemental Information Budgetary Comparison Schedule General Fund

Year Ended June 30, 2021

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
<b>Revenue</b>				
Property taxes:				
Property taxes	\$ 10,542,844	\$ 10,542,844	\$ 10,424,701	\$ (118,143)
Franchise fees	310,000	310,000	341,918	31,918
Intergovernmental - Federal grants	-	-	495,545	495,545
State and local sources:				
State-shared revenue	1,741,588	1,741,588	1,869,835	128,247
Other state grants	-	-	8,753	8,753
Charges for services	534,302	539,407	622,309	82,902
Fines and forfeitures	285,000	285,000	232,067	(52,933)
Investment income	80,000	80,000	15,568	(64,432)
Other revenue	178,475	178,475	199,106	20,631
<b>Total revenue</b>	<b>13,672,209</b>	<b>13,677,314</b>	<b>14,209,802</b>	<b>532,488</b>
<b>Expenditures - Current services:</b>				
General government:				
City Council	58,080	58,080	47,982	10,098
City comptroller	439,936	439,936	375,102	64,834
Commission	13,905	13,905	2,807	11,098
Municipal court	453,777	453,777	338,019	115,758
Assessing	147,137	147,137	74,574	72,563
Clerk	455,173	484,035	437,442	46,593
Building inspection	540,893	540,893	510,572	30,321
Attorney	229,500	229,500	222,782	6,718
Administration	274,093	274,093	265,671	8,422
Fringe benefits	228,000	233,000	229,735	3,265
Other services and charges	185,650	335,985	309,465	26,520
Public safety:				
Police service	3,738,372	3,959,187	3,838,975	120,212
Fire prevention and inspection	39,665	50,165	43,358	6,807
Fringe benefits	1,563,604	1,533,074	1,503,836	29,238
Support services	181,421	180,421	127,503	52,918
Administration	348,103	377,532	326,443	51,089
Other services and charges	399,021	399,887	392,407	7,480
Public works:				
Streets	393,252	457,981	378,650	79,331
Street maintenance	369,602	369,602	412,896	(43,294)
Other services and charges	752,640	760,725	760,108	617
Supervision and engineering	135,926	135,926	134,300	1,626
Forestry services	243,204	243,204	230,046	13,158
Fringe benefits	313,309	321,375	261,037	60,338
City building and grounds	289,641	295,841	242,775	53,066
Parks and recreation:				
Other services and charges	23,879	21,053	21,053	-
Supervision and engineering	14,455	14,455	11,255	3,200
Lake Front Park	1,250,091	1,329,141	1,183,088	146,053
Fringe benefits	102,505	102,505	95,379	7,126
Community center	267,131	178,481	150,691	27,790
City parks	54,028	67,128	55,330	11,798
<b>Total expenditures</b>	<b>13,505,993</b>	<b>14,008,024</b>	<b>12,983,281</b>	<b>1,024,743</b>
<b>Excess of Revenue Over (Under) Expenditures</b>	<b>166,216</b>	<b>(330,710)</b>	<b>1,226,521</b>	<b>1,557,231</b>
<b>Other Financing (Uses) Sources</b>				
Transfers out	(1,888,157)	(2,278,828)	(2,278,825)	3
Insurance recoveries	-	-	3,827	3,827
<b>Total other financing uses</b>	<b>(1,888,157)</b>	<b>(2,278,828)</b>	<b>(2,274,998)</b>	<b>3,830</b>
<b>Net Change in Fund Balance</b>	<b>(1,721,941)</b>	<b>(2,609,538)</b>	<b>(1,048,477)</b>	<b>1,561,061</b>
<b>Fund Balance - Beginning of year</b>	<b>6,515,927</b>	<b>6,515,927</b>	<b>6,515,927</b>	<b>-</b>
<b>Fund Balance - End of year</b>	<b>\$ 4,793,986</b>	<b>\$ 3,906,389</b>	<b>\$ 5,467,450</b>	<b>\$ 1,561,061</b>

# City of Grosse Pointe Woods, Michigan

## Required Supplemental Information Schedule of Changes in the Net Pension Liability and Related Ratios Pension Plan

### Last Eight Fiscal Years

	2021	2020	2019	2018	2017	2016	2015	2014
<b>Total Pension Liability</b>								
Service cost	\$ 1,459,769	\$ 1,381,734	\$ 1,419,981	\$ 872,705	\$ 812,794	\$ 893,380	\$ 692,961	\$ 675,799
Interest	4,149,881	4,160,628	4,115,769	3,739,452	3,713,413	3,802,189	3,521,128	3,499,326
Differences between expected and actual experience	(219,966)	(2,041,992)	61,396	1,898,141	(1,943,674)	(509,341)	501,262	(579,977)
Changes in assumptions	(13,509,818)	1,372,928	(2,730,629)	17,877,664	(3,946,934)	7,000,034	5,686,156	-
Benefit payments, including refunds	(3,570,576)	(3,403,902)	(3,346,109)	(3,354,997)	(3,215,776)	(3,187,512)	(3,315,548)	(3,092,014)
<b>Net Change in Total Pension Liability</b>	(11,690,710)	1,469,396	(479,592)	21,032,965	(4,580,177)	7,998,750	7,085,959	503,134
<b>Total Pension Liability - Beginning of year</b>	82,338,984	80,869,588	81,349,180	60,316,215	64,896,392	56,897,642	49,811,683	49,308,549
<b>Total Pension Liability - End of year</b>	<b>\$ 70,648,274</b>	<b>\$ 82,338,984</b>	<b>\$ 80,869,588</b>	<b>\$ 81,349,180</b>	<b>\$ 60,316,215</b>	<b>\$ 64,896,392</b>	<b>\$ 56,897,642</b>	<b>\$ 49,811,683</b>
<b>Plan Fiduciary Net Position</b>								
Contributions - Employer	\$ 1,623,076	\$ 1,406,409	\$ 1,215,450	\$ 1,230,649	\$ 1,076,052	\$ 925,683	\$ 889,829	\$ 888,696
Contributions - Member	282,203	262,296	263,799	249,835	243,096	252,579	258,967	275,808
Net investment income (loss)	12,109,682	157,140	1,291,520	2,128,175	3,992,724	(1,359,930)	15,073	6,669,874
Administrative expenses	(46,967)	(70,669)	(58,125)	(62,843)	(37,168)	(51,765)	(69,537)	(44,753)
Benefit payments, including refunds	(3,570,576)	(3,403,902)	(3,346,109)	(3,354,997)	(3,215,776)	(3,187,512)	(3,315,548)	(3,092,015)
Other	-	-	-	22,728	12,254	-	-	-
<b>Net Change in Plan Fiduciary Net Position</b>	10,397,418	(1,648,726)	(633,465)	213,547	2,071,182	(3,420,945)	(2,221,216)	4,697,610
<b>Plan Fiduciary Net Position - Beginning of year</b>	35,546,210	37,194,936	37,828,401	37,614,854	35,543,672	38,964,617	41,185,833	36,488,223
<b>Plan Fiduciary Net Position - End of year</b>	<b>\$ 45,943,628</b>	<b>\$ 35,546,210</b>	<b>\$ 37,194,936</b>	<b>\$ 37,828,401</b>	<b>\$ 37,614,854</b>	<b>\$ 35,543,672</b>	<b>\$ 38,964,617</b>	<b>\$ 41,185,833</b>
<b>City's Net Pension Liability - Ending</b>	<b>\$ 24,704,646</b>	<b>\$ 46,792,774</b>	<b>\$ 43,674,652</b>	<b>\$ 43,520,779</b>	<b>\$ 22,701,361</b>	<b>\$ 29,352,720</b>	<b>\$ 17,933,025</b>	<b>\$ 8,625,850</b>
<b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	65.03 %	43.17 %	45.99 %	46.50 %	62.36 %	55.02 %	68.48 %	82.69 %
<b>Covered Payroll</b>	\$ 5,372,630	\$ 4,791,109	\$ 4,716,600	\$ 4,544,155	\$ 4,493,845	\$ 4,592,611	\$ 4,651,563	\$ 4,411,702
<b>City's Net Pension Liability as a Percentage of Covered Payroll</b>	459.82 %	976.66 %	925.98 %	957.73 %	505.17 %	632.60 %	385.53 %	195.50 %

GASB Statement No. 67 was implemented for the FYE June 30, 2014 and does not require retroactive implementation. The required supplemental information is intended to show information for 10 years, and additional years' information will be displayed as it becomes available.

#### Assumption Changes

Assumption changes were made for each year as follows:

**2015:** Changed from the 1994 uninsured pension mortality table to the RP-2014 Healthy Annuitant Mortality Table and the discount rate from 8.0 to 6.82 percent

**2016:** Changed the investment rate of return from 8.0 to 7.8 percent, inflation from 4.0 to 3.5 percent, and the discount rate to 5.83 percent

**2017:** Changed the discount rate to 6.33 percent

**2018:** Changed the investment rate of return to 7.75 percent, inflation to 2.5 percent, the mortality table to the RP-2014 Mortality Table with MP-2017, and the discount rate to 5.12 percent

**2019:** Changed the discount rate to 5.21 percent

**2020:** Changed the investment rate of return to 7.50 percent, mortality table to the Pub-2010 Mortality Table with MP-2018 improvement scale, and the discount rate to 5.06 percent

**2021:** Changed the discount rate to 6.46 percent

**City of Grosse Pointe Woods, Michigan**

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**Required Supplemental Information  
Schedule of Pension Investment Returns  
Pension Plan and Pension Plan Supplemental Annuity**

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**Last Eight Fiscal Years  
Years Ended June 30**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual money-weighted rate of return - Net of investment expense	36.24 %	1.52 %	4.89 %	4.84 %	11.60 %	(3.50)%	0.10 %	8.00 %

GASB Statement No. 67 was implemented for the FYE June 30, 2014 and does not require retroactive implementation. The required supplemental information is intended to show information for 10 years, and additional years' information will be displayed as it becomes available.

**City of Grosse Pointe Woods, Michigan**

Required Supplemental Information  
Schedule of Pension Contributions  
Pension Plan

**Last Ten Fiscal Years  
Years Ended June 30**

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Actuarially determined contribution	\$ 1,623,000	\$ 1,406,000	\$ 1,215,000	\$ 1,231,000	\$ 1,076,000	\$ 926,000	\$ 890,000	\$ 889,000	\$ 768,000	\$ 743,000
Contributions in relation to the actuarially determined contribution	1,623,000	1,406,000	1,215,000	1,231,000	1,076,000	926,000	890,000	889,000	768,000	743,000
<b>Contribution Deficiency</b>	<b>\$ -</b>									
<b>Covered Payroll</b>	<b>\$ 5,372,630</b>	<b>\$ 4,791,109</b>	<b>\$ 4,716,600</b>	<b>\$ 4,544,155</b>	<b>\$ 4,493,845</b>	<b>\$ 4,592,611</b>	<b>\$ 4,651,563</b>	<b>\$ 4,411,702</b>	<b>\$ 5,003,250</b>	<b>\$ 5,210,083</b>
<b>Contributions as a Percentage of Covered Payroll</b>	<b>30.21 %</b>	<b>29.35 %</b>	<b>25.76 %</b>	<b>27.09 %</b>	<b>23.94 %</b>	<b>20.17 %</b>	<b>19.13 %</b>	<b>17.06 %</b>	<b>14.63 %</b>	<b>13.40 %</b>

**Notes to Schedule of Pension Contributions - Pension Plan**

Actuarial valuation information relative to the determination of contributions:

Valuation date                      Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which the contributions are reported. Covered payroll is as of June 30 of the current fiscal year.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll - Open
Remaining amortization period	25 years
Asset valuation method	5-year smoothed market
Inflation	2.50 percent
Salary increase	3.50 - 7.30 percent, including inflation
Investment rate of return	7.75 percent - Net of expense
Mortality	RP-2014 Mortality Table

# City of Grosse Pointe Woods, Michigan

## Required Supplemental Information Schedule of Changes in the Net Pension Liability and Related Ratios Supplemental Annuity

### Last Eight Fiscal Years

	2021	2020	2019	2018	2017	2016	2015	2014
<b>Total Pension Liability</b>								
Service cost	\$ 43,432	\$ 51,793	\$ 47,748	\$ 59,640	\$ 39,299	\$ 37,233	\$ 28,387	\$ 33,212
Interest	275,505	272,594	259,909	239,740	254,061	269,224	234,285	236,533
Differences between expected and actual experience	21,271	(151,559)	136,155	161,463	(227,980)	(232,788)	(399,452)	(42,908)
Changes in assumptions	(15,148)	(198,496)	(57,257)	567,907	-	86,953	831,276	-
Benefit payments, including refunds	(266,789)	(278,103)	(275,592)	(242,921)	(257,534)	(263,715)	(247,158)	(257,888)
<b>Net Change in Total Pension Liability</b>	<b>58,271</b>	<b>(303,771)</b>	<b>110,963</b>	<b>785,829</b>	<b>(192,154)</b>	<b>(103,093)</b>	<b>447,338</b>	<b>(31,051)</b>
<b>Total Pension Liability - Beginning of year</b>	<b>3,783,060</b>	<b>4,086,831</b>	<b>3,975,868</b>	<b>3,190,039</b>	<b>3,382,193</b>	<b>3,485,286</b>	<b>3,037,948</b>	<b>3,068,999</b>
<b>Total Pension Liability - End of year</b>	<b>\$ 3,841,331</b>	<b>\$ 3,783,060</b>	<b>\$ 4,086,831</b>	<b>\$ 3,975,868</b>	<b>\$ 3,190,039</b>	<b>\$ 3,382,193</b>	<b>\$ 3,485,286</b>	<b>\$ 3,037,948</b>
<b>Plan Fiduciary Net Position</b>								
Contributions - Employer	\$ 318,174	\$ 335,830	\$ 311,792	\$ 298,389	\$ 290,000	\$ 297,360	\$ 286,439	\$ 277,776
Net investment income (loss)	649,743	7,796	59,811	91,098	159,415	3,963	(9,093)	230,642
Administrative expenses	(2,519)	(3,506)	(2,693)	(5,768)	(995)	-	(22,140)	-
Benefit payments, including refunds	(266,789)	(278,103)	(275,592)	(242,921)	(257,534)	(263,715)	(247,158)	(257,888)
Other	-	-	-	960	-	-	-	-
<b>Net Change in Plan Fiduciary Net Position</b>	<b>698,609</b>	<b>62,017</b>	<b>93,318</b>	<b>141,758</b>	<b>190,886</b>	<b>37,608</b>	<b>8,048</b>	<b>250,530</b>
<b>Plan Fiduciary Net Position - Beginning of year</b>	<b>1,907,226</b>	<b>1,845,209</b>	<b>1,751,891</b>	<b>1,610,133</b>	<b>1,419,247</b>	<b>1,381,639</b>	<b>1,373,591</b>	<b>1,123,061</b>
<b>Plan Fiduciary Net Position - End of year</b>	<b>\$ 2,605,835</b>	<b>\$ 1,907,226</b>	<b>\$ 1,845,209</b>	<b>\$ 1,751,891</b>	<b>\$ 1,610,133</b>	<b>\$ 1,419,247</b>	<b>\$ 1,381,639</b>	<b>\$ 1,373,591</b>
<b>City's Net Pension Liability - Ending</b>	<b>\$ 1,235,496</b>	<b>\$ 1,875,834</b>	<b>\$ 2,241,622</b>	<b>\$ 2,223,977</b>	<b>\$ 1,579,906</b>	<b>\$ 1,962,946</b>	<b>\$ 2,103,647</b>	<b>\$ 1,664,357</b>
<b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	<b>67.84 %</b>	<b>50.41 %</b>	<b>45.15 %</b>	<b>44.06 %</b>	<b>50.47 %</b>	<b>41.96 %</b>	<b>39.64 %</b>	<b>45.21 %</b>
<b>Covered Payroll</b>	<b>\$ 2,816,325</b>	<b>\$ 2,475,978</b>	<b>\$ 2,525,337</b>	<b>\$ 2,231,884</b>	<b>\$ 2,258,831</b>	<b>\$ 2,347,151</b>	<b>\$ 2,358,679</b>	<b>\$ 2,196,932</b>
<b>City's Net Pension Liability as a Percentage of Covered Payroll</b>	<b>43.87 %</b>	<b>75.76 %</b>	<b>88.77 %</b>	<b>99.65 %</b>	<b>69.94 %</b>	<b>83.63 %</b>	<b>89.19 %</b>	<b>75.76 %</b>

GASB Statement No. 67 was implemented for the FYE June 30, 2014 and does not require retroactive implementation. The required supplemental information is intended to show information for 10 years, and additional years' information will be displayed as it becomes available.

## City of Grosse Pointe Woods, Michigan

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### Required Supplemental Information Schedule of Changes in the Net Pension Liability and Related Ratios Supplemental Annuity (Continued)

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**Last Eight Fiscal Years**

#### **Assumption Changes**

Assumption changes were made for each year as follows:

**2015:** Changed from the 1994 uninsured pension mortality table to the RP-2014 Healthy Annuitant Mortality Table, inflation from 0.0 to 4.0 percent, and the discount rate from 8.0 to 7.98 percent

**2016:** Changed the investment rate of return from 8.0 to 7.8 percent, inflation to 3.5 percent, and the discount rate to 7.71 percent

**2018:** Changed the investment rate of return to 7.75 percent, inflation to 2.5 percent, the mortality table to the RP-2014 Mortality Table with MP-2017, and the discount rate to 6.73 percent

**2019:** Changed the discount rate to 6.86 percent

**2020:** Changed the investment rate of return to 7.50 percent, mortality table to the Pub-2010 Mortality Table with MP-2018 improvement scale, and the discount rate to 7.46 percent

**2021:** Changed the discount rate to 7.50 percent

**City of Grosse Pointe Woods, Michigan**

**Required Supplemental Information  
Schedule of Pension Contributions  
Supplemental Annuity**

**Last Ten Fiscal Years  
Years Ended June 30**

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Actuarially determined contribution	\$ 318,174	\$ 335,830	\$ 311,792	\$ 298,000	\$ 290,000	\$ 297,360	\$ 286,439	\$ 277,776	\$ 245,862	\$ 238,579
Contributions in relation to the actuarially determined contribution	318,174	335,830	311,792	298,000	290,000	297,360	286,439	277,776	245,862	238,579
<b>Contribution Deficiency</b>	<b>\$ -</b>									
<b>Covered Payroll</b>	<b>\$ 2,816,325</b>	<b>\$ 2,475,978</b>	<b>\$ 2,525,337</b>	<b>\$ 2,231,884</b>	<b>\$ 2,258,831</b>	<b>\$ 2,347,151</b>	<b>\$ 2,358,679</b>	<b>\$ 2,196,932</b>	<b>\$ 2,376,609</b>	<b>\$ 2,636,547</b>
<b>Contributions as a Percentage of Covered Payroll</b>	<b>11.30 %</b>	<b>13.56 %</b>	<b>12.35 %</b>	<b>13.35 %</b>	<b>12.84 %</b>	<b>12.67 %</b>	<b>12.14 %</b>	<b>12.64 %</b>	<b>10.35 %</b>	<b>9.05 %</b>

**Notes to Schedule of Pension Contributions - Supplemental Annuity**

Actuarial valuation information relative to the determination of contributions:

Valuation date                      Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported. Covered payroll is as of June 30 of the current fiscal year. Public safety members retiring after December 31, 1994 are not covered.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level dollar
Remaining amortization period	10 years open
Asset valuation method	Market
Inflation	2.50 percent
Salary increase	0.0 percent
Investment rate of return	7.75 percent - Net of expense
Mortality	RP-2014 Mortality Table

# City of Grosse Pointe Woods, Michigan

## Required Supplemental Information Schedule of Changes in the Net OPEB Liability and Related Ratios

### Last Four Fiscal Years

	2021	2020	2019	2018
<b>Total OPEB Liability</b>				
Service cost	\$ 431,244	\$ 416,661	\$ 448,946	\$ 1,861,554
Interest	2,527,585	2,428,098	2,426,171	1,973,036
Differences between expected and actual experience	-	(551,667)	(1,375,107)	(3,809,187)
Changes in assumptions	(288,910)	290,589	(1,046,230)	(25,133,680)
Benefit payments, including refunds	(1,443,135)	(1,351,986)	(1,507,028)	(1,578,411)
<b>Net Change in Total OPEB Liability</b>	1,226,784	1,231,695	(1,053,248)	(26,686,688)
<b>Total OPEB Liability - Beginning of year</b>	36,386,477	35,154,782	36,208,030	62,894,718
<b>Total OPEB Liability - End of year</b>	<b>\$ 37,613,261</b>	<b>\$ 36,386,477</b>	<b>\$ 35,154,782</b>	<b>\$ 36,208,030</b>
<b>Plan Fiduciary Net Position</b>				
Contributions - Employer	\$ 1,643,135	\$ 1,401,986	\$ 1,557,027	\$ 1,628,411
Contributions - Active and inactive plan members not yet receiving benefits	59,723	58,919	54,911	63,942
Net investment income	323,547	29,551	56,866	4,590
Benefit payments, including refunds	(1,443,135)	(1,351,986)	(1,507,028)	(1,578,411)
<b>Net Change in Plan Fiduciary Net Position</b>	583,270	138,470	161,776	118,532
<b>Plan Fiduciary Net Position - Beginning of year</b>	1,001,372	862,902	701,126	582,594
<b>Plan Fiduciary Net Position - End of year</b>	<b>\$ 1,584,642</b>	<b>\$ 1,001,372</b>	<b>\$ 862,902</b>	<b>\$ 701,126</b>
<b>Net OPEB Liability - Ending</b>	<b>\$ 36,028,619</b>	<b>\$ 35,385,105</b>	<b>\$ 34,291,880</b>	<b>\$ 35,506,904</b>
<b>Plan Fiduciary Net Position as a Percentage of Total OPEB Liability</b>	4.21 %	2.75 %	2.45 %	1.94 %
<b>Covered Payroll</b>	\$ 3,361,323	\$ 3,247,655	\$ 3,618,888	\$ 3,333,571
<b>Net OPEB Liability as a Percentage of Covered Payroll</b>	1,071.86 %	1,089.56 %	947.58 %	1,065.13 %

The required supplemental information is intended to show information for 10 years, and additional years' information will be displayed as it becomes available.

### Assumption Changes

**2018:** Changed the mortality assumptions to the RP-2014 fully generational mortality using projection scale MP-2017; the health care trend rate to 6.0 percent, graded down to 5.0 percent in 0.1 percent increments; and the long-term rate of return and the discount rate from 3.50 percent to 6.80 percent due to a change in investment portfolio

**2019:** Changed the long-term rate of return and the discount rate to 7.00 percent

**2020:** Changed the mortality table to the Pub-2010 Mortality Table with MP-2018 improvement scale

**2021:** Changed the mortality table to the Pub-2010 Mortality Table with MP-2019 improvement scale

**City of Grosse Pointe Woods, Michigan**

**Required Supplemental Information  
Schedule of OPEB Contributions**

**Last Ten Fiscal Years  
Years Ended June 30**

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Actuarially determined contribution	\$ 3,509,525	\$ 3,125,991	\$ 3,125,991	\$ 3,083,916	\$ 3,230,383	\$ 3,767,017	\$ 3,622,132	\$ 3,482,819	\$ 4,192,613	\$ 4,031,359
Contributions in relation to the actuarially determined contribution	1,643,135	1,401,986	1,557,027	1,628,411	1,472,713	1,675,660	1,618,057	1,332,162	1,457,623	1,148,356
<b>Contribution Deficiency</b>	<b><u>\$ (1,866,390)</u></b>	<b><u>\$ (1,724,005)</u></b>	<b><u>\$ (1,568,964)</u></b>	<b><u>\$ (1,455,505)</u></b>	<b><u>\$ (1,757,670)</u></b>	<b><u>\$ (2,091,357)</u></b>	<b><u>\$ (2,004,075)</u></b>	<b><u>\$ (2,150,657)</u></b>	<b><u>\$ (2,734,990)</u></b>	<b><u>\$ (2,883,003)</u></b>
<b>Covered Payroll</b>	<b>\$ 3,361,323</b>	<b>\$ 3,247,655</b>	<b>\$ 3,618,888</b>	<b>\$ 3,333,571</b>	<b>\$ 4,493,845</b>	<b>\$ 4,592,000</b>	<b>\$ 4,652,000</b>	<b>\$ 5,210,000</b>	<b>\$ 5,249,000</b>	<b>\$ 5,546,000</b>
<b>Contributions as a Percentage of Covered Payroll</b>	<b>48.88 %</b>	<b>43.17 %</b>	<b>43.03 %</b>	<b>48.85 %</b>	<b>32.77 %</b>	<b>36.49 %</b>	<b>34.78 %</b>	<b>25.57 %</b>	<b>27.77 %</b>	<b>20.71 %</b>

**Notes to Schedule of Contributions**

Actuarial valuation information relative to the determination of contributions:

Valuation date Actuarially determined contribution rates are calculated as of June 30, one to two years prior to the end of the fiscal year in which the contributions are reported. Covered payroll is as June 30 of the current fiscal year.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll - Open
Remaining amortization period	30 years
Asset valuation method	Market
Health care cost trend rates	6.0 percent, graded down to 5.0 percent in 0.1 percent increments
Investment rate of return	7.00 percent
Mortality	Pub-2010 Mortality Table with MP-2018

**City of Grosse Pointe Woods, Michigan**

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Required Supplemental Information  
Schedule of OPEB Investment Returns

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**Last Four Fiscal Years  
Years Ended June 30**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Annual money-weighted rate of return - Net of investment expense	24.76 %	3.10 %	6.68 %	0.68 %

# City of Grosse Pointe Woods, Michigan

## Notes to Required Supplemental Information

June 30, 2021

### **Budgetary Information**

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund, all special revenue funds, and debt service funds, except for operating transfers, which are budgeted as revenue and expenditures and not other financing sources and uses. All annual appropriations lapse at fiscal year end; encumbrances are not included as expenditures. During the year, the budget was amended in a legally permissible manner.

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. On or before the first council meeting in April, the city treasurer/comptroller and the city administrator prepare a proposed operating budget for the fiscal year commencing July 1 and submit it to the City Council. The budget must be adopted through a passage of a budget resolution no later than the third Monday in May.
2. Public hearings are conducted to obtain citizen comments.
3. The legislative budget is adopted by fund on a departmental basis. Line item detail is provided as a general guideline. Throughout the year, the City Council receives requests to amend the activity budget. All amendments must be approved by a vote of the City Council. Changes in line items within an activity may be made with the approval of the city comptroller.

Amounts encumbered for purchase orders, contracts, etc. are not tracked during the year. Budget appropriations are considered to be spent once the goods are delivered or the services rendered.

As a result of GASB Statement No. 54, the Local Street Fund and the Cable Franchise Fund are now merged with the General Fund for reporting purposes. The General Fund is budgeted for as a separate fund. The following table reconciles the balances presented in the operating statement with the balances presented in the General Fund's budgetary comparison schedule:

	<u>Total Revenue</u>	<u>Total Expenditures</u>	<u>Other Financing Uses</u>
Amounts per operating statement	\$ 14,753,137	\$ 14,330,985	\$ (985,580)
Local Street Fund budgeted separately from the General Fund	(542,824)	(1,347,704)	(1,289,418)
Cable Franchise Fund budgeted separately from the General Fund	(511)	-	-
Amounts per budget statement	<u>\$ 14,209,802</u>	<u>\$ 12,983,281</u>	<u>\$ (2,274,998)</u>

### **Excess of Expenditures Over Appropriations in Budgeted Funds**

During the year, the City of Grosse Pointe Woods, Michigan incurred no significant expenditures that were in excess of the amounts budgeted.

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## Other Supplemental Information

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***Special Revenue Funds***

These funds are used to account for specific revenue sources that are legally restricted to expenditures for specific functions or activities. Restrictions may be imposed by state statute, the state constitution, the city board resolution of action, or the electorate through the approval of special dedicated millages.

**Major Street Fund**

This fund accounts for the maintenance and replacement of all major streets within the City. Funding is provided by distribution of gas tax proceeds.

**Solid Waste Fund**

This fund is used to account for the collection, disposal, and recycling of all residential and commercial waste within the City. Financing is provided by a separate tax millage.

**Act 302 Training Fund**

This fund accounts for the costs of training courses for the police department. Financing is provided by state grants.

**Grants Fund**

This fund is used to account for the activity of the Community Development Block Grant Program and other federal grants. Financing is provided by the Wayne County Economic Development Grant Program.

**911 Emergency Service Fund**

This fund accounts for moneys expended to maintain and operate an emergency response system. Moneys are received from the AT&T phone company, which levies a surcharge on all phone users within the community.

**Drug Enforcement Fund**

This fund is used to account for moneys seized in arrests for illegal drug activities and from various grants issued to the police department. Functions and activities include drug enforcement and education, departmental training, and expenses associated with the grants received.

**Parkway Beautification Fund**

This fund was created to account for moneys provided by donors to finance parkway beautification activities.

**MIDC Grant Fund**

The Michigan Indigent Defense Commission Grant Fund (MIDC Grant Fund) was created to account for grants received related to the court.

***Debt Service Funds***

Debt service funds are used to account for the payment of principal and interest on long-term debt.

**2015 Road Bond Debt Service Fund**

This fund accounts for the debt service of the 2015 Road Bonds.

**2018 Capital Improvement Bond Fund**

This fund accounts for the debt service related to 2018 capital improvements.

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## City of Grosse Pointe Woods, Michigan

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### Other Supplemental Information Nonmajor Governmental Funds Fund Descriptions (Continued)

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#### ***Capital Project Funds***

Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds. Revenue sources include General Fund transfers, grants from other units of government, private contributions, and bond proceeds.

#### **Municipal Improvement Fund**

This fund accounts for the acquisition and construction of various construction projects in the City.

#### **Capital Improvement Fund**

This fund accounts for the capital outlay funded by debt proceeds.

#### ***Budgetary Funds***

These funds are funds that were merged into the General Fund as a result of GASB Statement No. 54 but are budgeted as separate funds by the City Council.

#### **Local Street Fund**

This fund accounts for the maintenance and replacement of all local streets within the City. Funding is provided by distribution of gas tax proceeds.

#### **Cable Franchise Fund**

This fund accounts for the investment of proceeds from the sale of the City's interest in a cable company's earnings used for capital improvements.

# City of Grosse Pointe Woods, Michigan

	Special Revenue Funds					
	Major Street Fund	Solid Waste Fund	Act 302 Training Fund	Grants Fund	911 Emergency Service Fund	Drug Enforcement Fund
<b>Assets</b>						
Cash and investments	\$ 1,039,142	\$ 616,614	\$ 1,981	\$ 10,044	\$ 69,636	\$ 6,723
Receivables:						
Other receivables	7,217	-	-	-	-	-
Due from other governments	193,075	-	-	-	21,546	-
Due from other funds	-	-	-	-	-	-
Prepaid expenditures and other assets	8,581	3,553	-	-	1,726	-
Restricted assets - Restricted cash and cash equivalents	-	-	-	-	-	-
<b>Total assets</b>	<b>\$ 1,248,015</b>	<b>\$ 620,167</b>	<b>\$ 1,981</b>	<b>\$ 10,044</b>	<b>\$ 92,908</b>	<b>\$ 6,723</b>
<b>Liabilities</b>						
Accounts payable	\$ 49,783	\$ 61,904	\$ -	\$ -	\$ 38,915	\$ -
Due to other funds	-	1,960	-	-	-	-
Advances from other funds	-	152,873	-	-	-	-
Accrued liabilities and other	3,257	46,784	-	-	840	-
Unearned revenue	-	-	-	-	-	-
Provision for claims	3,526	1,175	-	-	588	-
<b>Total liabilities</b>	<b>56,566</b>	<b>264,696</b>	<b>-</b>	<b>-</b>	<b>40,343</b>	<b>-</b>
<b>Fund Balances</b>						
Nonspendable	8,581	3,553	-	-	1,726	-
Restricted:						
Roads	1,182,868	-	-	-	-	-
Public safety	-	-	1,981	-	-	6,723
Debt service	-	-	-	-	-	-
Grants	-	-	-	10,044	-	-
Community service	-	-	-	-	-	-
Solid waste	-	351,918	-	-	-	-
Capital improvement	-	-	-	-	-	-
Assigned:						
Public safety	-	-	-	-	50,839	-
Capital projects	-	-	-	-	-	-
Parkway beautification	-	-	-	-	-	-
<b>Total fund balances</b>	<b>1,191,449</b>	<b>355,471</b>	<b>1,981</b>	<b>10,044</b>	<b>52,565</b>	<b>6,723</b>
<b>Total liabilities and fund balances</b>	<b>\$ 1,248,015</b>	<b>\$ 620,167</b>	<b>\$ 1,981</b>	<b>\$ 10,044</b>	<b>\$ 92,908</b>	<b>\$ 6,723</b>

Other Supplemental Information  
Combining Balance Sheet  
Nonmajor Governmental Funds

June 30, 2021

Special Revenue Funds		Debt Service Funds		Capital Project Funds		Total
Parkway Beautification Fund	MIDC Grant Fund	2015 Road Bond Debt Service Fund	2018 Capital Improvement Bond Fund	Municipal Improvement Fund	Capital Improvement Fund	
\$ 219,159	\$ 32,297	\$ 371,116	\$ 6,567	\$ 156,859	\$ 26,632	\$ 2,556,770
-	-	-	-	-	-	7,217
1,960	-	-	-	2,950	-	217,571
-	-	-	-	-	-	1,960
-	-	-	-	-	-	13,860
-	-	-	-	-	22,163	22,163
<b>\$ 221,119</b>	<b>\$ 32,297</b>	<b>\$ 371,116</b>	<b>\$ 6,567</b>	<b>\$ 159,809</b>	<b>\$ 48,795</b>	<b>\$ 2,819,541</b>
\$ 305	\$ 250	\$ -	\$ -	\$ -	\$ 26,632	\$ 177,789
-	-	-	-	-	-	1,960
-	-	-	-	-	-	152,873
-	-	24,875	-	-	-	75,756
-	28,899	-	-	-	-	28,899
-	-	-	-	-	-	5,289
305	29,149	24,875	-	-	26,632	442,566
-	-	-	-	-	-	13,860
-	-	-	-	-	-	1,182,868
-	-	-	-	-	-	8,704
-	-	346,241	6,567	-	-	352,808
-	3,148	-	-	-	-	13,192
89,716	-	-	-	-	-	89,716
-	-	-	-	-	-	351,918
-	-	-	-	-	22,163	22,163
-	-	-	-	-	-	50,839
-	-	-	-	159,809	-	159,809
131,098	-	-	-	-	-	131,098
220,814	3,148	346,241	6,567	159,809	22,163	2,376,975
<b>\$ 221,119</b>	<b>\$ 32,297</b>	<b>\$ 371,116</b>	<b>\$ 6,567</b>	<b>\$ 159,809</b>	<b>\$ 48,795</b>	<b>\$ 2,819,541</b>

# City of Grosse Pointe Woods, Michigan

	Special Revenue Funds					
	Major Street Fund	Solid Waste Fund	Act 302 Training Fund	Grants Fund	911 Emergency Service Fund	Drug Enforcement Fund
<b>Revenue</b>						
Property taxes	\$ -	\$ 1,877,594	\$ -	\$ -	\$ -	\$ -
Intergovernmental:						
Federal grants	-	-	-	20,000	-	-
State sources:						
State-shared revenue	-	9,592	-	-	-	-
Act 51 gas and weight tax	1,179,162	-	-	-	-	-
Other state grants	-	-	5,279	-	-	-
Investment income	368	434	-	-	-	-
Other revenue	42,190	2,805	-	-	66,578	-
<b>Total revenue</b>	<b>1,221,720</b>	<b>1,890,425</b>	<b>5,279</b>	<b>20,000</b>	<b>66,578</b>	<b>-</b>
<b>Expenditures</b>						
Current services:						
General government	-	-	-	20,000	26,574	-
Public safety	-	-	3,516	-	80,056	16,220
Public works	796,502	1,805,517	-	-	-	-
Community and economic development	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest on long-term debt	-	4,074	-	-	-	-
<b>Total expenditures</b>	<b>796,502</b>	<b>1,809,591</b>	<b>3,516</b>	<b>20,000</b>	<b>106,630</b>	<b>16,220</b>
<b>Excess of Revenue Over (Under) Expenditures</b>	<b>425,218</b>	<b>80,834</b>	<b>1,763</b>	<b>-</b>	<b>(40,052)</b>	<b>(16,220)</b>
<b>Other Financing Sources (Uses)</b>						
Transfers in	-	-	-	-	-	-
Transfers out	(275,000)	-	-	-	-	-
<b>Total other financing (uses) sources</b>	<b>(275,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>150,218</b>	<b>80,834</b>	<b>1,763</b>	<b>-</b>	<b>(40,052)</b>	<b>(16,220)</b>
<b>Fund Balances - Beginning of year</b>	<b>1,041,231</b>	<b>274,637</b>	<b>218</b>	<b>10,044</b>	<b>92,617</b>	<b>22,943</b>
<b>Fund Balances - End of year</b>	<b>\$ 1,191,449</b>	<b>\$ 355,471</b>	<b>\$ 1,981</b>	<b>\$ 10,044</b>	<b>\$ 52,565</b>	<b>\$ 6,723</b>

Other Supplemental Information  
Combining Statement of Revenue, Expenditures, and Changes in Fund  
Balances  
Nonmajor Governmental Funds

**Year Ended June 30, 2021**

Special Revenue Funds		Debt Service Funds		Capital Project Funds		Total
Parkway Beautification Fund	MIDC Grant Fund	2015 Road Bond Debt Service Fund	2018 Capital Improvement Bond Fund	Municipal Improvement Fund	Capital Improvement Fund	
\$ -	\$ -	\$ 1,108,465	\$ -	\$ -	\$ -	\$ 2,986,059
-	-	-	-	-	-	20,000
-	-	5,658	-	-	-	15,250
-	-	-	-	-	-	1,179,162
-	30,545	-	-	-	-	35,824
-	-	-	-	-	-	802
<u>34,542</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>35,402</u>	<u>-</u>	<u>181,517</u>
34,542	30,545	1,114,123	-	35,402	-	4,418,614
-	30,545	-	-	-	266,320	343,439
-	-	-	-	-	13,245	113,037
-	-	-	-	-	-	2,602,019
-	-	-	-	1,009,827	5,778	1,015,605
24,282	-	-	-	-	-	24,282
-	-	800,000	135,000	-	500	935,500
-	-	157,985	89,238	-	-	251,297
<u>24,282</u>	<u>30,545</u>	<u>957,985</u>	<u>224,238</u>	<u>1,009,827</u>	<u>285,843</u>	<u>5,285,179</u>
10,260	-	156,138	(224,238)	(974,425)	(285,843)	(866,565)
-	3,148	-	224,238	1,019,150	17,871	1,264,407
-	-	-	-	-	-	(275,000)
-	3,148	-	224,238	1,019,150	17,871	989,407
10,260	3,148	156,138	-	44,725	(267,972)	122,842
210,554	-	190,103	6,567	115,084	290,135	2,254,133
<u>\$ 220,814</u>	<u>\$ 3,148</u>	<u>\$ 346,241</u>	<u>\$ 6,567</u>	<u>\$ 159,809</u>	<u>\$ 22,163</u>	<u>\$ 2,376,975</u>

**City of Grosse Pointe Woods, Michigan**

**Other Supplemental Information  
Budgetary Comparison Schedule - Major Governmental Fund  
Grosse-Gratiot Drain Fund**

**Year Ended June 30, 2021**

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget (Unaudited)
<b>Revenue</b>				
Property taxes	\$ 2,953,193	\$ 2,953,193	\$ 2,923,080	\$ (30,113)
Intergovernmental	11,099	11,099	14,919	3,820
Investment income	28,911	28,911	3,370	(25,541)
Total revenue	2,993,203	2,993,203	2,941,369	(51,834)
<b>Expenditures</b>				
Current services - Public works	2,729,994	4,347,928	4,180,509	167,419
Debt service	1,020,953	1,020,953	1,162,372	(141,419)
Total expenditures	3,750,947	5,368,881	5,342,881	26,000
<b>Excess of Expenditures Over Revenue</b>	(757,744)	(2,375,678)	(2,401,512)	(25,834)
<b>Other Financing Sources - New debt issued</b>	-	-	1,406,590	1,406,590
<b>Net Change in Fund Balance</b>	(757,744)	(2,375,678)	(994,922)	1,380,756
<b>Fund Balance - Beginning of year</b>	2,206,710	2,206,710	2,206,710	-
<b>Fund Balance (Deficit) - End of year</b>	<u>\$ 1,448,966</u>	<u>\$ (168,968)</u>	<u>\$ 1,211,788</u>	<u>\$ 1,380,756</u>

**City of Grosse Pointe Woods, Michigan**

**Other Supplemental Information**  
**Budgetary Comparison Schedule - Nonmajor Governmental Funds**  
**Major Street Fund**

**Year Ended June 30, 2021**

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget (Unaudited)
<b>Revenue</b>				
Intergovernmental - State sources	\$ 1,235,493	\$ 1,235,493	\$ 1,179,162	\$ (56,331)
Investment income	7,500	7,500	368	(7,132)
Other revenue	30,000	30,000	42,190	12,190
Total revenue	1,272,993	1,272,993	1,221,720	(51,273)
<b>Expenditures - Current services - Public works:</b>				
Street construction	232,000	232,000	212,935	19,065
Routine maintenance	261,770	261,770	192,810	68,960
Winter maintenance	22,750	22,750	21,356	1,394
Traffic services	9,100	9,100	877	8,223
Administration	145,333	141,464	141,506	(42)
Fringe benefits	230,781	230,781	227,018	3,763
Total expenditures	901,734	897,865	796,502	101,363
<b>Excess of Revenue Over Expenditures</b>	371,259	375,128	425,218	50,090
<b>Other Financing Uses - Transfers out</b>	-	(275,000)	(275,000)	-
<b>Net Change in Fund Balance</b>	371,259	100,128	150,218	50,090
<b>Fund Balance - Beginning of year</b>	1,041,231	1,041,231	1,041,231	-
<b>Fund Balance - End of year</b>	<u>\$ 1,412,490</u>	<u>\$ 1,141,359</u>	<u>\$ 1,191,449</u>	<u>\$ 50,090</u>

**City of Grosse Pointe Woods, Michigan**

Other Supplemental Information  
 Budgetary Comparison Schedule - Nonmajor Governmental Funds  
 (Continued)  
 Solid Waste Fund

**Year Ended June 30, 2021**

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget (Unaudited)
<b>Revenue</b>				
Property taxes	\$ 1,896,640	\$ 1,896,640	\$ 1,877,594	\$ (19,046)
Intergovernmental	7,000	7,000	9,592	2,592
Investment income	10,000	10,000	434	(9,566)
Other revenue	1,000	1,000	2,805	1,805
Total revenue	1,914,640	1,914,640	1,890,425	(24,215)
<b>Expenditures</b>				
Current services - Public works:				
Other services and chargers	1,687,828	1,690,720	1,673,923	16,797
Fringe benefits	136,198	136,198	131,594	4,604
Debt service	4,074	4,074	4,074	-
Total expenditures	1,828,100	1,830,992	1,809,591	21,401
<b>Net Change in Fund Balance</b>	86,540	83,648	80,834	(2,814)
<b>Fund Balance - Beginning of year</b>	274,637	274,637	274,637	-
<b>Fund Balance - End of year</b>	<u>\$ 361,177</u>	<u>\$ 358,285</u>	<u>\$ 355,471</u>	<u>\$ (2,814)</u>

**City of Grosse Pointe Woods, Michigan**

Other Supplemental Information  
 Budgetary Comparison Schedule - Nonmajor Governmental Funds  
 (Continued)  
 Act 302 Training Fund

**Year Ended June 30, 2021**

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget (Unaudited)
<b>Revenue</b>				
Intergovernmental	\$ 7,500	\$ 7,500	\$ 5,279	\$ (2,221)
Other revenue	200	200	-	(200)
Total revenue	7,700	7,700	5,279	(2,421)
<b>Expenditures - Current - Public safety</b>	13,800	13,800	3,516	10,284
<b>Net Change in Fund Balance</b>	(6,100)	(6,100)	1,763	7,863
<b>Fund Balance - Beginning of year</b>	218	218	218	-
<b>Fund Balance - End of year</b>	<u>\$ (5,882)</u>	<u>\$ (5,882)</u>	<u>\$ 1,981</u>	<u>\$ 7,863</u>

**City of Grosse Pointe Woods, Michigan**

Other Supplemental Information  
 Budgetary Comparison Schedule - Nonmajor Governmental Funds  
 (Continued)  
 Grants Fund

**Year Ended June 30, 2021**

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget (Unaudited)
<b>Revenue - Federal grants</b>	\$ 20,000	\$ 20,000	\$ 20,000	\$ -
<b>Expenditures - Current - General government</b>	20,000	20,000	20,000	-
<b>Net Change in Fund Balance</b>	-	-	-	-
<b>Fund Balance - Beginning of year</b>	10,044	10,044	10,044	-
<b>Fund Balance - End of year</b>	<u>\$ 10,044</u>	<u>\$ 10,044</u>	<u>\$ 10,044</u>	<u>\$ -</u>

**City of Grosse Pointe Woods, Michigan**

Other Supplemental Information  
 Budgetary Comparison Schedule - Nonmajor Governmental Funds  
 (Continued)  
 911 Emergency Service Fund

**Year Ended June 30, 2021**

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget (Unaudited)
<b>Revenue</b> - Other revenue	\$ 50,000	\$ 50,000	\$ 66,578	\$ 16,578
<b>Expenditures</b> - Current services:				
General government	30,980	30,980	26,574	4,406
Public safety	91,799	85,897	80,056	5,841
Total expenditures	<u>122,779</u>	<u>116,877</u>	<u>106,630</u>	<u>10,247</u>
<b>Net Change in Fund Balance</b>	(72,779)	(66,877)	(40,052)	26,825
<b>Fund Balance</b> - Beginning of year	<u>92,617</u>	<u>92,617</u>	<u>92,617</u>	<u>-</u>
<b>Fund Balance</b> - End of year	<u><u>\$ 19,838</u></u>	<u><u>\$ 25,740</u></u>	<u><u>\$ 52,565</u></u>	<u><u>\$ 26,825</u></u>

**City of Grosse Pointe Woods, Michigan**

Other Supplemental Information  
 Budgetary Comparison Schedule - Nonmajor Governmental Funds  
 (Continued)  
 Drug Enforcement Fund

**Year Ended June 30, 2021**

	<u>Original Budget</u> (Unaudited)	<u>Amended Budget</u> (Unaudited)	<u>Actual</u>	<u>Variance with Amended Budget</u> (Unaudited)
<b>Revenue</b> - Other revenue	\$ 1,000	\$ 1,000	\$ -	\$ (1,000)
<b>Expenditures</b> - Current services - Public safety	16,500	16,500	16,220	280
<b>Net Change in Fund Balance</b>	(15,500)	(15,500)	(16,220)	(720)
<b>Fund Balance</b> - Beginning of year	22,943	22,943	22,943	-
<b>Fund Balance</b> - End of year	<u>\$ 7,443</u>	<u>\$ 7,443</u>	<u>\$ 6,723</u>	<u>\$ (720)</u>

**City of Grosse Pointe Woods, Michigan**

Other Supplemental Information  
 Budgetary Comparison Schedule - Nonmajor Governmental Funds  
 (Continued)  
 Parkway Beautification Fund

**Year Ended June 30, 2021**

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget (Unaudited)
<b>Revenue - Other revenue</b>	\$ 53,450	\$ 53,450	\$ 34,542	\$ (18,908)
<b>Expenditures - Current - Recreation and culture</b>	55,500	55,500	24,282	31,218
<b>Net Change in Fund Balance</b>	(2,050)	(2,050)	10,260	12,310
<b>Fund Balance - Beginning of year</b>	210,554	210,554	210,554	-
<b>Fund Balance - End of year</b>	<u><u>\$ 208,504</u></u>	<u><u>\$ 208,504</u></u>	<u><u>\$ 220,814</u></u>	<u><u>\$ 12,310</u></u>

**City of Grosse Pointe Woods, Michigan**

Other Supplemental Information  
 Budgetary Comparison Schedule - Nonmajor Governmental Funds  
 (Continued)  
 MIDC Grant Fund

**Year Ended June 30, 2021**

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget (Unaudited)
<b>Revenue - State grants</b>	\$ 18,000	\$ 18,000	\$ 30,545	\$ 12,545
<b>Expenditures - Current - General government</b>	18,000	18,000	30,545	(12,545)
<b>Other Financing Sources - Transfer in</b>	3,151	3,151	3,148	(3)
<b>Net Change in Fund Balance</b>	3,151	3,151	3,148	(3)
<b>Fund Balance - Beginning of year</b>	-	-	-	-
<b>Fund Balance - End of year</b>	<b>\$ 3,151</b>	<b>\$ 3,151</b>	<b>\$ 3,148</b>	<b>\$ (3)</b>

**City of Grosse Pointe Woods, Michigan**

Other Supplemental Information  
 Budgetary Comparison Schedule - Nonmajor Governmental Funds  
 (Continued)  
 2015 Road Bond Debt Service Fund

**Year Ended June 30, 2021**

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget (Unaudited)
<b>Revenue</b>				
Property taxes	\$ 1,119,798	\$ 1,119,798	\$ 1,108,465	\$ (11,333)
Intergovernmental	5,000	5,000	5,658	658
Total revenue	1,124,798	1,124,798	1,114,123	(10,675)
<b>Expenditures - Debt service:</b>				
Principal	800,000	800,000	800,000	-
Interest on long-term debt	156,985	156,985	157,985	(1,000)
Total expenditures	956,985	956,985	957,985	(1,000)
<b>Net Change in Fund Balance</b>	167,813	167,813	156,138	(11,675)
<b>Fund Balance - Beginning of year</b>	190,103	190,103	190,103	-
<b>Fund Balance - End of year</b>	<b>\$ 357,916</b>	<b>\$ 357,916</b>	<b>\$ 346,241</b>	<b>\$ (11,675)</b>

**City of Grosse Pointe Woods, Michigan**

Other Supplemental Information  
 Budgetary Comparison Schedule - Nonmajor Governmental Funds  
 (Continued)  
 2018 Capital Improvement Bond Fund

**Year Ended June 30, 2021**

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget (Unaudited)
<b>Revenue</b> - Interest income	\$ -	\$ -	\$ -	\$ -
<b>Expenditures</b> - Debt service:				
Principal	135,000	135,000	135,000	-
Interest on long-term debt	80,588	89,238	89,238	-
Total expenditures	<u>215,588</u>	<u>224,238</u>	<u>224,238</u>	<u>-</u>
<b>Excess of Expenditures Over Revenue</b>	(215,588)	(224,238)	(224,238)	-
<b>Other Financing Sources</b> - Transfers in	<u>215,588</u>	<u>224,238</u>	<u>224,238</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	-	-	-	-
<b>Fund Balance</b> - Beginning of year	<u>6,567</u>	<u>6,567</u>	<u>6,567</u>	<u>-</u>
<b>Fund Balance</b> - End of year	<u><u>\$ 6,567</u></u>	<u><u>\$ 6,567</u></u>	<u><u>\$ 6,567</u></u>	<u><u>\$ -</u></u>

**City of Grosse Pointe Woods, Michigan**

Other Supplemental Information  
 Budgetary Comparison Schedule - Nonmajor Governmental Funds  
 (Continued)  
 Municipal Improvement Fund

**Year Ended June 30, 2021**

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget (Unaudited)
<b>Revenue - Miscellaneous</b>	\$ -	\$ -	\$ 35,402	\$ 35,402
<b>Expenditures - Current - Community and economic development</b>	655,000	1,019,150	1,009,827	9,323
<b>Excess of Expenditures Over Revenue</b>	(655,000)	(1,019,150)	(974,425)	44,725
<b>Other Financing Sources - Transfers in</b>	655,000	1,019,150	1,019,150	-
<b>Net Change in Fund Balance</b>	-	-	44,725	44,725
<b>Fund Balance - Beginning of year</b>	115,084	115,084	115,084	-
<b>Fund Balance - End of year</b>	<u>\$ 115,084</u>	<u>\$ 115,084</u>	<u>\$ 159,809</u>	<u>\$ 44,725</u>

**City of Grosse Pointe Woods, Michigan**

Other Supplemental Information  
 Budgetary Comparison Schedule - Nonmajor Governmental Funds  
 (Continued)  
 Capital Improvement Fund

**Year Ended June 30, 2021**

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget (Unaudited)
<b>Revenue - Charges for services</b>	\$ -	\$ -	\$ -	\$ -
<b>Expenditures</b>				
Current services:				
General government	230,000	289,000	266,320	22,680
Public safety	-	8,500	13,245	(4,745)
Community and economic development	20,000	20,000	5,778	14,222
Debt service	-	-	500	(500)
Total expenditures	250,000	317,500	285,843	31,657
<b>Other Financing Sources - Transfers in</b>	-	17,871	17,871	-
<b>Net Change in Fund Balance</b>	(250,000)	(299,629)	(267,972)	31,657
<b>Fund Balance - Beginning of year</b>	290,135	290,135	290,135	-
<b>Fund Balance - End of year</b>	<b>\$ 40,135</b>	<b>\$ (9,494)</b>	<b>\$ 22,163</b>	<b>\$ 31,657</b>

**City of Grosse Pointe Woods, Michigan**

Other Supplemental Information  
 Budgetary Comparison Schedule - Nonmajor Governmental Funds  
 (Continued)  
 Cable Franchise Fund

**Year Ended June 30, 2021**

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget (Unaudited)
<b>Revenue</b> - Investment income	\$ 3,500	\$ 3,500	\$ 511	\$ (2,989)
<b>Expenditures</b> - Current - Public works	-	-	-	-
<b>Net Change in Fund Balance</b>	3,500	3,500	511	(2,989)
<b>Fund Balance</b> - Beginning of year	549,619	549,619	549,619	-
<b>Fund Balance</b> - End of year	<u>\$ 553,119</u>	<u>\$ 553,119</u>	<u>\$ 550,130</u>	<u>\$ (2,989)</u>

**City of Grosse Pointe Woods, Michigan**

Other Supplemental Information  
 Budgetary Comparison Schedule - Nonmajor Governmental Funds  
 (Continued)  
 Local Street Fund

**Year Ended June 30, 2021**

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget (Unaudited)
<b>Revenue</b>				
Intergovernmental	\$ 506,103	\$ 506,103	\$ 482,996	\$ (23,107)
Investment income	4,000	4,000	346	(3,654)
Other revenue	-	-	59,482	59,482
Total revenue	510,103	510,103	542,824	32,721
<b>Expenditures - Current services - Public works:</b>				
Streets	259,575	259,575	185,599	73,976
Administration	170,192	169,955	173,355	(3,400)
Traffic services	10,400	10,400	2,313	8,087
Winter maintenance	68,150	68,150	66,891	1,259
Fringe benefits	1,016,204	1,016,204	919,546	96,658
Total expenditures	1,524,521	1,524,284	1,347,704	176,580
<b>Excess of Expenditures Over Revenue</b>	(1,014,418)	(1,014,181)	(804,880)	209,301
<b>Other Financing Sources - Transfers in</b>	1,014,418	1,289,181	1,289,418	237
<b>Net Change in Fund Balance</b>	-	275,000	484,538	209,538
<b>Fund Balance - Beginning of year</b>	797,860	797,860	797,860	-
<b>Fund Balance - End of year</b>	<u>\$ 797,860</u>	<u>\$ 1,072,860</u>	<u>\$ 1,282,398</u>	<u>\$ 209,538</u>

City of Grosse Pointe Woods, Michigan

Other Supplemental Information  
Local Street Fund  
Fund-based Balance Sheet

June 30, 2021

Local Street  
Fund

**Assets**

Cash and investments	\$ 1,509,290
Receivables	79,086
Prepaid expenditures and other assets	8,589
Total assets	<u>\$ 1,596,965</u>

**Liabilities**

Accounts payable	\$ 308,868
Accrued liabilities and other	3,348
Provision for claims	2,351
Total liabilities	314,567

**Fund Balance - Committed - Roads**

1,282,398

Total liabilities and fund balance

\$ 1,596,965

Note - As a result of GASB Statement No. 54, the Local Street Fund is now merged with the General Fund for reporting purposes. The Local Street Fund balance sheet is shown for supplemental purposes.

***Commodity Sales Fund***

This fund records the purchases and sale of rubbish bags and other miscellaneous items that the municipality holds for resale

***Boat Dock Rental Fund***

This fund accounts for boat dock rental units that are available to the citizens of the City of Grosse Pointe Woods, Michigan on an annual basis. Boat launch ramps and other watercraft maintenance services are available.

**City of Grosse Pointe Woods, Michigan**

**Other Supplemental Information  
Combining Statement of Net Position  
Nonmajor Enterprise Funds**

**June 30, 2021**

	Boat Dock Rental Fund	Commodity Sales Fund	Total Nonmajor Enterprise Funds
<b>Assets</b>			
Current assets - Cash and cash equivalents	\$ 229,036	\$ 149,296	\$ 378,332
Noncurrent assets - Capital assets - Net	495,065	-	495,065
Total assets	724,101	149,296	873,397
<b>Liabilities - Current liabilities:</b>			
Accounts payable	1,977	-	1,977
Due to other funds	11,900	-	11,900
Accrued liabilities and other	1,196	-	1,196
Total liabilities	15,073	-	15,073
<b>Net Position</b>			
Net investment in capital assets	495,065	-	495,065
Unrestricted	213,963	149,296	363,259
Total net position	<b>\$ 709,028</b>	<b>\$ 149,296</b>	<b>\$ 858,324</b>

**City of Grosse Pointe Woods, Michigan**

**Other Supplemental Information**  
**Combining Statement of Revenue, Expenses, and Changes in Net Position**  
**Nonmajor Enterprise Funds**

**Year Ended June 30, 2021**

	Boat Dock Rental Fund	Commodity Sales Fund	Total Nonmajor Enterprise Funds
<b>Operating Revenue</b>			
Docking and launching fees	\$ 236,098	\$ -	\$ 236,098
Commodity sales	-	12,084	12,084
Total operating revenue	236,098	12,084	248,182
<b>Operating Expenses</b>			
General and administrative	69,807	5,642	75,449
Operation and maintenance	12,036	-	12,036
Depreciation	75,228	-	75,228
Total operating expenses	157,071	5,642	162,713
<b>Operating Income</b>	79,027	6,442	85,469
<b>Nonoperating Revenue (Expense)</b>			
Investment income	57	53	110
Interest expense	(476)	-	(476)
Total nonoperating (expense) revenue	(419)	53	(366)
<b>Change in Net Position</b>	78,608	6,495	85,103
<b>Net Position - Beginning of year</b>	630,420	142,801	773,221
<b>Net Position - End of year</b>	<b>\$ 709,028</b>	<b>\$ 149,296</b>	<b>\$ 858,324</b>

## City of Grosse Pointe Woods, Michigan

### Other Supplemental Information Combining Statement of Cash Flows Nonmajor Enterprise Funds

Year Ended June 30, 2021

	Boat Dock Rental Fund	Commodity Sales Fund	Total Nonmajor Enterprise Funds
<b>Cash Flows from Operating Activities</b>			
Receipts from customers	\$ 236,098	\$ 12,084	\$ 248,182
Payments to suppliers	(34,634)	-	(34,634)
Payments to employees and fringes	(47,188)	(5,642)	(52,830)
Payments to other funds	(19,141)	-	(19,141)
Net cash and cash equivalents provided by operating activities	135,135	6,442	141,577
<b>Cash Flows from Capital and Related Financing Activities</b>			
Purchase of capital assets	(50,408)	-	(50,408)
Principal and interest paid on capital debt	(476)	-	(476)
Net cash and cash equivalents used in capital and related financing activities	(50,884)	-	(50,884)
<b>Cash Flows Provided by Investing Activities</b>	57	53	110
<b>Net Increase in Cash and Cash Equivalents</b>	84,308	6,495	90,803
<b>Cash and Cash Equivalents - Beginning of year</b>	144,728	142,801	287,529
<b>Cash and Cash Equivalents - End of year</b>	<u>\$ 229,036</u>	<u>\$ 149,296</u>	<u>\$ 378,332</u>
<b>Classification of Cash and Cash Equivalents - Cash and cash equivalents</b>	<u>\$ 229,036</u>	<u>\$ 149,296</u>	<u>\$ 378,332</u>
<b>Reconciliation of Operating Income to Net Cash from Operating Activities</b>			
Operating income	\$ 79,027	\$ 6,442	\$ 85,469
Adjustments to reconcile operating income to net cash from operating activities:			
Depreciation	75,228	-	75,228
Changes in assets and liabilities:			
Due to and from other funds	(19,141)	-	(19,141)
Net pension or OPEB asset	(1,711)	-	(1,711)
Accounts payable	1,732	-	1,732
Total adjustments	56,108	-	56,108
Net cash and cash equivalents provided by operating activities	<u>\$ 135,135</u>	<u>\$ 6,442</u>	<u>\$ 141,577</u>

***Motor Vehicle Fund***

This fund accounts for the costs of acquiring and maintaining city-operated vehicles used by various city departments. The actual cost of labor and materials is reimbursed to this fund by the user department through fees.

***Workers' Compensation Fund***

This fund was created to identify all costs associated with operating a self-insured workers' compensation fund. Funds are accumulated via transfers from other governmental and proprietary fund types and interest made on surplus earnings.

**City of Grosse Pointe Woods, Michigan**

**Other Supplemental Information  
Combining Statement of Net Position  
Internal Service Funds**

**June 30, 2021**

	Motor Vehicle Fund	Workers' Compensation Fund	Total Internal Service Funds
<b>Assets</b>			
Current assets:			
Cash and cash equivalents	\$ 936,983	\$ 153,026	\$ 1,090,009
Investments	627,531	114,935	742,466
Receivables - Accrued interest receivable	4,947	162	5,109
Prepaid expenditures and other assets - Prepaid expenses	13,067	55,455	68,522
Total current assets	1,582,528	323,578	1,906,106
Noncurrent assets - Capital assets - Net	3,085,036	-	3,085,036
Total assets	4,667,564	323,578	4,991,142
<b>Deferred Outflows of Resources</b>			
Deferred pension costs	59,982	-	59,982
Deferred OPEB costs	962	-	962
Total deferred outflows of resources	60,944	-	60,944
<b>Liabilities</b>			
Current liabilities:			
Accounts payable	34,661	6,665	41,326
Accrued liabilities and other	2,150	-	2,150
Provision for claims	1,175	123,605	124,780
Total current liabilities	37,986	130,270	168,256
Noncurrent liabilities:			
Compensated absences	37,053	-	37,053
Net pension liability	791,201	-	791,201
Net OPEB obligation	913,758	-	913,758
Bonds and contracts payable - Net of current portion	299,927	-	299,927
Total liabilities	2,079,925	130,270	2,210,195
<b>Deferred Inflows of Resources</b>			
Deferred pension cost reductions	560,688	-	560,688
Deferred OPEB cost reductions	11,371	-	11,371
Total deferred inflows of resources	572,059	-	572,059
<b>Net Position</b>			
Net investment in capital assets	2,785,109	-	2,785,109
Unrestricted	(708,585)	193,308	(515,277)
Total net position	<b>\$ 2,076,524</b>	<b>\$ 193,308</b>	<b>\$ 2,269,832</b>

**City of Grosse Pointe Woods, Michigan**

**Other Supplemental Information**  
**Combining Statement of Revenue, Expenses, and Changes in Net Position**  
**Internal Service Funds**

**Year Ended June 30, 2021**

	Motor Vehicle Fund	Workers' Compensation Fund	Total Internal Service Funds
<b>Operating Revenue</b>			
Other revenue	\$ 1,600	\$ -	\$ 1,600
Charges to other funds	1,203,000	123,402	1,326,402
Total operating revenue	1,204,600	123,402	1,328,002
<b>Operating Expenses</b>			
Cost of insurance claims	6,136	91,593	97,729
General and administrative	374,574	18,355	392,929
Vehicle operation and maintenance	354,859	-	354,859
Depreciation	366,825	-	366,825
Total operating expenses	1,102,394	109,948	1,212,342
<b>Operating Income</b>	102,206	13,454	115,660
<b>Nonoperating Revenue (Expense)</b>			
Investment income	3,097	(1,066)	2,031
Gain on sale of assets	10,070	-	10,070
Insurance proceeds	25,721	-	25,721
Total nonoperating revenue (expense)	38,888	(1,066)	37,822
<b>Change in Net Position</b>	141,094	12,388	153,482
<b>Net Position - Beginning of year</b>	1,935,430	180,920	2,116,350
<b>Net Position - End of year</b>	<b>\$ 2,076,524</b>	<b>\$ 193,308</b>	<b>\$ 2,269,832</b>

**City of Grosse Pointe Woods, Michigan**

**Other Supplemental Information  
Combining Statement of Cash Flows  
Internal Service Funds**

**Year Ended June 30, 2021**

	Motor Vehicle Fund	Workers' Compensation Fund	Total Internal Service Funds
<b>Cash Flows from Operating Activities</b>			
Receipts from customers	\$ 1,600	\$ -	\$ 1,600
Receipts from interfund services and reimbursements	1,206,734	121,287	1,328,021
Payments to suppliers	(252,797)	12,211	(240,586)
Payments to employees and fringes	(330,149)	(24,128)	(354,277)
Claims paid	(4,961)	(90,921)	(95,882)
Net cash and cash equivalents provided by operating activities	620,427	18,449	638,876
<b>Cash Flows from Capital and Related Financing Activities</b>			
Issuance of bonds	500,000	-	500,000
Benefit fees	25,721	-	25,721
Proceeds from sale of capital assets	10,070	-	10,070
Purchase of capital assets	(1,656,260)	-	(1,656,260)
Principal and interest paid on capital debt	(200,073)	-	(200,073)
Net cash and cash equivalents used in capital and related financing activities	(1,320,542)	-	(1,320,542)
<b>Cash Flows from Investing Activities</b>			
Interest received on investments	10,013	-	10,013
Proceeds from sale and maturities of investment securities	494,552	-	494,552
Net cash and cash equivalents provided by investing activities	504,565	-	504,565
<b>Net (Decrease) Increase in Cash and Cash Equivalents</b>	(195,550)	18,449	(177,101)
<b>Cash and Cash Equivalents - Beginning of year</b>	1,132,533	134,577	1,267,110
<b>Cash and Cash Equivalents - End of year</b>	<b>\$ 936,983</b>	<b>\$ 153,026</b>	<b>\$ 1,090,009</b>
<b>Classification of Cash and Cash Equivalents</b>			
Cash and investments	\$ 1,564,514	\$ 267,961	\$ 1,832,475
Less amounts classified as investments	(627,531)	(114,935)	(742,466)
Total cash and cash equivalents	<b>\$ 936,983</b>	<b>\$ 153,026</b>	<b>\$ 1,090,009</b>

**City of Grosse Pointe Woods, Michigan**

**Other Supplemental Information  
Combining Statement of Cash Flows (Continued)  
Internal Service Funds**

**Year Ended June 30, 2021**

	Motor Vehicle Fund	Workers' Compensation Fund	Total Internal Service Funds
<b>Reconciliation of Operating Income to Net Cash from Operating Activities</b>			
Operating income	\$ 102,206	\$ 13,454	\$ 115,660
Adjustments to reconcile operating income to net cash from operating activities:			
Depreciation	366,825	-	366,825
Changes in assets and liabilities:			
Receivables	(3,793)	-	(3,793)
Due to and from other funds	3,734	(2,115)	1,619
Prepaid and other assets	94,430	5,546	99,976
Net pension or OPEB asset	41,189	-	41,189
Accounts payable	14,661	6,665	21,326
Estimated claims liability	1,175	(5,101)	(3,926)
Total adjustments	518,221	4,995	523,216
Net cash and cash equivalents provided by operating activities	<u>\$ 620,427</u>	<u>\$ 18,449</u>	<u>\$ 638,876</u>

Trust funds are used to account for assets held by the government in a trustee capacity.

***Pension and Other Employee Benefit Trust Funds***

The City operates one retirement system, one supplemental annuity fund, and one retiree health care account, which are accounted for in three separate funds. These funds cover all full-time employees of the City.

# City of Grosse Pointe Woods, Michigan

## Other Supplemental Information Statement of Fiduciary Net Position Fiduciary Funds

**June 30, 2021**

	Pension and Other Employee Benefit Trust Funds			
	Pension Fund	Supplementary Annuity Fund	Other Post-employment Benefit Trust Fund	Total Pension and OPEB Funds
<b>Assets</b>				
Cash and cash equivalents	\$ 447,547	\$ 25,384	\$ 25,159	\$ 498,090
Investments:				
Stocks	17,535,492	994,580	-	18,530,072
Corporate bonds	7,472,738	423,839	-	7,896,577
Exchange-traded funds	20,487,849	1,162,032	1,559,483	23,209,364
Receivables - Accrued interest receivable	2	-	-	2
Total assets	<u>45,943,628</u>	<u>2,605,835</u>	<u>1,584,642</u>	<u>50,134,105</u>
<b>Liabilities - Accounts payable</b>	-	-	-	-
<b>Net Position</b>				
Restricted for pension	45,943,628	-	-	45,943,628
Restricted for postemployment benefits other than pension	-	2,605,835	1,584,642	4,190,477
Total net position	<u><u>\$ 45,943,628</u></u>	<u><u>\$ 2,605,835</u></u>	<u><u>\$ 1,584,642</u></u>	<u><u>\$ 50,134,105</u></u>

**City of Grosse Pointe Woods, Michigan**

**Other Supplemental Information  
Statement of Changes in Fiduciary Net Position  
Fiduciary Funds**

**Year Ended June 30, 2021**

	Pension and Other Employee Benefit Trust Funds			
	Pension Fund	Supplementary Annuity Fund	Other Postemployment Benefit Trust Fund	Total Pension and OPEB Funds
<b>Additions</b>				
Investment income (loss):				
Interest and dividends	\$ 843,805	\$ 45,274	\$ 19,614	\$ 908,693
Net increase in fair value of investments	11,265,877	604,469	303,933	12,174,279
Investment costs	(46,967)	(2,519)	-	(49,486)
Net investment income	12,062,715	647,224	323,547	13,033,486
Contributions:				
Employer contributions	1,623,076	318,174	1,643,135	3,584,385
Employee contributions	282,203	-	59,723	341,926
Total contributions	1,905,279	318,174	1,702,858	3,926,311
Total additions	13,967,994	965,398	2,026,405	16,959,797
<b>Deductions - Benefit payments</b>	3,570,576	266,789	1,443,135	5,280,500
<b>Net Increase in Fiduciary Net Position</b>	10,397,418	698,609	583,270	11,679,297
<b>Net Position - Beginning of year</b>	35,546,210	1,907,226	1,001,372	38,454,808
<b>Net Position - End of year</b>	<u>\$ 45,943,628</u>	<u>\$ 2,605,835</u>	<u>\$ 1,584,642</u>	<u>\$ 50,134,105</u>

**City of Grosse Pointe Woods, Michigan**

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**Note to Other Supplemental Information**

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**June 30, 2021**

***Budgetary Information***

As a result of GASB Statement No. 54, the Local Street Fund and Cable Franchise Fund are now merged with the General Fund for reporting purposes but are budgeted as separate funds.

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# Statistical Section

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# Statistical Section

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

The statistical section is organized into the following main categories:

## Financial trends

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

## Revenue capacity

These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.

## Debt capacity

These schedules present information to help the reader assess the affordability of the government's current level of outstanding debt and the government's ability to issue additional debt in the future.

## Demographic and economic information

These schedules help the reader understand the environment within which the government's financial activities take place.

## Operating information

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides

## Continuing Disclosure

Continuing disclosure information contained herein complies with Rule 15c2-12, a federal regulation promulgated by the Securities and Exchange Commission, designed to improve disclosure practices in the municipal bond market. Municipal bonds issued after July 3, 1995 are subject to this mandatory requirement.

Continuing disclosure requires certain annual financial information and operating data, including audited financial statements for the preceding fiscal year. This information is generally consistent with the information contained or cross-referenced in the official statement relating to the bonds.

## City of Grosse Pointe Woods

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	2012	2013	2014	2015
<b>Governmental Activities</b>				
Net investment in capital assets	\$ 26,908,007	\$ 27,096,926	\$ 26,303,935	\$ 27,569,120
Restricted	923,644	924,572	835,294	7,500,582
Unrestricted	<u>(4,608,002)</u>	<u>(6,341,023)</u>	<u>(7,745,764)</u>	<u>(28,560,231)</u>
Total net position	<b><u>\$ 23,223,649</u></b>	<b><u>\$ 21,680,475</u></b>	<b><u>\$ 19,393,465</u></b>	<b><u>\$ 6,509,471</u></b>
<b>Business-type Activities</b>				
Net investment in capital assets	\$ 18,585,076	\$ 18,451,087	\$ 18,458,605	\$ 18,185,073
Restricted	397,500	349,500	319,000	306,500
Unrestricted	<u>3,213,270</u>	<u>4,232,956</u>	<u>5,465,819</u>	<u>5,537,757</u>
Total net position	<b><u>\$ 22,195,846</u></b>	<b><u>\$ 23,033,543</u></b>	<b><u>\$ 24,243,424</u></b>	<b><u>\$ 24,029,330</u></b>
<b>Primary Government in Total</b>				
Net investment in capital assets	\$ 45,493,083	\$ 45,548,013	\$ 44,762,540	\$ 45,754,193
Restricted	1,321,144	1,274,072	1,154,294	7,807,082
Unrestricted	<u>(1,394,732)</u>	<u>(2,108,067)</u>	<u>(2,279,945)</u>	<u>(23,022,474)</u>
Total net position	<b><u>\$ 45,419,495</u></b>	<b><u>\$ 44,714,018</u></b>	<b><u>\$ 43,636,889</u></b>	<b><u>\$ 30,538,801</u></b>

Source: City annual financial statements

## Net Position by Component

Last Ten Fiscal Years

June 30, 2021

(Unaudited)

2016	2017	2018	2019	2020	2021
\$ 25,064,363	\$ 22,206,276	\$ 27,441,437	\$ 29,554,228	\$ 34,307,867	\$ 37,562,491
2,946,510	3,380,839	3,853,062	4,675,063	3,879,012	3,224,854
<u>(26,399,199)</u>	<u>(26,770,331)</u>	<u>(65,318,399)</u>	<u>(62,826,090)</u>	<u>(62,229,876)</u>	<u>(64,355,478)</u>
<b>\$ 1,611,674</b>	<b>\$ (1,183,216)</b>	<b>\$ (34,023,900)</b>	<b>\$ (28,596,799)</b>	<b>\$ (24,042,997)</b>	<b>\$ (23,568,133)</b>
\$ 18,154,537	\$ 18,507,826	\$ 18,830,410	\$ 21,640,125	\$ 23,036,705	\$ 24,837,411
256,000	223,500	198,090	155,000	198,090	198,090
<u>7,005,669</u>	<u>9,036,011</u>	<u>8,144,812</u>	<u>7,377,799</u>	<u>8,078,834</u>	<u>7,571,807</u>
<b>\$ 25,416,206</b>	<b>\$ 27,767,337</b>	<b>\$ 27,173,312</b>	<b>\$ 29,172,924</b>	<b>\$ 31,313,629</b>	<b>\$ 32,607,308</b>
\$ 43,218,900	\$ 40,714,102	\$ 46,271,847	\$ 51,194,353	\$ 57,344,572	\$ 62,399,902
3,202,510	3,604,339	4,051,152	4,830,063	4,077,102	3,422,944
<u>(19,393,530)</u>	<u>(17,734,320)</u>	<u>(57,173,587)</u>	<u>(55,448,291)</u>	<u>(54,151,042)</u>	<u>(56,783,671)</u>
<b>\$ 27,027,880</b>	<b>\$ 26,584,121</b>	<b>\$ (6,850,588)</b>	<b>\$ 576,125</b>	<b>\$ 7,270,632</b>	<b>\$ 9,039,175</b>

# City of Grosse Pointe Woods, Michigan

	2012	2013	2014	2015
<b>Expenses</b>				
Governmental activities:				
General government	\$ 3,092,280	\$ 3,207,643	\$ 3,130,925	\$ 2,494,362
Public safety	7,153,532	6,869,020	6,553,852	7,777,514
Public works	6,016,942	5,841,495	6,091,819	6,126,373
Solid waste	1,121,417	10,076,663	1,150,743	1,193,308
Municipal improvement	191,180	63,982	307,290	554,163
Recreation and culture	1,717,327	1,827,426	1,554,898	1,773,961
Interest on long-term debt	40,214	17,369	830,255	-
Total governmental activities	19,332,892	27,903,598	19,619,782	19,919,681
Business-type activities:				
Water/Sewer	5,059,715	5,432,429	5,420,387	5,919,315
Parking	237,150	207,597	195,791	246,050
Boat dock	74,172	69,894	97,519	96,733
Commodity sales	26,018	40,085	-	36,955
Total business-type activities expenses	5,397,055	5,750,005	5,713,697	6,299,053
Total primary government expenses	24,729,947	33,653,603	25,333,479	26,218,734
<b>Program Revenue</b>				
Governmental activities:				
Charges for services				
Municipal court	909,241	667,782	593,962	455,417
Building inspections and related	-	-	-	-
Recreation and culture	120,304	119,399	107,161	111,904
Other activities	541,545	639,214	614,984	321,151
Total charges for services	1,571,090	1,426,395	1,316,107	888,472
Operating and capital grants and contributions	907,211	912,762	943,540	1,091,214
Total governmental activities program revenue	2,478,301	2,339,157	2,259,647	1,979,686
<b>Business-type Activities</b>				
Charges for services:				
Water/Sewer	5,976,950	6,144,410	6,339,551	6,241,351
Parking	193,812	301,696	292,825	454,533
Boat dock	130,778	129,805	126,052	140,986
Commodity sales	40,918	37,922	34,214	33,075
Capital grants and contributions	-	-	-	-
Total business-type program revenue	6,342,458	6,613,833	6,792,642	6,869,945
Total primary government program revenue	\$ 8,820,759	\$ 8,952,990	\$ 9,052,289	\$ 8,849,631
<b>Net (Expense) Revenue</b>				
Governmental activities	\$ (16,854,591)	\$ (16,640,014)	\$ (17,360,135)	\$ (17,939,995)
Business-type activities	945,403	863,828	1,078,945	570,892
Total primary government net expense	\$ (15,909,188)	\$ (15,776,186)	\$ (16,281,190)	\$ (17,369,103)

Source: City annual financial statements

## Changes in Governmental Activities, Business-type Activities, and Primary Government Net Position

**Last Ten Fiscal Years  
June 30, 2020  
(Unaudited)**

	2016	2017	2018	2019	2020	2021
\$	3,586,605	\$ 3,508,241	\$ 2,132,039	\$ 739,340	\$ 518,716	\$ 2,593,302
	9,321,147	8,318,311	5,667,873	4,025,271	5,741,383	6,675,082
	6,431,753	6,720,230	5,388,938	6,164,026	6,547,959	7,888,744
	1,126,483	1,108,370	1,666,746	1,499,882	1,661,616	1,725,517
	575,094	260,432	811,929	1,029,092	1,283,863	1,017,990
	1,855,328	1,905,019	1,758,972	1,723,645	1,848,120	939,350
	<u>207,605</u>	<u>158,803</u>	<u>186,192</u>	<u>539,273</u>	<u>560,896</u>	<u>719,155</u>
	23,104,015	21,979,406	17,612,689	15,720,529	18,162,553	21,559,140
	6,053,295	5,897,189	6,147,744	6,351,669	6,399,751	6,089,411
	304,826	136,057	235,753	495,089	432,624	899,113
	104,778	89,176	432,292	279,565	132,434	157,547
	<u>23,940</u>	<u>35,713</u>	<u>10,922</u>	<u>47,233</u>	<u>5,279</u>	<u>5,642</u>
	<u>6,486,839</u>	<u>6,158,135</u>	<u>6,826,711</u>	<u>7,173,556</u>	<u>6,970,088</u>	<u>7,151,713</u>
	29,590,854	28,137,541	24,439,400	22,894,085	25,132,641	28,710,853
	401,218	489,299	452,764	410,923	403,678	473,529
	-	-	-	-	-	-
	116,383	146,619	141,725	136,973	78,258	56,639
	<u>379,099</u>	<u>364,232</u>	<u>397,502</u>	<u>305,384</u>	<u>253,907</u>	<u>232,067</u>
	896,700	1,000,150	991,991	853,280	735,843	762,235
	<u>1,009,509</u>	<u>1,306,687</u>	<u>1,655,576</u>	<u>1,756,482</u>	<u>2,496,185</u>	<u>1,731,363</u>
	<u>1,906,209</u>	<u>2,306,837</u>	<u>2,647,567</u>	<u>2,609,762</u>	<u>3,232,028</u>	<u>2,493,598</u>
	7,202,849	7,818,095	8,763,915	8,214,871	8,021,351	7,831,304
	439,720	446,643	473,826	448,071	321,868	318,653
	150,625	142,843	172,091	194,478	512,097	236,098
	30,392	27,679	25,939	21,382	13,795	12,084
	-	-	-	-	-	-
	<u>7,823,586</u>	<u>8,435,260</u>	<u>9,435,771</u>	<u>8,878,802</u>	<u>8,869,111</u>	<u>8,398,139</u>
<b>\$</b>	<b><u>9,729,795</u></b>	<b><u>10,742,097</u></b>	<b><u>12,083,338</u></b>	<b><u>11,488,564</u></b>	<b><u>12,101,139</u></b>	<b><u>10,891,737</u></b>
\$	(21,197,806)	(19,672,569)	(14,965,122)	(13,110,767)	(14,930,525)	(19,065,542)
	<u>1,336,747</u>	<u>2,277,125</u>	<u>2,609,060</u>	<u>1,705,246</u>	<u>1,899,023</u>	<u>1,246,426</u>
<b>\$</b>	<b><u>(19,861,059)</u></b>	<b><u>(17,395,444)</u></b>	<b><u>(12,356,062)</u></b>	<b><u>(11,405,521)</u></b>	<b><u>(13,031,502)</u></b>	<b><u>(17,819,116)</u></b>

## City of Grosse Pointe Woods, Michigan

	2012	2013	2014	2015
<b>General Revenue</b>				
Governmental activities:				
Property taxes	\$ 12,817,647	\$ 12,869,618	\$ 12,971,861	\$ 12,089,662
Income taxes				
State-shared revenue	1,482,102	1,500,662	1,521,267	1,568,207
Investment earnings	63,694	27,817	46,301	43,238
Donations	-	-	-	-
Franchise fees	262,837	380,964	340,268	315,723
Other	368,060	287,779	301,260	507,807
Gain on sale of fixed assets	-	-	-	7,850
Transfers	(11,446)	30,000	(107,832)	-
Total governmental activities	14,982,894	15,096,840	15,073,125	14,532,487
Business-type activities:				
Unrestricted investment earnings	6,352	3,869	21,104	28,735
Other	-	-	2,000	-
Transfers	11,446	(30,000)	107,832	-
Total business-type activities	17,798	(26,131)	130,936	28,735
Total primary government	15,000,692	15,070,709	15,204,061	14,561,222
<b>Change in Net Position</b>				
Governmental activities	(1,871,697)	(1,543,174)	(2,287,010)	(3,407,508)
Business-type activities	963,201	837,697	1,209,881	599,627
Total primary government	\$ (908,496)	\$ (705,477)	\$ (1,077,129)	\$ (2,807,881)

Source: City annual financial statements

Changes in Governmental Activities, Business-type  
Activities, and Primary Government Net Position  
(Continued)

**Last Ten Fiscal Years**  
**June 30, 2021**  
**(Unaudited)**

	2016	2017	2018	2019	2020	2021
\$	13,450,544	\$ 14,229,532	\$ 14,116,610	\$ 15,161,779	\$ 15,997,173	\$ 16,333,840
	1,640,461	1,564,983	1,715,312	1,848,256	1,649,486	2,395,549
	82,738	38,764	171,696	438,677	338,402	25,167
	-	-	-	-	-	-
	427,964	379,362	362,235	336,174	369,566	341,918
	627,485	665,038	822,143	752,982	1,129,700	443,932
	23,684	-	-	-	-	-
	-	-	-	-	-	-
	<u>16,252,876</u>	<u>16,877,679</u>	<u>17,187,996</u>	<u>18,537,868</u>	<u>19,484,327</u>	<u>19,540,406</u>
	50,129	74,006	147,189	294,366	241,682	47,253
	-	-	-	-	-	-
	-	-	-	-	-	-
	<u>50,129</u>	<u>74,006</u>	<u>147,189</u>	<u>294,366</u>	<u>241,682</u>	<u>47,253</u>
	<u>16,303,005</u>	<u>16,951,685</u>	<u>17,335,185</u>	<u>18,832,234</u>	<u>19,726,009</u>	<u>19,587,659</u>
	(4,944,930)	(2,794,890)	2,222,874	5,427,101	4,553,802	474,864
	1,386,876	2,351,131	2,756,249	1,999,612	2,140,705	1,293,679
<b>\$</b>	<b><u>(3,558,054)</u></b>	<b><u>(443,759)</u></b>	<b><u>4,979,123</u></b>	<b><u>7,426,713</u></b>	<b><u>6,694,507</u></b>	<b><u>1,768,543</u></b>

## City of Grosse Pointe Woods

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	As of June 30,			
	2012	2013	2014	2015
<b>General Fund</b>				
Nonspendable	4,325	121,380	138,757	104,203
Restricted		-	-	-
Committed	143,811	207,961	317,432	558,479
Assigned	1,198,046	1,751,490	953,821	1,027,515
Unassigned	<u>3,853,739</u>	<u>3,435,761</u>	<u>3,754,923</u>	<u>3,716,961</u>
Total general fund	<u>5,199,921</u>	<u>5,516,592</u>	<u>5,164,933</u>	<u>5,407,158</u>
<b>All Other Governmental Funds</b>				
Prior to adoption of GASB 54:				
Reserved	-	-	-	-
Designated	-	-	-	-
Unreserved and undesignated	-	-	-	-
Subsequent to adoption of GASB 54:				
Nonspendable	19,390	-	17,002	13,365
Restricted	905,950	924,572	829,037	7,488,572
Committed	14,850	17,750	33,500	66,700
Assigned	313,424	375,123	1,152,784	935,005
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total all other governmental funds	<u>1,253,614</u>	<u>1,317,445</u>	<u>2,032,323</u>	<u>8,503,642</u>
Total of all governmental funds	<u><b>\$ 6,453,535</b></u>	<u><b>\$ 6,834,037</b></u>	<u><b>\$ 7,197,256</b></u>	<u><b>\$ 13,910,800</b></u>

Source: City annual financial statements

# Fund Balances - Governmental Funds

**Last Ten Fiscal Years**

**June 30, 2021**

**(Unaudited)**

As of June 30,					
2016	2017	2018	2019	2020	2021
79,148	94,419	24,890	405,496	290,917	296,990
-	-	-	-	-	-
751,952	541,642	424,329	1,387,970	791,701	1,273,809
707,910	748,464	3,391,228	1,224,769	599,619	600,130
<u>4,992,622</u>	<u>6,255,011</u>	<u>5,315,591</u>	<u>5,366,466</u>	<u>6,181,169</u>	<u>5,129,049</u>
<u>6,531,632</u>	<u>7,639,536</u>	<u>9,156,038</u>	<u>8,384,701</u>	<u>7,863,406</u>	<u>7,299,978</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
10,438	11,153	3,636	9,080	11,783	13,860
2,937,106	5,816,063	3,850,363	5,552,733	4,157,254	3,233,157
16,770	23,158	20,006	-	-	-
1,876,521	231,432	363,125	325,198	291,806	341,746
-	(33,213)	(207,026)	-	-	-
<u>4,840,835</u>	<u>6,048,593</u>	<u>4,030,104</u>	<u>5,887,011</u>	<u>4,460,843</u>	<u>3,588,763</u>
<b><u>\$ 11,372,467</u></b>	<b><u>\$ 13,688,129</u></b>	<b><u>\$ 13,186,142</u></b>	<b><u>\$ 14,271,712</u></b>	<b><u>\$ 12,324,249</u></b>	<b><u>\$ 10,888,741</u></b>

## City of Grosse Pointe Woods

	As of June 30,			
	2012	2013	2014	2015
<b>Revenue</b>				
Property taxes	\$ 12,816,628	\$ 12,868,677	\$ 12,971,026	\$ 12,089,662
State and local sources	2,220,847	2,263,244	2,328,022	2,389,342
Intergovernmental taxes	-	-	-	-
Delinquent interest and collection fee income	-	-	-	-
Federal financial assistance	7,621	6,800	6,483	7,693
Other revenue	2,363,851	2,166,176	2,088,772	1,903,267
Investment income	54,762	21,988	34,791	26,214
<b>Total revenue</b>	<b>17,463,709</b>	<b>17,326,885</b>	<b>17,429,094</b>	<b>16,416,178</b>
<b>Expenditures</b>				
Current:				
General government	2,726,596	2,884,058	2,773,796	2,864,850
Public safety	5,723,312	5,453,295	5,480,645	5,397,800
Public works	5,824,444	5,905,623	6,202,883	6,465,890
Recreation and culture	1,353,885	1,421,895	1,337,255	1,373,591
Miscellaneous	-	-	-	-
Capital outlay	209,044	124,082	334,617	498,095
Debt service principal	1,185,797	1,173,754	828,847	226,874
Debt service interest	43,949	14,676	-	-
<b>Total expenditures</b>	<b>17,067,027</b>	<b>16,977,383</b>	<b>16,958,043</b>	<b>16,827,100</b>
<b>Excess of Revenue (Under) Over Expenditures</b>	<b>396,682</b>	<b>349,502</b>	<b>471,051</b>	<b>(410,922)</b>
<b>Other Financing Sources (Uses)</b>				
Debt issuance/proceeds from sale of cap assets	500	1,000	-	7,124,466
Transfers in	1,012,880	385,501	660,919	231,416
Transfers out	(1,024,326)	(355,501)	(768,751)	(231,416)
<b>Total other financing (uses) sources</b>	<b>(10,946)</b>	<b>31,000</b>	<b>(107,832)</b>	<b>7,124,466</b>
<b>Net Change in Fund Balances</b>	<b>385,736</b>	<b>380,502</b>	<b>363,219</b>	<b>6,713,544</b>
<b>Fund Balances - Beginning of year</b>	<b>6,067,799</b>	<b>6,453,535</b>	<b>6,834,037</b>	<b>7,197,256</b>
<b>Fund Balances - End of year</b>	<b>\$ 6,453,535</b>	<b>\$ 6,834,037</b>	<b>\$ 7,197,256</b>	<b>\$ 13,910,800</b>
Debt service as a percentage of noncapital expenditures	7.30%	7.09%	5.01%	1.44%

Source: City annual financial statements

# Changes in Fund Balances - Governmental Funds

**Last Ten Fiscal Years**  
**June 30, 2021**  
**(Unaudited)**

As of June 30,					
2016	2017	2018	2019	2020	2021
\$ 13,450,544	\$ 13,942,867	\$ 14,403,290	\$ 15,161,779	\$ 15,996,485	\$ 16,333,840
2,649,970	2,723,847	3,167,506	3,746,298	3,215,563	4,102,284
-	-	-	-	-	-
-	25,227	13,777	44,670	26,750	20,000
2,057,149	2,272,146	2,276,711	2,247,657	1,683,001	1,636,399
70,506	27,286	146,493	397,423	289,278	20,597
<u>18,228,169</u>	<u>18,991,373</u>	<u>20,007,777</u>	<u>21,597,827</u>	<u>21,211,077</u>	<u>22,113,120</u>
2,603,109	2,645,589	2,700,380	4,501,649	2,603,533	3,155,827
5,322,568	5,467,346	5,578,638	5,715,168	5,652,474	6,347,322
10,813,928	8,840,961	17,925,257	12,517,740	16,082,363	10,550,044
1,367,357	1,463,628	1,700,044	2,008,936	1,747,492	1,541,078
-	-	-	-	-	-
451,935	171,937	615,005	909,337	1,181,810	1,015,605
-	750,000	750,000	824,103	1,648,548	1,676,496
207,605	211,250	237,679	531,741	616,472	672,673
<u>20,766,502</u>	<u>19,550,711</u>	<u>29,507,003</u>	<u>27,008,674</u>	<u>29,532,692</u>	<u>24,959,045</u>
(2,538,333)	(559,338)	(9,499,226)	(5,410,847)	(8,321,615)	(2,845,925)
-	2,875,000	8,997,239	6,496,417	6,374,152	1,410,417
364,163	16,900	333,586	361,347	1,839,895	1,539,407
(364,163)	(16,900)	(333,586)	(361,347)	(1,839,895)	(1,539,407)
-	2,875,000	8,997,239	6,496,417	6,374,152	1,410,417
(2,538,333)	2,315,662	(501,987)	1,085,570	(1,947,463)	(1,435,508)
<u>13,910,800</u>	<u>11,372,467</u>	<u>13,688,129</u>	<u>13,186,142</u>	<u>14,271,712</u>	<u>12,324,249</u>
<b><u>\$ 11,372,467</u></b>	<b><u>\$ 13,688,129</u></b>	<b><u>\$ 13,186,142</u></b>	<b><u>\$ 14,271,712</u></b>	<b><u>\$ 12,324,249</u></b>	<b><u>\$ 10,888,741</u></b>
1.34%	5.90%	3.75%	7.20%	11.47%	11.25%

## City of Grosse Pointe Woods

# General Governmental Revenue History

Last Ten Fiscal Years

June 30, 2021

(Unaudited)

Fiscal Year	General Property Taxes	Inter-governmental Revenue	Licenses and Permits	Federal Financial Assistance	Charges for Services	Interest and Miscellaneous	Total Revenue
2012	12,816,628	2,220,847	647,537	7,621	124,203	1,646,873	17,463,709
2013	12,868,677	2,263,244	875,743	6,800	121,379	1,191,042	17,326,885
2014	12,971,026	2,328,022	847,839	6,483	114,559	1,161,165	17,429,094
2015	12,089,662	2,389,342	762,903	7,693	200,141	966,437	16,416,178
2016	13,450,544	2,649,970	825,131	-	225,434	1,077,090	18,228,169
2017	13,942,867	2,723,847	860,940	25,227	259,340	1,179,152	18,991,373
2018	14,403,290	3,167,506	362,235	13,777	699,489	1,361,480	20,007,777
2019	15,161,779	3,746,298	336,174	44,670	850,123	1,458,778	21,597,822
2020	15,996,485	3,215,563	369,566	26,750	600,775	1,001,938	21,211,077
2021	16,333,840	3,606,739	341,918	515,545	622,309	692,769	22,113,120

Source: City annual financial statements

**City of Grosse Pointe Woods**

**Property Tax Levies and Collections**

**Last Ten Fiscal Years  
June 30, 2021  
(Unaudited)**

Tax Year	Year Ended	Total Levy	Current Collections (1)	Percent Collected	Delinquent Collections	Total Tax Collections	Percent of Total
	June 30,						Collections to Levy
2011	2012	12,178,436	11,860,159	97.39%	318,277	12,178,436	100.00%
2012	2013	11,994,577	11,722,371	97.73%	272,206	11,994,577	100.00%
2013	2014	12,364,679	12,083,808	97.73%	280,870	12,364,678	100.00%
2014	2015	11,986,716	11,460,229	95.61%	526,487	11,986,716	100.00%
2015	2016	13,131,261	12,483,896	95.07%	647,365	13,131,261	100.00%
2016	2017	14,037,134	13,307,362	94.80%	726,581	14,033,943	99.98%
2017	2018	13,278,048	13,135,291	98.92%	238,023	13,373,314	100.72%
2018	2019	14,671,703	14,371,506	97.95%	300,251	14,671,756	100.00%
2019	2020	15,535,494	15,200,200	97.84%	335,294	15,535,494	100.00%
2020	2021	15,926,332	15,666,713	98.37%	259,619	15,926,332	100.00%

(1) Figure includes delinquent taxes turned over to Wayne County for collections on March 1 of each year.  
Source: Comptroller's office

## City of Grosse Pointe Woods

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### Taxable Value by Property Type

Tax Year	Fiscal Year	Residential	Commercial	Industrial	Personal Property
2011	2012	523,811,319	64,481,399	103,413	15,534,000
2012	2013	523,323,200	62,355,800	105,800	15,577,600
2013	2014	534,100,330	71,785,000	107,400	12,500,000
2014	2015	552,991,973	72,042,025	109,177	12,808,700
2015	2016	563,473,469	72,936,601	109,445	14,693,500
2016	2017	578,864,599	66,717,419	110,430	13,757,547
2017	2018	602,093,150	67,911,530	112,749	25,907,200
2018	2019	628,785,679	68,566,360	115,454	25,084,400
2019	2020	650,171,495	71,772,973	117,647	24,344,600
2020	2021	671,520,874	72,674,633	118,400	22,827,600

Note: Under Michigan law, the revenue base is referred to as "Taxable Value". This amount represents Assessed value (50% of true cash value), limited for each property by the lower of 5% or inflation.

Taxes levied in a particular "tax year" become revenue of the subsequent fiscal year

Source: Comptroller's office

# Taxable Value and Estimated Actual Value of Taxable Property

**June 30, 2021  
(Unaudited)**

Total Value	Tax Rate (mills)	State Equalized Value	Estimated Actual Value	Taxable Value as a Percentage of Actual
603,930,131	20.4542	623,040,680	1,246,081,360	48.47%
601,362,400	20.6834	638,890,901	1,277,781,802	47.06%
618,492,730	18.8883	681,439,327	1,362,878,654	45.38%
637,951,875	20.6091	742,311,865	1,484,623,730	42.97%
651,213,015	21.5685	793,579,200	1,587,158,400	41.03%
659,449,995	20.0671	842,847,660	1,685,695,320	39.12%
696,024,629	20.3936	870,068,002	1,740,136,004	40.00%
722,551,893	21.5214	950,311,765	1,900,623,530	38.02%
746,406,715	21.3551	1,004,650,469	2,009,300,938	37.15%
767,141,507	21.8829	1,036,351,089	2,072,702,178	37.01%

# City of Grosse Pointe Woods

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Millage Rates - Direct City Taxes (1)								Overlapping
								Taxes
Tax	General		Voted Park	Voted Road	Statutory	Ch 20/21	Total Direct	
Year	Operating	Voted EMS	Bond	Bond	Solid Waste	Milk River	Taxes	County
						Drain		
2012	13.5432	0.3578	-	-	2.0251	4.5281	20.4542	8.7120
2013	13.5212	0.5280	-	-	2.0251	4.5281	20.6024	8.7120
2014	14.1063	-	-	-	2.0251	2.7340	18.8654	9.1220
2015	14.1051	-	-	0.3280	2.0251	4.1509	20.6091	9.1220
2016	13.8925	-	-	1.5000	2.0251	4.1509	21.5685	9.1220
2017	13.9732	-	-	1.5300	2.0251	2.6070	20.1353	9.1220
2018	13.6843	-	-	1.5000	2.6023	3.3250	21.1116	9.1220
2019	13.4990	-	-	1.5000	2.5674	3.9550	21.5214	9.1211
2020	13.3568	-	-	1.5000	2.5406	3.9550	21.3524	9.1211
2021	13.1944	-	-	1.5000	2.5099	4.6786	21.8829	9.0972

(1) Includes general operating, public safety, recreation, and culture

(2) Previously termed homestead and nonhomestead

# Direct and Overlapping Property Tax Rates

**June 30, 2021**

**(Unaudited)**

H.C.M.A.	Overlapping Taxes					Total Tax Rate (2)	
	Community	Grosse	Intermediate	School	School	Principal	Nonprincipal
	College	Pointe Library	School District	District Principal	District Nonprincipal		
0.2146	2.2408	2.0012	3.4643	16.0882	26.7587	53.1753	63.8458
0.2146	3.2408	2.0412	3.4643	16.0890	26.7852	54.3643	65.0605
0.2146	3.2408	2.0512	3.4643	15.9166	26.7550	52.8749	63.7133
0.2146	3.2408	2.0712	3.4643	15.9166	26.7550	54.6386	65.4770
0.2146	3.2408	2.0613	5.4643	15.3770	27.3955	55.0485	67.0670
0.2141	3.2408	2.2186	5.4643	15.3770	27.3955	31.1500	31.1500
0.2129	3.2408	2.1925	5.4643	14.7127	26.7127	55.0616	66.7441
0.2117	3.2408	2.1707	5.4643	15.5975	27.5975	57.2594	69.7706
0.2104	3.2408	2.1504	5.4643	15.9353	28.1307	57.4747	69.6701
0.2089	3.2378	2.1235	5.4643	13.0458	28.1189	55.0604	70.1335

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# City of Grosse Pointe Woods

## Principal Property Tax Payers

Current and Ten Years Ago

June 30, 2021

(Unaudited)

Taxpayer	2021 Taxable Value	Percentage of Total	2012 Taxable Value	Percentage of Total
1 DRSN Real Estate GP LLC	\$ 14,081,355	1.836%	N/A	0.000%
2 Michigan Cons. Gas Co.	12,465,300	1.625%	1,894,300	0.306%
3 Health Care Reit Inc	6,914,790	0.901%	7,121,247	1.152%
4 Pointe Plaza	5,200,220	0.678%	4,426,495	0.716%
5 Detroit Edison	4,427,300	0.577%	2,908,795	0.471%
6 Briarcliff 2014 LLC	1,931,200	0.252%	N/A	0.000%
7 VDG Mack Ave LLC	1,811,105	0.236%	630,773	0.102%
8 Lochmoor Club	1,625,515	0.212%	4,270,700	0.691%
9 Comerica	1,403,858	0.183%	4,038,495	0.653%
10 A H Peters Funeral Home	1,359,100	0.177%	1,436,390	0.232%
11 Kroger Co. of Mich.	1,296,339	0.169%	2,909,865	0.471%
12 St John Health System	1,271,687	0.166%	1,507,090	0.244%
Total	<b><u>\$ 53,787,769</u></b>	<b><u>7.011%</u></b>	<b><u>\$ 31,144,150</u></b>	<b><u>5.039%</u></b>
Total	<b><u>767,141,507</u></b>		<b><u>618,121,633</u></b>	

Source: City of Grosse Pointe Woods Assessing Department records

## City of Grosse Pointe Woods

	As of June 30,			
	2012	2013	2014	2015
<b>Governmental Activities</b>				
General obligation bonds (GOB)	-	-	-	-
GOB installment note	-	-	-	-
GOB contract - Wayne County Drain	1,222,095	-	-	-
2015 Road Bonds Issue #1	-	-	-	7,124,469
2015 Road Bonds Issue #2	-	-	-	-
2018 Capital Improvement Bond Issue	-	-	-	-
Installment loans - Vehicles	-	-	-	272,558
E-One Metro 100' Aerial Apparatus	-	-	-	-
<b>Total</b>	<b>1,222,095</b>	<b>-</b>	<b>-</b>	<b>7,397,027</b>
<b>Business-type Activities</b>				
Installment purchase agreements	-	-	-	-
2010 DWRP Bonds	4,195,364	5,170,410	4,951,798	4,696,798
2012 SRF Bonds	-	667,763	2,485,726	2,733,788
Revenue bonds	3,975,000	3,975,000	3,190,000	2,880,000
Bond premium	-	282,707	254,436	226,166
<b>Total</b>	<b>8,170,364</b>	<b>10,095,880</b>	<b>10,881,960</b>	<b>10,536,752</b>
<b>Total debt of the government</b>	<b>\$ 9,392,459</b>	<b>\$ 10,095,880</b>	<b>\$ 10,881,960</b>	<b>\$ 17,933,779</b>
<b>Total Taxable Value (1)</b>	<b>\$ 603,930,131</b>	<b>\$ 601,362,400</b>	<b>\$ 618,492,730</b>	<b>\$ 637,951,875</b>
<b>Ratio of Total Debt to Personal Income</b>	<b>1.56%</b>	<b>1.68%</b>	<b>1.76%</b>	<b>2.81%</b>
<b>Total Population</b>	<b>16,135</b>	<b>16,135</b>	<b>16,135</b>	<b>16,135</b>
<b>Total Debt Per Capita</b>	<b>582</b>	<b>626</b>	<b>674</b>	<b>1,111</b>

(1) Personal income is not available

Source: City annual financial statements; population data reported from demographics schedule

# Ratios of Outstanding Debt

Last Ten Fiscal Years

June 30, 2021

(Unaudited)

As of June 30,					
2016	2017	2018	2019	2020	2021
-	-	-	-	-	-
-	-	-	-	-	-
-	-	8,997,239	12,846,326	17,824,929	18,490,523
7,072,022	6,269,575	5,467,128	4,664,681	4,112,234	3,559,787
-	2,875,000	2,875,000	2,875,000	2,580,000	2,280,000
-	-	-	2,637,508	2,497,686	2,352,865
648,813	539,586	303,927	62,096	-	299,927
-	-	-	-	-	-
7,720,835	9,684,161	17,643,294	23,085,611	27,014,849	26,983,101
-	-	-	-	-	-
4,436,798	4,166,798	4,051,999	3,791,999	3,526,999	3,251,999
2,620,513	2,497,065	2,377,065	2,252,065	2,127,065	1,997,065
2,560,000	2,235,000	1,900,000	1,550,000	1,185,000	810,000
197,896	169,626	141,353	113,082	84,811	56,540
9,815,207	9,068,489	8,470,417	7,707,146	6,923,875	6,115,604
<b><u>\$ 17,536,042</u></b>	<b><u>\$ 18,752,650</u></b>	<b><u>\$ 26,113,711</u></b>	<b><u>\$ 30,792,757</u></b>	<b><u>\$ 33,938,724</u></b>	<b><u>\$ 33,098,705</u></b>
\$ 651,213,015	\$ 659,449,995	\$ 696,024,629	\$ 723,476,987	\$ 746,406,715	\$ 767,141,507
2.69%	2.84%	3.75%	4.26%	4.55%	4.31%
16,135	16,135	16,135	16,135	16,135	15,332
1,087	1,162	1,618	1,908	2,103	2,159

## City of Grosse Pointe Woods

### Pledged-revenue Coverage

June 30, 2021

(Unaudited)

Fiscal Year	Debt Service Requirements (3)						Coverage
	Gross Revenue (1)	Applicable Expenses (2)	Net Revenue	Principal	Interest	Total	
2012	5,976,950	4,116,499	1,860,451	370,000	223,209	593,209	313.63%
2013	6,144,410	4,447,042	1,697,368	290,000	135,279	425,279	399.12%
2014	6,311,280	4,248,572	2,062,708	305,000	92,188	397,188	519.33%
2015	6,213,080	4,898,622	1,314,458	310,000	87,850	397,850	330.39%
2016	7,174,578	5,003,502	2,171,076	320,000	76,851	396,851	547.08%
2017	7,789,824	4,826,771	2,963,053	325,000	74,850	399,850	741.04%
2018	8,735,644	5,072,817	3,662,827	335,000	68,250	403,250	908.33%
2019	8,186,600	5,355,540	2,831,060	350,000	59,650	409,650	691.09%
2020	7,993,080	5,344,854	2,648,226	365,000	48,925	413,925	639.78%
2021	7,803,033	4,970,717	2,832,316	375,000	35,950	410,950	689.21%

(1) Exclusive of nonoperating revenue

(2) Exclusive of depreciation charges and nonoperating expenditures

(3) Includes principal and interest of revenue bonds only

Source: ACFR, Statement of Revenue, Expenses, and Changes in Net Position - Proprietary Funds

**City of Grosse Pointe Woods**

**Ratios of General Bonded Debt Outstanding**

**Last Ten Fiscal Years**

**June 30, 2021**

**(Unaudited)**

Fiscal Year	Population Per Federal Census	Adjusted Taxable Equalized Valuation	General Obligation Bond Outstanding	Percent Debt to Assessed Value	Debt Per Capita
2012	16,135	603,930,131	1,222,095	0.20%	76
2013	16,135	601,362,400	-	0.00%	-
2014	16,135	618,492,730	-	0.00%	-
2015	16,135 (2)	637,951,875	7,124,469	1.12%	442
2016	16,135	651,213,015	7,071,532	1.09%	438
2017	16,135 (3)	659,449,995	6,674,748	1.01%	414
2018	16,135	696,024,629	14,772,899	2.12%	916
2019	16,135 (4)	722,551,893	19,798,180	1.54%	1,227
2020	16,135 (4)	746,406,715	24,971,469	3.35%	1,548
2021	15,332 (4)	767,141,507	25,418,505	3.31%	1,658

(2) Road Bonds approved by voters Nov 2014

(3) Road Bond Debt Issue #2 Added

(4) Capital Improvement Bonds

Source: Comptroller's office

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## City of Grosse Pointe Woods

### Direct and Overlapping Governmental Activities Debt

June 30, 2021  
(Unaudited)

Governmental unit	Debt Outstanding	Estimated Percent Applicable	Estimated Share of Overlapping Debt
Grosse Pointe Public Library	\$ 8,390,000	24.90%	\$ 2,089,110
Grosse Pointe Public Schools	74,475,000	24.90%	18,544,275
County of Wayne Building Authority and Debt Fund	205,283,180	1.71%	3,510,342
Wayne County Community College	-	2.91%	-
Total overlapping debt	288,148,180		24,143,727
Direct city debt	26,983,101		26,983,101
Total direct and overlapping debt	<b>\$ 315,131,281</b>		<b>\$ 51,126,828</b>

The estimated percentage applicable is calculated by the taxable value of the City of Grosse Pointe Woods divided by the taxable value of the taxing authority's district.

Source: Municipal Advisory Council of Michigan

## City of Grosse Pointe Woods

	As of June 30,			
	2012	2013	2014	2015
Calculation of debt limit (1):				
Taxable valuation	\$ 603,930,131	\$ 601,362,400	\$ 618,492,730	\$ 637,951,875
10 percent of equalized value	61,716,373	62,331,330	62,331,330	74,231,187
Calculation of debt subject to limit:				
Total debt	9,392,459	10,095,880	10,881,960	17,661,221
Less debt not subject to limit:				
Grosse-Gratiot Drain/Milk River Debt	1,222,095	-	-	-
2010 DWRF Bonds	4,195,364	5,170,410	4,951,798	4,696,798
2012 SRF Bonds	-	667,763	2,485,726	2,733,788
Water/Sewer Revenue Bonds 2003	3,975,000	3,495,000	3,190,000	2,880,000
Net debt subject to limit	9,392,459	9,333,173	10,627,524	10,310,586
Total net debt (2)	-	762,707	254,436	7,350,635
Legal debt margin	61,716,373	61,568,623	62,076,894	66,880,552
Net debt subject to limit as percentage of debt limit	0.00%	1.24%	0.41%	10.99%

(1) The legal debt limit continues to be derived from state equalized value (SEV), not Taxable Value (TV).

(2) Amount does not include water and sewer and County contractual obligations.

Source: Comptroller's office

## Legal Debt Margin

**June 30, 2021**

**(Unaudited)**

As of June 30,						
2016	2017	2018	2019	2020	2021	
\$ 651,213,015	\$ 659,449,995	\$ 696,024,629	\$ 723,476,987	\$ 746,406,715	\$ 767,141,507	
79,357,920	84,284,766	87,006,800	94,964,167	100,465,047	103,635,109	
16,887,229	18,213,064	25,809,784	30,730,661	33,938,724	32,798,778	
-	-	8,997,239	12,846,326	17,824,929	18,490,523	
4,436,798	4,166,798	3,911,798	3,905,081	3,611,810	3,308,539	
2,620,513	2,497,065	2,377,065	2,252,065	2,127,065	1,997,065	
<u>2,560,000</u>	<u>2,235,000</u>	<u>1,900,000</u>	<u>1,550,000</u>	<u>1,185,000</u>	<u>810,000</u>	
9,617,311	8,898,863	17,186,102	20,553,472	24,748,804	24,606,127	
7,269,918	9,314,201	8,623,682	10,177,189	9,189,920	8,192,651	
72,088,002	74,970,565	78,383,118	84,786,978	91,275,127	95,442,458	
10.08%	12.42%	11.00%	12.00%	10.07%	8.58%	

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## City of Grosse Pointe Woods

# Demographic and Economic Statistics

June 30, 2021

(Unaudited)

Fiscal Year	Population	Personal Income (in	Per Capita Personal Income	Median Age	Unemployment Rate	School Enrollment	
2012	16,135	(1)	(3)	87,518	44.4	6.10%	4,254
2013	16,135	(1)	(3)	87,123	44.5	8.30%	4,187
2014	16,135	(1)	(3)	89,513	44.9	7.80%	4,025
2015	16,135	(1)	(3)	92,014	44.9	5.70%	3,992
2016	16,135	(1)	(3)	93,404	45.0	5.80%	3,900
2017	16,135	(1)	(3)	95,697	45.4	5.80%	3,662
2018	15,785	(1)	(3)	95,697	45.4	5.80%	3,662
2019	15,412	(1)	(3)	95,697	45.4	5.80%	3,662
2020	15,332	(2)	(3)	97,711	45.8	3.70%	3,613
2021	15,332	(2)	(3)	104,848	45.6	5.60%	3,613

(1) US Census Bureau, 2012-2016 American Community Survey 5-Year Estimates

(2) US Census Bureau, 2018 American Community Survey Estimates

(3) Data not available

Source: Comptroller's office

**City of Grosse Pointe Woods**

**Principal Employers**

**June 30, 2021**

**(Unaudited)**

	Employer	Enterprise	2021 Employees	Employer's Percentage of Total Employment	2012 Employees
1	GP Public School	School	384	10.93%	258
2	Van Elslander Center	Medical	250	7.11%	250
3	Kroger	Grocery	159	4.52%	151
4	Sunrise Assisted Living	Medical	130	3.70%	140
5	University of Liggett	School	128	3.64%	128
6	Great Lakes Cancer Mgt Specialist	Medical	103	2.93%	103
7	Lochmoor Club	Country Club	100	2.85%	100
8	St. John I.T. & Desktop Support	Medical Business	100	2.85%	100
9	City of Grosse Pointe Woods	Municipal	80	2.28%	86
10	Gateway Pediatric Therapy	Medical	50	1.42%	n/a
	Total People Employed in City		<b><u>3,514</u></b>		<b><u>3,498</u></b>

Source: City Business License Registry

**City of Grosse Pointe Woods**

**Full-time Government Employees (1)**

**Last Ten Fiscal Years**

**June 30, 2021  
(Unaudited)**

Department	As of June 30,										Percent of Total for 2021	
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021		
Supervisor/Administrator	2	2	2	2	2	2	2	2	2	2	2	2%
Assessing	1	1	1	-	-	-	-	-	-	-	-	0%
Clerk's Office	3	3	3	3	3	3	3	3	3	3	3	4%
Treasurer's Office	4	4	4	4	4	4	4	4	4	4	4	5%
Municipal Court	3	3	3	3	3	3	3	3	3	3	3	4%
Information Systems	2	2	2	2	2	2	1	1	1	1	2	2%
Building	3	3	3	4	4	4	4	4	4	4	4	5%
Parks and Recreation	2	2	2	2	2	2	2	2	2	2	2	2%
Public Safety	43	42	39	35	34	34	35	32	36	36	36	44%
Public Works	<u>23</u>	<u>22</u>	<u>22</u>	<u>23</u>	<u>23</u>	<u>24</u>	<u>22</u>	<u>25</u>	<u>25</u>	<u>25</u>	<u>25</u>	<u>31%</u>
<b>Total</b>	<b><u>86</u></b>	<b><u>84</u></b>	<b><u>81</u></b>	<b><u>78</u></b>	<b><u>77</u></b>	<b><u>78</u></b>	<b><u>76</u></b>	<b><u>76</u></b>	<b><u>80</u></b>	<b><u>81</u></b>	<b><u>81</u></b>	<b><u>100%</u></b>
			(2)	(3)			(4)	(5)	(5)	(6)		

(1) Full-time employees reported only; data is not available for equivalent part-time positions.

(2) PS includes EMTs since they were on payroll through 6-30-14

(3) 2015 shows the loss of EMTs.

(4) Public Works vacancy in the process of being filled June 30, 2018.

(5) Public Safety vacancies (2) filled post June 30, 2019

(6) Information Systems position added

Source: City personnel records

## City of Grosse Pointe Woods

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Function/ Program	As of June 30,			
	2012	2013	2014	2015
Public safety (calendar year Jan 1 - Dec 31):				
Annual Calls for Service	11,225	10,577	10,980	10,886
Police physical arrests	357	374	337	359
Police traffic violations	1,986	1,883	1,306	1,652
Fire runs	139	242	213	214
Fire actual fires	15	14	10	20
Fire basic ambulance runs	715	523	458	433
Fire Advance Life Support ambulance runs	362	361	560	601
Fire inspections	78	104	8	19
Parking Meter Violations	5,837	5,333	6,793	6,938
Parks and recreation (estimated):				
Recreation programs - Lake Front Park	359	267	261	217
Community center programs	42	67	57	59
Water:				
New connections (calendar year Jan 1 - Dec 31)	-	1	16	5
Water main breaks	31	34	23	48
Total consumption (billed to customers - HCF) - FY	746,113	813,574	724,717	653,545

(1) Information not applicable, as function reports operating indicators on a calendar year

Source: City Departmental Operational Reports

## Operating Indicators

**Last Ten Fiscal Years**

**June 30, 2021**

**(Unaudited)**

As of June 30,					
2016	2017	2018	2019	2020	2021
10,964	11,902	11,411	9,828	8,191	(1)
309	326	177	130	66	(1)
1,541	2,724	2,569	1,461	1,273	(1)
199	282	219	243	284	(1)
25	29	14	11	24	(1)
541	544	430	582	576	(1)
536	566	828	888	820	(1)
14	11	8	17	10	(1)
6,821	7,164	7,263	7,674	5,101	(1)
217	217	195	217	3	(1)
59	59	75	59	30	(1)
2	9	-	3	1	(1)
34	23	18	31	17	(1)
653,901	731,328	721,131	666,821	611,777	655,752

# City of Grosse Pointe Woods

## Capital Asset Statistics

Last Ten Fiscal Years

June 30, 2021

(Unaudited)

Function/Program	As of June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Public safety:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	8	8	8	8	8	8	8	8	8	8
Fire trucks	3	3	3	3	3	3	3	3	3	3
Ambulances	1	1	1	1	1	1	1	-	-	-
Parks and recreation:										
Acreage	92	92	92	92	92	92	92	92	92	92
Playgrounds	5	5	5	5	5	5	5	5	5	5
Soccer fields	2	2	2	2	2	2	2	2	2	2
Baseball/Softball diamonds	5	5	5	5	5	5	5	5	5	5
Water:										
Mains (miles)	63	63	63	63	63	63	63	63	63	63
Fire hydrants	603	603	608	608	608	608	608	608	608	608
Sewer - Miles of sanitary sewers	78	78	78	78	78	78	78	78	78	78

Source: Departmental annual reports

**City of Grosse Pointe Woods**

**State-shared Revenue**

**Last Ten Fiscal Years**

**June 30, 2021**

**(Unaudited)**

<u>Fiscal Year</u>	<u>Modified Accrual and Accrual Basis of Accounting</u>
2012	1,352,529
2013	1,363,026
2014	1,413,776
2015	1,431,780
2016	1,394,687
2017	1,389,170
2018	1,599,713
2019	1,670,593
2020	1,640,435
2021	1,840,319

Source: Comptroller's office

**City of Grosse Pointe Woods**

**Gas and Weight Taxes**

**Last Ten Fiscal Years**

**June 30, 2021**

**(Unaudited)**

Fiscal year	Type of Street		Total
	Major	Local	Gas and Weight Tax (Act 51) Receipts
2012	624,586	255,891	880,477
2013	629,291	257,655	886,946
2014	648,809	265,806	914,615
2015	662,419	271,424	933,843
2016	697,972	433,599	1,131,571
2017	802,672	364,938	1,167,610
2018	961,831	394,264	1,356,095
2019	1,038,109	456,650	1,494,759
2020	1,111,874	452,402	1,564,276
2021	1,193,060	524,688	1,717,748

Source: Comptroller's office

# City of Grosse Pointe Woods

## Labor Agreements

June 30, 2021

(Unaudited)

Bargaining Unit	Expiration Date	Number of Employees at June 30, 2021
<b>Police Officers Association of Michigan</b> Represents Public Safety Officers	6/30/2022	20
<b>Command Officers Association of Michigan</b> Represents Public Safety Sergeants and Lieutenants	6/30/2022	9
<b>Police Officers Labor Council</b> Represents all Communications Dispatchers	6/30/2022	3
<b>Technical, Professional, and Office Workers Assn of MI</b> Represents clerical, public works employees, building, and ordinance officers	6/30/2022	29
<b>Nonunion Employees (Full-time)</b>		
City Administrator	N/A	1
Confidential Secretary to City Administrator	N/A	1
City Assessor	N/A	0
Treasurer/Comptroller	N/A	1
Deputy Treasurer/Comptroller	N/A	1
Water Billing Specialist	N/A	1
City Clerk	N/A	1
Deputy City Clerk	N/A	1
Public Safety Director	N/A	1
Court Clerk	N/A	1
Deputy Court Clerk	N/A	1
Information Technology Manager	N/A	1
System Administrator	N/A	1
Building Official	N/A	1
Director of Public Works	N/A	1
Assistant Director of PW	N/A	1
Foreman	N/A	1
Recreation Supervisor	N/A	1
Confidential Administrative Assistant	N/A	3

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Source: Comptroller's office

## City of Grosse Pointe Woods

# Water and Sewer Customers and Consumption

June 30, 2021

(Unaudited)

User Type	Number of Meters	Water Consumption Volume (100 cubic feet)	Percentage of Consumption
Residential	6,562	5,904	90.03%
Commercial	279	481	7.33%
Churches, schools, and government	32	173	2.64%
Total	<b>6,873</b>	<b>6,558</b>	<b>100%</b>

Source: Comptroller's office

In reviewing the data from last year, it appears that the government units were double counted as they were also included in the Commercial total. Also, the compound meters in the Commercial Total were also double counted.

**City of Grosse Pointe Woods**

**Historical Net Earnings, Cash Flow, and Debt Service Coverage**

**June 30, 2021**

**(Unaudited)**

Fiscal Year	Operating Expense	Operating Expenses Exclusive of Depreciation	Net Operating Income	Other Nonoperating Income (1)	Annual Income Available for Debt Service	Annual Revenue Debt Service Requirements	Annual Coverage
2012	4,827,454	4,116,499	1,149,405	5,335	1,154,740	593,209	1.95%
2013	5,168,865	4,447,042	975,545	3,718	979,263	425,279	2.30%
2014	5,029,027	4,248,572	1,282,253	16,430	1,298,683	397,188	3.27%
2015	5,640,641	4,898,622	572,439	25,876	598,315	397,850	1.50%
2016	5,805,365	5,003,502	1,369,213	86,421	1,455,634	396,851	3.67%
2017	5,631,186	4,826,771	2,158,639	74,058	2,232,697	399,850	5.58%
2018	5,885,978	5,072,817	2,849,666	156,326	3,005,992	403,250	7.45%
2019	6,197,856	5,355,540	1,988,744	260,554	2,249,298	409,650	5.49%
2020	6,224,296	5,344,854	1,768,784	248,323	2,017,107	410,950	4.91%
2021	5,878,466	4,970,717	1,927,567	70,377	1,997,944	417,525	4.79%

(1) Nonoperating income except connection fees net of nonoperating expenses other than interest expense

Source: ACFR - Statement of Revenue, Expenses, and Changes in Net Position - Proprietary Funds

## City of Grosse Pointe Woods

### Water Usage and Revenue of the Largest Customers

**June 30, 2021  
(Unaudited)**

	Customer	Usage in Dollars	Volume of Water Used (in 100 cubic feet)
1	Lochmoor Club	\$ 33,508	9,386
2	The Rivers Resident Club	29,435	8,245
3	Grosse Pointe Board of Education	22,684	6,354
4	GP University Liggett School	21,413	5,998
5	Shorepointe Condos	18,053	5,057
6	Sunrise Development	11,403	3,194
7	Pointe Plaza Limited	9,286	2,601
8	Berkshire Condo Association	8,457	2,369
9	ANK Enterprises	7,843	2,197
10	St. John Hospital	7,201	2,017
11	Star of the Sea	4,516	1,265
12	Original Pancake House	4,177	1,170
13	Curis Big Boy	3,713	1,040
14	City of Grosse Pointe Woods	3,324	931
15	Ann Blake	3,238	907
13			
14			
15			

Source: City of Grosse Pointe Woods Finance

## City of Grosse Pointe Woods

### Metered Water Rates

**June 30, 2021  
(Unaudited)**

Meter Size	Residential	Commercial(1)
5/8"	\$ 45.67	\$ 45.67
3/4"	45.67	45.67
1"	100.47	100.47
1 1/2"	182.68	182.68
2"	287.72	287.72
3"	657.65	657.65
4"	977.34	977.34
6"	1,845.07	1,845.07
8"	2,877.21	2,877.21
10"	4,388.89	4,388.89
Billing Charge	2.08	2.08
Water Rate per 100 cubic feet used	3.57	3.57
Sewer Rate per 100 cubic feet used	2.60	2.60

(1) Commercial rate includes churches, schools, and government

Source: Comptroller's office

**City of Grosse Pointe Woods**

**State Equalized Value and Taxable Value by Class and Use**

**June 30, 2021  
(Unaudited)**

**State Equalized Value**

	By Class				
	2021	2020	2019	2018	2017
Real property	\$ 1,013,523,489	\$ 980,305,869	\$ 925,220,765	\$ 844,160,802	\$ 823,997,600
Personal property	22,827,600	24,344,600	25,091,000	25,907,200	18,850,060
<b>Total</b>	<b>\$ 1,036,351,089</b>	<b>\$ 1,004,650,469</b>	<b>\$ 950,311,765</b>	<b>\$ 870,068,002</b>	<b>\$ 842,847,660</b>

	By Use				
	2021	2020	2019	2018	2017
Residential	\$ 930,527,789	\$ 896,921,869	\$ 851,079,365	\$ 771,792,302	\$ 753,496,300
Commercial	82,877,300	83,265,500	74,024,200	72,250,200	70,383,300
Industrial	118,400	118,500	117,200	118,300	118,000
Personal property	22,827,600	24,344,600	25,091,000	25,907,200	18,850,060
<b>Total</b>	<b>\$ 1,036,351,089</b>	<b>\$ 1,004,650,469</b>	<b>\$ 950,311,765</b>	<b>\$ 870,068,002</b>	<b>\$ 842,847,660</b>

**Taxable Value**

	By Class				
	2021	2020	2019	2018	2017
Real property	\$ 744,313,907	\$ 722,062,115	\$ 698,385,987	\$ 670,117,429	\$ 645,692,448
Personal property	22,827,600	24,344,600	25,091,000	25,907,200	13,757,547
<b>Total</b>	<b>\$ 767,141,507</b>	<b>\$ 746,406,715</b>	<b>\$ 723,476,987</b>	<b>\$ 696,024,629</b>	<b>\$ 659,449,995</b>

	By Use				
	2021	2020	2019	2018	2017
Residential	\$ 671,520,874	\$ 650,171,495	\$ 629,310,713	\$ 602,093,150	\$ 578,864,599
Commercial	72,674,633	71,772,973	68,959,820	67,911,530	66,717,419
Industrial	118,400	117,647	115,454	112,749	110,430
Personal property	22,827,600	24,344,600	25,091,000	25,907,200	13,757,547
<b>Total</b>	<b>\$ 767,141,507</b>	<b>\$ 746,406,715</b>	<b>\$ 723,476,987</b>	<b>\$ 696,024,629</b>	<b>\$ 659,449,995</b>

Source: Comptroller's office