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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**

**For the Fiscal Year Ended**

**June 30, 2023**

**Introductory Section**

Letter of Transmittal	i-vii
GFOA Certificate of Achievement	viii
Organizational Chart	ix
List of Elected Officials	x

**Financial Section**

Independent Auditor's Report	1-3
Management's Discussion and Analysis	4-9

**Basic Financial Statements**

Government-wide Financial Statements:	
Statement of Net Position	10
Statement of Activities	11-12
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet	13
Reconciliation of the Balance Sheet to the Statement of Net Position	14
Statement of Revenue, Expenditures, and Changes in Fund Balances	15
Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balances to the Statement of Activities	16
Proprietary Funds:	
Statement of Net Position	17
Statement of Revenue, Expenses, and Changes in Net Position	18
Statement of Cash Flows	19-20
Fiduciary Funds:	
Statement of Fiduciary Net Position	21
Statement of Changes in Fiduciary Net Position	22
Notes to Financial Statements	23-50

**Required Supplementary Information**

Budgetary Comparison Schedule - General Fund	51
Schedule of Changes in the Net Pension Liability and Related Ratios - Pension Plan	52
Schedule of Pension Investment Returns - Pension Plan and Pension Plan Supplemental Annuity	53-54
Schedule of Pension Contributions - Pension Plan	55
Schedule of Changes in the Net Pension Liability and Related Ratios - Supplemental Annuity	56
Schedule of Pension Contributions - Supplemental Annuity	57-58
Schedule of Changes in the Net OPEB Liability and Related Ratios	59
Schedule of OPEB Contributions	60-61
Schedule of OPEB Investment Returns	62
Note to Required Supplementary Information	63
	64

<b>Other Supplementary Information</b>	65
Nonmajor Governmental Funds:	
Fund Descriptions	66-67
Combining Balance Sheet	68-69
Combining Statement of Revenue, Expenditures, and Changes in Fund Balances	70-71
Budgetary Comparison Schedule - Major Governmental Fund - Grosse-Gratiot Drain Fund	72
Budgetary Comparison Schedules - Nonmajor Governmental Funds	73-86
Local Street Fund - Fund-based Balance Sheet	87
Nonmajor Enterprise Funds:	
Fund Descriptions	88
Combining Statement of Net Position	89
Combining Statement of Revenue, Expenses, and Changes in Net Position	90
Combining Statement of Cash Flows	91
Internal Service Funds:	
Fund Descriptions	92
Combining Statement of Net Position	93
Combining Statement of Revenue, Expenses, and Changes in Net Position	94
Combining Statement of Cash Flows	95-96
Fiduciary Funds:	
Fund Descriptions	97
Statement of Fiduciary Net Position	98
Statement of Changes in Fiduciary Net Position	99
Note to Other Supplementary Information	100
<b><u>Statistical Section</u></b>	
<b>Description of the Statistical Section</b>	101
<b>Financial Trend Information</b>	
Net Position by Component	102-103
Changes in Governmental Activities, Business-type Activities, and Primary Government Net Position	104-107
Fund Balances - Governmental Funds	108-109
Changes in Fund Balances - Governmental Funds	110-111
<b>Revenue Capacity Information</b>	
General Governmental Revenue History	112
Property Tax Levies and Collections	113
Taxable Value and Estimated Actual Value of Taxable Property	114-115
Direct and Overlapping Property Tax Rates	116-117
<b>Debt Capacity Information</b>	
Principal Property Tax Payers	118
Ratios of Outstanding Debt	119-120
Pledged-revenue Coverage	121
Ratios of General Bonded Debt Outstanding	122
Direct and Overlapping Governmental Activities Debt	123
Legal Debt Margin	124-125
<b>Demographic and Economic Information</b>	
Demographic and Economic Statistics	126
Principal Employers	127

**Operating Information**

Full-time Government Employees	128
Operating Indicators	129-130
Capital Asset Statistics	131
State-shared Revenue	132
Gas and Weight Taxes	133
Labor Agreements	134
Water and Sewer Customers and Consumption	135
Historical Net Earnings, Cash Flow, and Debt Service Coverage	136
Water Usage and Revenue of the Largest Customers	137
Metered Water Rates	138
State Equalized Value and Taxable Value by Class and Use	139



# CITY OF GROSSE POINTE WOODS

20025 Mack Plaza Drive  
Grosse Pointe Woods, Michigan 48236-2397

November 13, 2023

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, 2023 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

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

November 13, 2023

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. 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 13, 2023 on the basic financial statements and individual fund statements and schedules is included in the financial section of this report. There is not a separate issued Single Audit Report for the General Fund and the Federal Grant Fund under the 2 CFR 200 regulations of the Single Audit Act. The City received federal stimulus funding through the Coronavirus State and Local Fiscal Recovery Funds (SLFRF) and through the Wayne County Community Development Block Grant (CDBG) Program, the City is designated as a sub-grantee and coordinates its program. The total federal grant expenditures were greater than the minimum expenditure limit of \$750,000 of the Single Audit Act. However, the City elected to receive an Alternative Compliance Examination rather than a single audit, as allowed under the SLFRF Compliance Supplement, as the City received less than \$10 million and other Federal award funds the City expended (not including the SLFRF award funds) are less than \$750,000 during the fiscal year.

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

November 13, 2023

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 Custodial 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 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 45 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.

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

November 13, 2023

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.

The following are significant initiatives accomplished by the City during the past fiscal year:

- Sewer repair and maintenance projects continue to be a priority for the City. Capital outlay totaling \$1.2 million was approved during fiscal year 2022-2023 for the Hampton Road sewer repairs, the sewer rehabilitation program that includes open cut repair and cured in place pipe lining. Funding for these projects came user fees and water and sewer reserves.
- The City continues its commitment to the major and local street repair and maintenance program. Road Projects included the resurfacing of Hampton Road, (Mack to east city limit) concrete and sidewalk maintenance. Project costs totaling 1.2 million were funded through transportation revenue from the State of Michigan (Act51), prior year reserves and a transfer from General Fund balance.
- Maintaining city parks continues to be a priority for the City. Chene Trombley Park, a small neighborhood park received a major renovation. The City received donations totaling \$195,000 for the purchase ADA compliant playground equipment that was installed in the new tot lot section of the park. The City also approved funding for the addition of a restroom, paved walking path, covered picnic area, new fencing, landscaping and security cameras. Total project costs were \$577,000.
- Replacing the City's aging vehicles and equipment have also been a priority for the City. During fiscal year 2022-2023, the City invested over \$160,000 in capital outlay for maintenance 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  
and City Council  
City of Grosse Pointe Woods, Michigan

November 13, 2023

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 allows us to better invest in our city. Just as importantly, we need to build our savings so that we are able to continue operations in the event of a fiscal emergency or natural disaster. Lastly, increasing our reserves would demonstrate to businesses, governmental organizations, and rating 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 16,487 (per 2020 census figures) is distributed among approximately 6,874 households and has a median household income of \$115,247 and an average per capita income of \$54,028. The median home value of an owner-occupied residence in the City is \$274,000. The labor force is comprised largely of professional, healthcare, hospitality and education services, with 64% 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. In January 2023, the Michigan State Tax Commission issued Bulletin 17 of 2022 regarding the inflation rate multiplier for use in the 2023 capped value formula and the Headlee millage reduction fraction formula. The inflation rate for property taxes has increased beyond the historical 5 percent cap to 7.9 percent for 2023. The inflation rate multiplier of 1.079 must be used in the calculation of the 2023 Headlee millage reduction fraction and the inflation rate multiplier to be used in the 2023 capped formula is 5 percent, this is up from 3.3 percent in tax year 2022.

The City received \$1.6 million in American Rescue Plan funding in fiscal year 2021-2022. The U.S. Department of Treasury's final rule offers a standard allowance of revenue loss of up to \$10 million, allowing recipients to select between the standard allowance or complete a full revenue loss calculation. The City selected the standard allowance and in fiscal year 2022-2023 recognized the \$1.6 million in revenue and allocated the expenditures to governmental services-Public Safety wages.

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

November 13, 2023

Continued re-development and re-investment within the City will add value in fiscal year 2024. 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.

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 12.9269 mills.

The City's General Fund year-end fund balance is approximately \$8.9 million; \$1.7 million is committed, assigned, or non-spendable, leaving \$7.2 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, 2022. This is the 50<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.

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

November 13, 2023

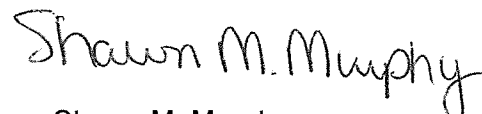
In 2022, GFOA awarded the City with a Popular Annual Financial Reporting Award (PAFR). This is the 10<sup>th</sup> consecutive year the City has received this award which is presented to local governments that successfully extract information from their Annual Comprehensive Financial Report (ACFR) and 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 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,



Frank Schulte  
City Administrator



Shawn M. Murphy  
Treasurer/Comptroller



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

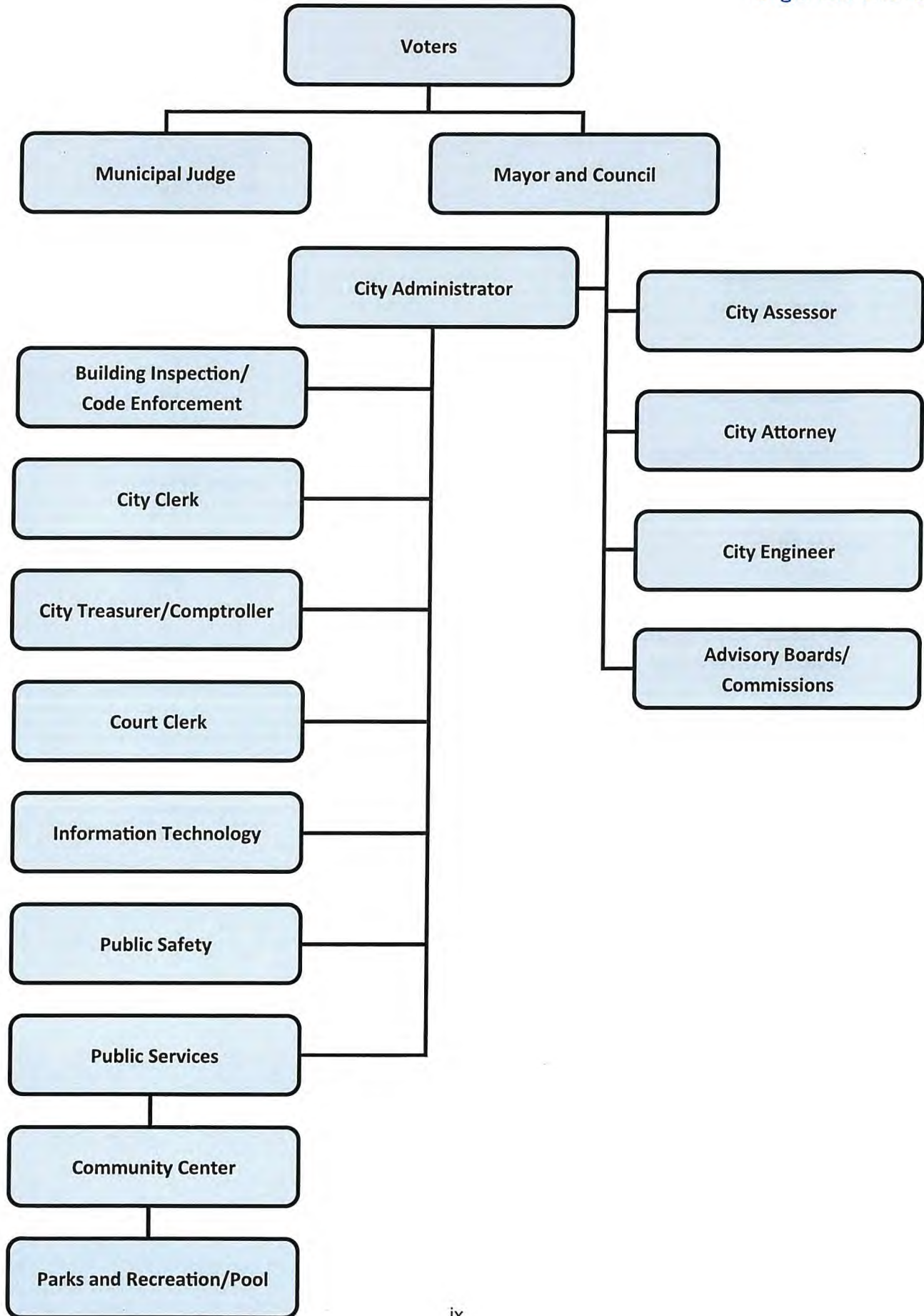
**City of Grosse Pointe Woods  
Michigan**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2022

*Christopher P. Morill*

Executive Director/CEO



**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

Frank Schulte

**Clerk's Office**

Clerk

Paul P. Antolin

**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

### **Opinions**

We have audited the 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, 2023 and the related notes to the financial statements, which collectively comprise the City's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying 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 as of June 30, 2023 and the respective changes in its financial position and, where applicable, its cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinions**

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

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

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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

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

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

In performing an audit in accordance with GAAS, we:

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

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

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

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

#### ***Other Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The other supplementary information, as identified in the table of contents, is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

#### ***Other Information***

Management is responsible for the other information included in the Annual Comprehensive Financial Report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.



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

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements or whether the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

*Plante & Moran, PLLC*

November 13, 2023

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, 2023. 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, 2023:

- Property taxes continue to be the City's largest source of revenue; slow but steady increases have been realized over the last several years. The City has had incremental increases, with a CPI of 5.0 percent (maximum allowed) for tax year 2023, up from 3.3 percent in tax year 2022. The general operating property tax revenue increased by approximately 3.4 percent from fiscal year 2021-2022.
- 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 2022-2023.
- 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.
- Park improvements in the City included the renovation of Chene Trombley Park. The City received donations totaling \$195,000 for the purchase ADA compliant playground equipment that was installed in the new tot lot section of the park. The City also budgeted an additional \$382,000 for Chene Trombley Park renovations. These funds were used to construct a restroom and install a covered picnic area, new fencing, a walking path, new landscaping, and security cameras. The park improvements will be completed in the fall of 2023.
- Road repair and reconstruction continue to be priorities for the City. A major street project included in fiscal year 2022-2023 was the resurfacing of Hampton Road (from Mack to the east city limit). Project costs totaling \$660,000 were funded through transportation revenue from the State of Michigan (ACT 51) and prior year reserves. In addition, maintenance of city roads included asphalt patching, concrete maintenance, and sidewalk repair. Project costs totaling \$572,000 were funded through transportation revenue from the State of Michigan (ACT 51), a transfer from the General Fund balance, and prior year reserves.
- Maintaining and improving water and sewer infrastructure is a priority for the City. Projects included in fiscal year 2022-2023 are the Hampton Road sewer maintenance project (from Mack to the east city limit), sewer open cut repair, and cured-in-place pipe lining repair and maintenance. Project costs totaling \$1.2 million were funded from capital improvement revenue and water and sewer reserves.
- Replacement of the City's aging vehicles and equipment is a priority for the City. The City invested \$160,000 in vehicles and equipment during fiscal year 2022-2023. This included a John Deere compact utility tractor, a Turf Tiger riding mower, two John Deere Gators, and a Brush Bandit Wood Chipper.
- The City has realized an increase in its General Fund balance of approximately \$1.5 million exclusive of the Cable Franchise and Local Street funds. The increase in fund balance is a result of \$1.6 million in revenue received from the State and Local Fiscal Recovery Funds (SLFRF), established by the American Rescue Plan Act (ARPA) of 2021. The funds were allocated to governmental services, specifically for public safety wages.

#### **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.

## City of Grosse Pointe Woods, Michigan

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

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.

#### ***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	
	2023	2022	2023	2022	2023	2022
<b>Assets</b>						
Current and other assets	\$ 18,127,343	\$ 17,327,715	\$ 15,526,855	\$ 14,247,084	\$ 33,654,198	\$ 31,574,799
Capital assets	62,102,199	63,705,779	32,649,264	32,289,786	94,751,463	95,995,565
Total assets	80,229,542	81,033,494	48,176,119	46,536,870	128,405,661	127,570,364
<b>Deferred Outflows of Resources</b>	2,304,247	3,966,988	329,874	446,418	2,634,121	4,413,406
<b>Liabilities</b>						
Current liabilities	1,495,713	2,758,002	1,002,596	685,225	2,498,309	3,443,227
Noncurrent liabilities	71,142,641	79,422,427	9,293,643	10,415,552	80,436,284	89,837,979
Total liabilities	72,638,354	82,180,429	10,296,239	11,100,777	82,934,593	93,281,206
<b>Deferred Inflows of Resources</b>	9,880,975	11,596,157	931,884	976,861	10,812,859	12,573,018
<b>Net Position (Deficit)</b>						
Net investment in capital assets	39,062,388	38,551,052	28,235,200	27,007,453	67,297,588	65,558,505
Restricted	3,132,849	3,238,920	198,090	198,090	3,330,939	3,437,010
Unrestricted	(42,180,777)	(50,566,076)	8,844,580	7,700,107	(33,336,197)	(42,865,969)
Total net position (deficit)	\$ 14,460	\$ (8,776,104)	\$ 37,277,870	\$ 34,905,650	\$ 37,292,330	\$ 26,129,546

Capital assets in governmental activities decreased by approximately \$1.6 million, net of approximately \$3.2 million in depreciation. The City's ongoing work related to the Milk River Drainage District totals approximately \$600,000, and the remaining additions in capital assets totaled approximately \$1.0 million related to the City's continued investment in road improvement projects and other infrastructure assets.

The decrease in long-term liabilities was \$8.3 million; this is primarily due to the assumption changes related to the pension plan and pension benefit changes associated with the addition of an Employee Retention Option Plan (EROP), as discussed in Note 9. 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.

Net position in governmental activities increased to \$14,460, up from a negative net position of \$8.8 million in fiscal year 2021-2022. Business-type activities net position increased to \$37 million, up from \$35 million in fiscal year 2021-2022.

## 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	
	2023	2022	2023	2022	2023	2022
<b>Revenue</b>						
Program revenue:						
Charges for services	\$ 1,391,462	\$ 1,155,694	\$ 8,555,807	\$ 8,151,249	\$ 9,947,269	\$ 9,306,943
Operating grants	3,776,496	1,873,241	-	-	3,776,496	1,873,241
Capital grants	98,131	20,000	-	-	98,131	20,000
General revenue:						
Property taxes	17,797,438	17,562,597	-	-	17,797,438	17,562,597
Intergovernmental	2,175,251	2,136,587	-	-	2,175,251	2,136,587
Investment earnings (loss)	504,673	(103,986)	303,383	36,704	808,056	(67,282)
Other revenue:						
Cable franchise fees	316,184	361,921	-	-	316,184	361,921
Other miscellaneous income	375,801	365,735	-	-	375,801	365,735
<b>Total revenue</b>	<b>26,435,436</b>	<b>23,371,789</b>	<b>8,859,190</b>	<b>8,187,953</b>	<b>35,294,626</b>	<b>31,559,742</b>
<b>Expenses</b>						
General government	2,594,261	2,628,416	-	-	2,594,261	2,628,416
Public safety	2,845,192	4,539,620	-	-	2,845,192	4,539,620
Public works	8,103,899	7,312,364	-	-	8,103,899	7,312,364
Solid waste	1,778,704	1,781,243	-	-	1,778,704	1,781,243
Community and economic development	50,976	(48,212)	-	-	50,976	(48,212)
Parks and recreation	1,739,957	1,864,690	-	-	1,739,957	1,864,690
Debt service	531,883	591,553	-	-	531,883	591,553
Water and Sewer Fund	-	-	5,978,476	6,340,899	5,978,476	6,340,899
Parking Utility Fund	-	-	338,605	354,994	338,605	354,994
Boat Dock Rental Fund	-	-	166,731	168,082	166,731	168,082
Commodity Sales Fund	-	-	3,158	5,408	3,158	5,408
<b>Total expenses</b>	<b>17,644,872</b>	<b>18,669,674</b>	<b>6,486,970</b>	<b>6,869,383</b>	<b>24,131,842</b>	<b>25,539,057</b>
<b>Change in Net Position</b>	<b>8,790,564</b>	<b>4,702,115</b>	<b>2,372,220</b>	<b>1,318,570</b>	<b>11,162,784</b>	<b>6,020,685</b>
<b>Net Position (Deficit) - Beginning of year</b>	<b>(8,776,104)</b>	<b>(13,478,219)</b>	<b>34,905,650</b>	<b>33,587,080</b>	<b>26,129,546</b>	<b>20,108,861</b>
<b>Net Position (Deficit) - End of year</b>	<b>\$ 14,460</b>	<b>\$ (8,776,104)</b>	<b>\$ 37,277,870</b>	<b>\$ 34,905,650</b>	<b>\$ 37,292,330</b>	<b>\$ 26,129,546</b>

#### *Governmental Activities*

The City's governmental revenue totaled approximately \$26.4 million, with the greatest revenue source being property taxes. Total revenue for governmental activities increased by approximately \$3.1 million compared to fiscal year 2021-2022. The increase is related to operating grant revenue received from the State and Local Fiscal Recovery Funds, established by the American Rescue Plan Act of 2021, as well as increases in charges for services, property taxes, investment earnings, and other miscellaneous income.

Property taxes make up approximately 67 percent of total governmental revenue. That percentage decreased from the 75 percent reported in fiscal year 2021-2022. Overall, the City experienced an increase of 5.0 percent in taxable value for 2022-2023, up from the 2.8 percent increase in fiscal year 2021-2022.

## City of Grosse Pointe Woods, Michigan

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

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Total governmental expenses for the City were approximately \$17.6 million. This is a decrease of approximately \$1 million compared to fiscal year 2021-2022. This decrease is primarily due to a pension recovery related to changes in the net pension liability.

#### *Business-type Activities*

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

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 increased by approximately \$670,000, primarily due to an increase in investment earnings and user fees. Expenses decreased by approximately \$382,000 due to a decrease in operation and maintenance expenses.

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

An analysis of the City's major funds begins on page 13, 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 2022-2023 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 funds are the Water and Sewer Fund and the Parking Utility 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 approximately \$9.8 million in expenses. The parks and recreation department accounted for \$1.9 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 2022-2023, the General Fund's fund balance increased by \$1.3 million. The increase is primarily due to revenue received from State and Local Fiscal Recovery Funds, established by the American Rescue Plan Act of 2021. In addition, there were increases in revenue related to charges for services, property taxes, and investment earnings.

The City's General Fund year-end fund balance is approximately \$8.9 million; \$1.7 million is committed, assigned, or nonspendable, leaving \$7.2 million unassigned. The unassigned amount represents approximately 47 percent of fiscal year 2022-2023 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. The Milk River Intercounty Drain Drainage Board has 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. As of June 30, 2023, the project is 99 percent completed.

In fiscal year 2022-2023, the fund derived revenue from property taxes of approximately \$3.8 million and expenditures of approximately \$2.4 million related to drain operations and maintenance provided by Wayne County, Michigan and approximately \$590,000 related to capital expenditures.

The Grosse-Gratiot Drain Fund's fund balance decreased by \$501,805; its fund balance at year end is \$447,870. 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 2021-2022. 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 5.0 percent increase in taxable value in fiscal year 2022-2023, 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. Revenue exceeded expenditures for fiscal year 2022-2023 by approximately \$1.5 million. The increase in revenue is related to the revenue received from the State and Local Fiscal Recovery Funds, property taxes, state-shared revenue, and charges for service.

#### **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 \$536,000 in fiscal year 2022-2023. In addition, the City received \$46,400 from the State for PA 248 funding. The Local Street Fund additionally receives a small amount of its revenue from interest on investments.

The Local Street Fund's fund balance decreased by \$179,347. The Local Street Fund's fund balance at June 30, 2023 is \$819,001. 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 \$538,108 primarily as a result of annual interest earnings and is reported in the General Fund as assigned.

## City of Grosse Pointe Woods, Michigan

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

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

General obligation debt for the City in fiscal year 2022-2023 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 2022-2023 ended with general obligation debt of \$5.62 million in outstanding principal.

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 purchase. Overall, the City's debt remains low, with combined governmental long-term debt at \$23 million, with \$17.22 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 7, respectively.

#### ***Economic Factors***

Property tax values increased pursuant to the Consumer Price Index (CPI) by 5 percent and realized an overall increase of 5.2 percent in fiscal year 2022-2023. 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 \$235,000 in fiscal year 2022-2023. 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, including reducing discretionary spending, evaluating and prioritizing capital projects, and working to establish partnerships with other agencies.

#### ***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.

June 30, 2023

	Governmental Activities	Business-type Activities	Total
<b>Assets</b>			
Cash and investments (Note 3)	\$ 14,733,140	\$ 13,336,879	\$ 28,070,019
Receivables:			
Customer receivables	-	1,891,739	1,891,739
Accrued interest receivable	44,742	37,332	82,074
Leases receivable (Note 5)	1,764,373	-	1,764,373
Other receivables	30,684	-	30,684
Due from other governments	1,108,291	36,545	1,144,836
Prepaid expenditures and other assets	377,225	26,270	403,495
Restricted assets	-	198,090	198,090
Investment in Grosse Pointes-Clinton Refuse Disposal Authority (Note 15)	68,888	-	68,888
Capital assets: (Note 4)			
Assets not subject to depreciation	1,865,088	2,929,228	4,794,316
Assets subject to depreciation - Net	60,237,111	29,720,036	89,957,147
Total assets	80,229,542	48,176,119	128,405,661
<b>Deferred Outflows of Resources</b>			
Deferred pension costs	2,225,408	322,335	2,547,743
Deferred OPEB costs	78,839	7,539	86,378
Total deferred outflows of resources	2,304,247	329,874	2,634,121
<b>Liabilities</b>			
Accounts payable	877,896	957,942	1,835,838
Accrued liabilities and other:			
Accrued salaries and wages	133,216	9,776	142,992
Payroll taxes and withholdings	25,211	1,173	26,384
Accrued interest payable	141,144	28,832	169,976
Accrued other	240,620	4,873	245,493
Unearned revenue	77,626	-	77,626
Noncurrent liabilities:			
Due within one year:			
Compensated absences (Note 7)	777,768	50,267	828,035
Provision for claims (Notes 7 and 16)	456,766	21,601	478,367
Current portion of bonds and contracts payable (Note 7)	2,502,186	435,000	2,937,186
Due in more than one year:			
Compensated absences (Note 7)	239,310	25,652	264,962
Net pension liability (Note 9)	23,195,148	2,544,351	25,739,499
Net OPEB liability (Note 11)	23,433,838	2,237,708	25,671,546
Bonds and contracts payable - Net of current portion (Note 7)	20,537,625	3,979,064	24,516,689
Total liabilities	72,638,354	10,296,239	82,934,593
<b>Deferred Inflows of Resources</b>			
Deferred pension cost reductions	8,095,466	931,884	9,027,350
Deferred inflows from leases (Note 5)	1,785,509	-	1,785,509
Total deferred inflows of resources	9,880,975	931,884	10,812,859
<b>Net Position</b>			
Net investment in capital assets	39,062,388	28,235,200	67,297,588
Restricted:			
Roads	1,303,546	-	1,303,546
Debt service	816,212	198,090	1,014,302
Public safety	121,483	-	121,483
Solid waste	663,047	-	663,047
Community development	138,900	-	138,900
Grants	13,192	-	13,192
Opioid settlement	76,469	-	76,469
Unrestricted	(42,180,777)	8,844,580	(33,336,197)
Total net position	\$ 14,460	\$ 37,277,870	\$ 37,292,330



## 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	\$ 2,594,261	\$ 734,184	\$ 119,297	\$ -
Public safety	2,845,192	386,419	1,611,220	-
Public works	8,103,899	28,642	2,045,979	98,131
Solid waste	1,778,704	-	-	-
Municipal improvement	50,976	-	-	-
Parks and recreation	1,739,957	242,217	-	-
Interest on long-term debt	531,883	-	-	-
Total governmental activities	17,644,872	1,391,462	3,776,496	98,131
Business-type activities:				
Water and Sewer Fund	5,978,476	7,999,000	-	-
Parking Fund	338,605	331,026	-	-
Nonmajor enterprise	169,889	225,781	-	-
Total business-type activities	6,486,970	8,555,807	-	-
Total primary government	<u>\$ 24,131,842</u>	<u>\$ 9,947,269</u>	<u>\$ 3,776,496</u>	<u>\$ 98,131</u>
General revenue:				
Taxes - Property taxes				
Intergovernmental				
Unrestricted investment income				
Franchise fees				
Other miscellaneous income				
Total general revenue				
<b>Change in Net Position</b>				
<b>Net Position (Deficit) - Beginning of year</b>				
<b>Net Position - End of year</b>				

## Statement of Activities

Year Ended June 30, 2023

Primary Government		
Governmental Activities	Business-type Activities	Total
\$ (1,740,780)	\$ -	\$ (1,740,780)
(847,553)	-	(847,553)
(5,931,147)	-	(5,931,147)
(1,778,704)	-	(1,778,704)
(50,976)	-	(50,976)
(1,497,740)	-	(1,497,740)
(531,883)	-	(531,883)
(12,378,783)	-	(12,378,783)
-	2,020,524	2,020,524
-	(7,579)	(7,579)
-	55,892	55,892
-	2,068,837	2,068,837
(12,378,783)	2,068,837	(10,309,946)
17,797,438	-	17,797,438
2,175,251	-	2,175,251
504,673	303,383	808,056
316,184	-	316,184
375,801	-	375,801
21,169,347	303,383	21,472,730
8,790,564	2,372,220	11,162,784
(8,776,104)	34,905,650	26,129,546
<b>\$ 14,460</b>	<b>\$ 37,277,870</b>	<b>\$ 37,292,330</b>

City of Grosse Pointe Woods, Michigan

Governmental Funds  
Balance Sheet

June 30, 2023

	General Fund	Debt Service Fund - Grosse-Gratiot Drain Fund	Nonmajor Funds	Total Governmental Funds
<b>Assets</b>				
Cash and investments (Note 3)	\$ 8,943,034	\$ 405,427	\$ 3,865,356	\$ 13,213,817
Receivables:				
Accrued interest receivable	33,744	-	-	33,744
Leases receivable	1,764,373	-	-	1,764,373
Other receivables	26,584	-	4,100	30,684
Due from other governments	673,664	-	325,044	998,708
Due from other funds (Note 6)	20,000	-	-	20,000
Advances to other funds (Note 6)	51,979	-	-	51,979
Prepaid expenditures and other assets	202,098	80,670	17,170	299,938
<b>Total assets</b>	<b>\$ 11,715,476</b>	<b>\$ 486,097</b>	<b>\$ 4,211,670</b>	<b>\$ 16,413,243</b>
<b>Liabilities</b>				
Accounts payable	\$ 371,594	\$ -	\$ 455,511	\$ 827,105
Due to other funds (Note 6)	-	-	20,000	20,000
Advances from other funds (Note 6)	-	-	51,979	51,979
Accrued liabilities and other:				
Accrued salaries and wages	126,915	-	4,347	131,262
Payroll taxes and withholdings	23,476	-	1,238	24,714
Accrued other	167,848	38,227	33,564	239,639
Unearned revenue	-	-	77,626	77,626
Provision for claims	227,054	-	29,046	256,100
<b>Total liabilities</b>	<b>916,887</b>	<b>38,227</b>	<b>673,311</b>	<b>1,628,425</b>
<b>Deferred Inflows of Resources</b>				
Unavailable revenue	89,846	-	83,280	173,126
Deferred inflows from leases	1,785,509	-	-	1,785,509
<b>Total deferred inflows of resources</b>	<b>1,875,355</b>	<b>-</b>	<b>83,280</b>	<b>1,958,635</b>
<b>Fund Balances</b>				
Nonspendable	254,077	80,670	17,170	351,917
Restricted:				
Roads	-	-	1,293,485	1,293,485
Public safety	-	-	120,703	120,703
Debt service	-	367,200	368,342	735,542
Grants	-	-	3,148	3,148
Community development	-	-	138,900	138,900
Solid waste	-	-	656,868	656,868
Opioid settlement	-	-	13,189	13,189
Committed:				
Capital projects	26,568	-	564,258	590,826
Local streets	806,768	-	-	806,768
Assigned:				
Public safety	50,000	-	113,565	163,565
Capital projects	-	-	18,222	18,222
Parkway beautification	-	-	157,185	157,185
Cable	538,108	-	-	538,108
Unassigned	7,247,713	-	(9,956)	7,237,757
<b>Total fund balances</b>	<b>8,923,234</b>	<b>447,870</b>	<b>3,455,079</b>	<b>12,826,183</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 11,715,476</b>	<b>\$ 486,097</b>	<b>\$ 4,211,670</b>	<b>\$ 16,413,243</b>

Governmental Funds

Reconciliation of the Balance Sheet to the Statement of Net Position

**June 30, 2023**

<b>Fund Balances Reported in Governmental Funds</b>	<b>\$ 12,826,183</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	59,370,293
Receivables that are not collected soon after year end are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds	173,126
Investments in joint ventures are not financial resources and are not reported in the funds	68,888
Bonds payable and lease liabilities are not due and payable in the current period and are not reported in the funds	(22,837,955)
Accrued interest is not due and payable in the current period and is not reported in the funds	(141,144)
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	(982,586)
Pension benefits	(28,195,833)
Retiree health care benefits (OPEB)	(22,685,843)
Internal service funds are included as part of governmental activities	2,419,331
<b>Net Position of Governmental Activities</b>	<b>\$ 14,460</b>

# City of Grosse Pointe Woods, Michigan

## Governmental Funds

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

**Year Ended June 30, 2023**

	General Fund	Debt Service Fund - Grosse-Gratiot Drain Fund	Nonmajor Funds	Total Governmental Funds
<b>Revenue</b>				
Property taxes	\$ 11,019,489	\$ 3,767,957	\$ 3,009,992	\$ 17,797,438
Franchise fees	376,482	-	-	376,482
Intergovernmental:				
Federal grants	1,634,140	-	48,994	1,683,134
State sources	2,639,881	17,886	1,380,788	4,038,555
Charges for services	919,111	-	-	919,111
Fines and forfeitures	211,957	-	-	211,957
Investment income	354,451	20,108	95,541	470,100
Other revenue	367,409	-	439,524	806,933
<b>Total revenue</b>	<b>17,522,920</b>	<b>3,805,951</b>	<b>4,974,839</b>	<b>26,303,710</b>
<b>Expenditures</b>				
Current services:				
General government	3,794,417	-	63,734	3,858,151
Public safety	6,624,932	-	23,123	6,648,055
Public works	3,205,406	3,023,078	3,021,612	9,250,096
Community and economic development	-	-	231,071	231,071
Parks and recreation	1,850,213	-	54,973	1,905,186
Debt service:				
Principal	-	847,647	1,205,000	2,052,647
Interest on long-term debt	-	437,031	172,314	609,345
<b>Total expenditures</b>	<b>15,474,968</b>	<b>4,307,756</b>	<b>4,771,827</b>	<b>24,554,551</b>
<b>Excess of Revenue Over (Under) Expenditures</b>	<b>2,047,952</b>	<b>(501,805)</b>	<b>203,012</b>	<b>1,749,159</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	-	704,739	704,739
Transfers out	(704,739)	-	-	(704,739)
<b>Total other financing (uses) sources</b>	<b>(704,739)</b>	<b>-</b>	<b>704,739</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>1,343,213</b>	<b>(501,805)</b>	<b>907,751</b>	<b>1,749,159</b>
<b>Fund Balances - Beginning of year</b>	<b>7,580,021</b>	<b>949,675</b>	<b>2,547,328</b>	<b>11,077,024</b>
<b>Fund Balances - End of year</b>	<b>\$ 8,923,234</b>	<b>\$ 447,870</b>	<b>\$ 3,455,079</b>	<b>\$ 12,826,183</b>

## 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, 2023

<b>Net Change in Fund Balances Reported in Governmental Funds</b>	<b>\$ 1,749,159</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	(2,766,505)
Capital outlay	1,464,697
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	26,217
Repayment of bond principal is an expenditure in the governmental funds but not in the statement of activities (where it reduces long-term debt)	2,114,916
Interest expense is recognized in the government-wide statements as it accrues	15,193
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	6,191,606
Change in investment in a joint Grosse Pointes-Clinton Refuse Disposal Authority is not recorded in the funds	3,169
Internal service funds are included as part of governmental activities	(7,888)
<b>Change in Net Position of Governmental Activities</b>	<b><u>\$ 8,790,564</u></b>

# City of Grosse Pointe Woods, Michigan

## Proprietary Funds Statement of Net Position

June 30, 2023

	Enterprise Funds			Total	Governmental Activities
	Water and Sewer Fund	Parking Utility Fund	Nonmajor Enterprise Funds		Internal Service Funds
<b>Assets</b>					
Current assets:					
Cash and investments	\$ 11,952,117	\$ 781,980	\$ 602,782	\$ 13,336,879	\$ 1,519,323
Receivables:					
Customer receivables	1,891,739	-	-	1,891,739	-
Accrued interest receivable	37,016	316	-	37,332	10,998
Due from other governments	36,545	-	-	36,545	109,583
Prepaid expenditures and other assets	23,270	3,000	-	26,270	77,287
Total current assets	13,940,687	785,296	602,782	15,328,765	1,717,191
Noncurrent assets:					
Restricted assets	198,090	-	-	198,090	-
Capital assets:					
Assets not subject to depreciation	2,929,228	-	-	2,929,228	-
Assets subject to depreciation - Net	28,893,120	417,874	409,042	29,720,036	2,731,906
Total noncurrent assets	32,020,438	417,874	409,042	32,847,354	2,731,906
Total assets	45,961,125	1,203,170	1,011,824	48,176,119	4,449,097
<b>Deferred Outflows of Resources</b>					
Deferred pension costs	280,031	42,304	-	322,335	105,971
Deferred OPEB costs	6,047	1,492	-	7,539	2,249
Total deferred outflows of resources	286,078	43,796	-	329,874	108,220
<b>Liabilities</b>					
Current liabilities:					
Accounts payable	899,289	56,581	2,072	957,942	50,791
Accrued liabilities and other	40,141	2,322	2,191	44,654	3,432
Compensated absences	45,982	4,285	-	50,267	-
Provision for claims	21,601	-	-	21,601	200,666
Current portion of bonds and contracts payable	435,000	-	-	435,000	99,963
Total current liabilities	1,442,013	63,188	4,263	1,509,464	354,852
Noncurrent liabilities:					
Compensated absences	19,582	6,070	-	25,652	34,492
Net pension liability	2,178,798	365,553	-	2,544,351	704,080
Net OPEB liability	1,794,410	443,298	-	2,237,708	671,405
Bonds and contracts payable - Net of current portion	3,979,064	-	-	3,979,064	101,893
Total noncurrent liabilities	7,971,854	814,921	-	8,786,775	1,511,870
Total liabilities	9,413,867	878,109	4,263	10,296,239	1,866,722
<b>Deferred Inflows of Resources - Deferred pension cost reductions</b>					
	801,974	129,910	-	931,884	271,264
<b>Net Position</b>					
Net investment in capital assets	27,408,284	417,874	409,042	28,235,200	2,530,050
Restricted - Debt service	198,090	-	-	198,090	-
Unrestricted	8,424,988	(178,927)	598,519	8,844,580	(110,719)
Total net position	\$ 36,031,362	\$ 238,947	\$ 1,007,561	\$ 37,277,870	\$ 2,419,331

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

Year Ended June 30, 2023

	Enterprise Funds			Total	Governmental
	Water and Sewer Fund	Parking Utility Fund	Nonmajor Enterprise Funds		Internal Service Funds
<b>Operating Revenue</b>					
Water sales and charges for services	\$ 7,740,020	\$ -	\$ -	\$ 7,740,020	\$ -
Interest and penalty charges	129,604	-	-	129,604	-
Fees and violations	-	315,851	-	315,851	-
Docking and launching fees	-	-	216,226	216,226	-
Commodity sales	-	-	9,555	9,555	-
Other revenue	101,107	15,175	-	116,282	-
Charges to other funds	-	-	-	-	865,909
<b>Total operating revenue</b>	<b>7,970,731</b>	<b>331,026</b>	<b>225,781</b>	<b>8,527,538</b>	<b>865,909</b>
<b>Operating Expenses</b>					
Cost of water	3,203,706	-	-	3,203,706	-
Cost of insurance claims	-	-	-	-	261,349
General and administrative	675,123	208,540	84,596	968,259	15,756
Operation and maintenance	931,276	81,688	5,000	1,017,964	-
Charges from internal service funds	90,000	-	-	90,000	-
Vehicle operation and maintenance	-	-	-	-	328,336
Depreciation	954,677	48,377	80,293	1,083,347	427,307
<b>Total operating expenses</b>	<b>5,854,782</b>	<b>338,605</b>	<b>169,889</b>	<b>6,363,276</b>	<b>1,032,748</b>
<b>Operating Income (Loss)</b>	<b>2,115,949</b>	<b>(7,579)</b>	<b>55,892</b>	<b>2,164,262</b>	<b>(166,839)</b>
<b>Nonoperating Revenue (Expense)</b>					
Investment income	263,079	19,369	20,935	303,383	41,329
Interest expense	(123,694)	-	-	(123,694)	(5,789)
Loss on sale of assets	-	-	-	-	(27,525)
Amortization of debt premium	28,269	-	-	28,269	-
Insurance proceeds	-	-	-	-	150,936
<b>Total nonoperating revenue</b>	<b>167,654</b>	<b>19,369</b>	<b>20,935</b>	<b>207,958</b>	<b>158,951</b>
<b>Change in Net Position</b>	<b>2,283,603</b>	<b>11,790</b>	<b>76,827</b>	<b>2,372,220</b>	<b>(7,888)</b>
<b>Net Position - Beginning of year</b>	<b>33,747,759</b>	<b>227,157</b>	<b>930,734</b>	<b>34,905,650</b>	<b>2,427,219</b>
<b>Net Position - End of year</b>	<b>\$ 36,031,362</b>	<b>\$ 238,947</b>	<b>\$ 1,007,561</b>	<b>\$ 37,277,870</b>	<b>\$ 2,419,331</b>



# City of Grosse Pointe Woods, Michigan

## Proprietary Funds Statement of Cash Flows

Year Ended June 30, 2023

	Enterprise Funds				Governmental Activities
	Water and Sewer Fund	Parking Utility Fund	Nonmajor Enterprise Funds	Total	Internal Service Funds
<b>Cash Flows from Operating Activities</b>					
Receipts from customers	\$ 8,017,620	\$ 331,026	\$ 225,781	\$ 8,574,427	\$ -
Receipts from interfund services and reimbursements	-	-	-	-	865,909
Payments to suppliers	(2,974,104)	(127,300)	(40,638)	(3,142,042)	(417,115)
Payments to employees and fringes	(1,828,427)	(198,207)	(49,968)	(2,076,602)	(398,992)
Payments to other funds	(1,000)	-	-	(1,000)	-
Claims paid	-	-	-	-	(152,254)
Net cash and cash equivalents provided by (used in) operating activities	3,214,089	5,519	135,175	3,354,783	(102,452)
<b>Cash Flows from Capital and Related Financing Activities</b>					
Proceeds from insurance	-	-	-	-	150,936
Proceeds from sale of capital assets	-	-	-	-	4,100
Purchase of capital assets	(1,377,380)	-	(65,445)	(1,442,825)	(157,161)
Principal and interest paid on capital debt	(963,694)	-	-	(963,694)	(5,789)
Net cash and cash equivalents used in capital and related financing activities	(2,341,074)	-	(65,445)	(2,406,519)	(7,914)
<b>Cash Flows from Investing Activities</b>					
Interest received on investments	234,956	11,094	20,935	266,985	31,368
(Purchases of investments) proceeds from sale and maturities of investment securities	(207,473)	-	-	(207,473)	(5,739)
Net cash and cash equivalents provided by investing activities	27,483	11,094	20,935	59,512	25,629
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	900,498	16,613	90,665	1,007,776	(84,737)
<b>Cash and Cash Equivalents - Beginning of year</b>	4,692,845	271,352	512,117	5,476,314	861,052
<b>Cash and Cash Equivalents - End of year</b>	<b>\$ 5,593,343</b>	<b>\$ 287,965</b>	<b>\$ 602,782</b>	<b>\$ 6,484,090</b>	<b>\$ 776,315</b>
<b>Classification of Cash and Cash Equivalents</b>					
Cash and investments	\$ 11,952,117	\$ 781,980	\$ 602,782	\$ 13,336,879	\$ 1,519,323
Restricted cash	198,090	-	-	198,090	-
Less amounts classified as investments	(6,556,864)	(494,015)	-	(7,050,879)	(743,008)
<b>Total cash and cash equivalents</b>	<b>\$ 5,593,343</b>	<b>\$ 287,965</b>	<b>\$ 602,782</b>	<b>\$ 6,484,090</b>	<b>\$ 776,315</b>

Proprietary Funds  
Statement of Cash Flows (Continued)

Year Ended June 30, 2023

	Enterprise Funds				Governmental
	Water and Sewer Fund	Parking Utility Fund	Nonmajor Enterprise Funds	Total	Internal Service Funds
<b>Reconciliation of Operating Income (Loss) to Net Cash from Operating Activities</b>					
Operating income (loss)	\$ 2,115,949	\$ (7,579)	\$ 55,892	\$ 2,164,262	\$ (166,839)
Adjustments to reconcile operating income (loss) to net cash from operating activities:					
Depreciation	954,677	48,377	80,293	1,083,347	427,307
Changes in assets and liabilities:					
Receivables	463	-	-	463	(109,583)
Due to and from other funds	(1,000)	-	-	(1,000)	-
Prepaid and other assets	(6,749)	(708)	-	(7,457)	(2,713)
Net pension or OPEB asset	(129,405)	(73,329)	443	(202,291)	(381,305)
Accounts payable	280,154	38,758	(1,453)	317,459	39,169
Estimated claims liability	-	-	-	-	91,512
Total adjustments	<u>1,098,140</u>	<u>13,098</u>	<u>79,283</u>	<u>1,190,521</u>	<u>64,387</u>
Net cash and cash equivalents provided by (used in) operating activities	<u>\$ 3,214,089</u>	<u>\$ 5,519</u>	<u>\$ 135,175</u>	<u>\$ 3,354,783</u>	<u>\$ (102,452)</u>

**City of Grosse Pointe Woods, Michigan**

**Fiduciary Funds  
Statement of Fiduciary Net Position**

**June 30, 2023**

	Pension and Other Employee Benefit Trust Funds	<u>Custodial Fund</u> Tax Collection Fund
<b>Assets</b>		
Cash and cash equivalents	\$ 735,863	\$ -
Investments:		
Stocks	16,007,056	-
Corporate bonds	7,684,765	-
Exchange-traded funds	20,560,836	-
Receivables - Accrued interest receivable	1,108	-
Total assets	44,989,628	-
<b>Liabilities</b>	-	-
<b>Net Position</b>		
Restricted for pension	42,976,584	-
Restricted for postemployment benefits other than pension	2,013,044	-
Total net position	\$ 44,989,628	\$ -

Fiduciary Funds  
Statement of Changes in Fiduciary Net Position

Year Ended June 30, 2023

	Pension and Other Employee Benefit Trust Funds	Custodial Fund  Tax Collection Fund
<b>Additions</b>		
Investment income (loss):		
Interest and dividends	\$ 387,152	\$ -
Net increase in fair value of investments	3,947,259	-
Investment costs	(69,065)	-
Net investment income	4,265,346	-
Contributions:		
Employer contributions	3,798,989	-
Employee contributions	349,038	-
Total contributions	4,148,027	-
Property tax collections for other governments	-	35,599,495
Total additions	8,413,373	35,599,495
<b>Deductions</b>		
Benefit payments	5,435,715	-
Tax distributions to other governments	-	35,599,495
Total deductions	5,435,715	35,599,495
<b>Net Increase in Fiduciary Net Position</b>	2,977,658	-
<b>Net Position - Beginning of year</b>	42,011,970	-
<b>Net Position - End of year</b>	<b>\$ 44,989,628</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.

**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 funds as 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 departments 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 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, 2023. 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:

<u>Capital Asset Class</u>	<u>Depreciable Life - Years</u>
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 bond 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 assets 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 assets 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
Unavailable revenue (those not collected within the period of availability) - Reported only at the modified accrual level	✓	
Deferred pension costs (or cost reductions)	✓	✓
Deferred OPEB costs (or cost reductions)		✓
Deferred lease revenue	✓	

**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, 2023

**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 2022 property tax revenue was levied and collectible on July 1, 2022 and was recognized as revenue in the year ended June 30, 2023 when the proceeds of the levy were budgeted and available for the financing of operations.

The 2022 taxable valuation of the City totaled \$807 million. Taxes were levied as follows:

Purpose	Millage Rate	Revenue
General operating	12.9269	\$ 10,401,000
Public relations	0.0619	50,000
Solid waste disposal	2.4711	1,988,000
Road bond debt	1.2761	1,027,000
Grosse-Gratiot Drain	4.6912	3,772,000
Total		<u>\$ 17,238,000</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.

**Leases**

The City is a lessor for noncancelable leases of property used for telecommunications equipment. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and fund financial statements.

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

Key estimates and judgments include how the City determines the discount rate it uses to discount the expected lease receipts to present value, lease term, and lease receipts.

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

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

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

***Upcoming Accounting Pronouncements***

In June 2022, the Governmental Accounting Standards Board issued Statement No. 100, *Accounting Changes and Error Corrections*, which enhances the accounting and financial reporting requirements for accounting changes and error corrections. The provisions of this statement are effective for the City's financial statements for the year ending June 30, 2024.

In June 2022, the Governmental Accounting Standards Board issued Statement No. 101, *Compensated Absences*, which updates the recognition and measurement guidance for compensated absences under a unified model. This statement requires that liabilities for compensated absences be recognized for leave that has not been used and leave that has been used but not yet paid in cash or settled through noncash means and establishes guidance for measuring a liability for leave that has not been used. It also updates disclosure requirements for compensated absences. The provisions of this statement are effective for the City's financial statements for the year ending June 30, 2025.

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

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

During the year, the City incurred expenditures in the Grosse-Gratiot Drain Fund that were in excess of the amount budgeted as follows:

	Budget	Actual
Grosse-Gratiot Drain Fund	\$ 3,786,262	\$ 4,307,756

***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, 2022	\$ (1,009,743)
Current year permit revenue	649,636
Related expenses - Direct costs	819,856
Current year shortfall	(170,220)
Cumulative shortfall at June 30, 2023	\$ (1,179,963)

At June 30, 2023, the City had no outstanding encumbrances.

**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.

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

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 \$4,009,445 (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.

**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 3 years.

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

Primary Government		Carrying Value	0-5 Years	
Municipal bonds		\$ 247,020	\$	247,020
Federal Home Loan Mortgage Corporation		2,722,065		2,722,065
Federal National Mortgage Association		231,162		231,162
Federal Home Loan Bank		2,608,840		2,608,840
Federal Farm Credit Bank		3,273,511		3,273,511
<b>Total</b>		<b>\$ 9,082,598</b>	<b>\$</b>	<b>9,082,598</b>

Fiduciary Funds	Carrying Value	0-5 Years	5-15 Years	More Than 15 Years
Commercial bond funds	\$ 7,684,765	\$ -	\$ 7,684,765	\$ -

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

**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, 2023, 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>			
Federal Home Loan Mortgage Corporation	\$ 2,722,065	AAA	Moody's
Federal National Mortgage Association - Fixed	231,162	AAA	Moody's
Federal Home Loan Bank - Fixed	2,608,840	AAA	Moody's
Federal Farm Credit Bank	3,273,511	AAA	Moody's
Municipal bonds	247,020	AAA	Moody's

Investment	Carrying Value	Rating	Rating Organization
<b>Fiduciary Funds</b>			
Commercial bond funds	\$ 7,684,765	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 Bank	25.68 %
Federal Farm Credit Bank	32.23
Fiduciary Funds	Percent
iShares	34.64 %
Vanguard Small Cap	6.61

**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.

June 30, 2023

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

The City has the following recurring fair value measurements as of June 30, 2023:

	Assets Measured at Carrying Value on a Recurring Basis at June 30, 2023			
	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, 2023
Debt securities - Bond funds	\$ 7,684,765	\$ -	\$ -	\$ 7,684,765
Equity securities:				
Money market funds	528,398	-	-	528,398
Equity funds	36,567,892	-	-	36,567,892
Total equity securities	37,096,290	-	-	37,096,290
Governmental securities:				
U.S. governmental bonds	-	8,835,578	-	8,835,578
Municipal bonds	-	247,020	-	247,020
Total governmental securities	-	9,082,598	-	9,082,598
Total investments by fair value	\$ 44,781,055	\$ 9,082,598	\$ -	\$ 53,863,653

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, 2023 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.

**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, 2023, the fair value of those investments is as follows:

	Carrying Value
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.

June 30, 2023

**Note 4 - Capital Assets**

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

**Governmental Activities**

	Balance July 1, 2022	Reclassifications	Additions	Disposals and Adjustments	Balance June 30, 2023
Capital assets not being depreciated:					
Land	\$ 1,547,967	\$ -	\$ -	\$ -	\$ 1,547,967
Construction in progress	22,294,575	(22,294,575)	317,121	-	317,121
Subtotal	23,842,542	(22,294,575)	317,121	-	1,865,088
Capital assets being depreciated:					
Infrastructure	45,098,277	22,294,575	807,744	-	68,200,596
Buildings	12,347,158	-	176,085	-	12,523,243
Equipment and vehicles	10,509,099	-	205,117	(174,622)	10,539,594
Land improvements	1,558,821	-	115,790	-	1,674,611
Subtotal	69,513,355	22,294,575	1,304,736	(174,622)	92,938,044
Accumulated depreciation:					
Infrastructure	14,908,822	-	2,123,864	-	17,032,686
Buildings	6,710,367	-	313,396	-	7,023,763
Equipment and vehicles	7,584,801	-	699,081	(142,997)	8,140,885
Land improvements	446,128	-	57,471	-	503,599
Subtotal	29,650,118	-	3,193,812	(142,997)	32,700,933
Net capital assets being depreciated	39,863,237	22,294,575	(1,889,076)	(31,625)	60,237,111
Net governmental activities capital assets	\$ 63,705,779	\$ -	\$ (1,571,955)	\$ (31,625)	\$ 62,102,199

**Business-type Activities**

	Balance July 1, 2022	Reclassifications	Additions	Disposals and Adjustments	Balance June 30, 2023
Capital assets not being depreciated - Construction in progress	\$ 2,100,773	\$ (171,615)	\$ 1,000,070	\$ -	\$ 2,929,228
Capital assets being depreciated:					
Water and sewer lines	47,915,144	165,365	377,310	-	48,457,819
Land improvements	2,507,469	6,250	65,445	-	2,579,164
Subtotal	50,422,613	171,615	442,755	-	51,036,983
Accumulated depreciation:					
Water and sewer lines	18,610,022	-	954,677	-	19,564,699
Land improvements	1,623,578	-	128,670	-	1,752,248
Subtotal	20,233,600	-	1,083,347	-	21,316,947
Net capital assets being depreciated	30,189,013	171,615	(640,592)	-	29,720,036
Net business-type activities capital assets	\$ 32,289,786	\$ -	\$ 359,478	\$ -	\$ 32,649,264



June 30, 2023

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

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

Governmental activities:	
General government	\$ 252,165
Public safety	114,503
Public works	2,226,877
Recreation and culture	172,960
Internal service funds	<u>427,307</u>
Total governmental activities	<u>\$ 3,193,812</u>
Business-type activities:	
Water and sewer	\$ 954,677
Parking utility	48,377
Boat dock	77,425
Commodity sales	<u>2,868</u>
Total business-type activities	<u>\$ 1,083,347</u>

**Construction Commitments**

The City has active construction projects at year end. At June 30, 2023, the City has spent \$4,782,360 in connection with active construction projects, and the City's commitment with contractors was \$4,865,363.

**Note 5 - Leases**

The City is the lessor for one asset related to telecommunications. The lease commenced on October 1, 2021 and is for a term of 30 years, with fixed monthly payments that increase 3.5 percent yearly on October 1. This lease was amended in 2023 to increase the space leased for a term of 10 years, with additional fixed payments that increase 2.5 percent yearly.

During the year ended June 30, 2023, the City recognized the following related to its lessor agreements in the General Fund:

Lease revenue	\$ 60,298
Interest income related to its leases	50,415

The City received \$120,000 in the year ended June 30, 2022 as a one-time lease renewal payment. That amount is being recognized over the life of the lease.

As of June 30, 2023, the City had a lease receivable of \$1,764,373 and deferred inflows related to the lease of \$1,785,509.

**Note 6 - 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	\$ 51,979

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

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

Receivable	Payable	Amount
General Fund	Nonmajor governmental funds	\$ 20,000

June 30, 2023

**Note 6 - Interfund Receivables, Payables, and Transfers (Continued)**

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	\$ 704,739

The transfers from the General Fund represent transfers of unrestricted resources to finance operations of the various departments in accordance with budgetary authorizations.

**Note 7 - Long-term Debt**

Long-term debt activity for the year ended June 30, 2023 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	2.5%	\$799,968 - \$1,164,057	\$ 16,322,425	\$ -	\$ (779,456)	\$ 15,542,969	\$ 799,968
State Revolving Fund, Series 5446-02 - Maturing through 2041	1.875%	\$69,986 - \$95,109	1,545,064	-	(68,191)	1,476,873	69,986
Installment loan - Fire truck		\$99,963 - \$101,893	201,856	-	-	201,856	99,963
Total direct borrowings and direct placements principal outstanding			18,069,345	-	(847,647)	17,221,698	969,917
<b>Other debt</b>							
General obligation bonds - 2015 Road Construction bonds:							
Amount of issue - \$6,600,000 Maturing through 2025	2.00%-4.00%	\$1,000,000	2,750,000	-	(750,000)	2,000,000	1,000,000
General obligation bonds - 2017 Road Construction bonds:							
Amount of issue - \$2,875,000 Maturing through 2028	2.36%	\$320,000 - \$345,000	1,975,000	-	(310,000)	1,665,000	320,000
General obligation bonds - 2018 Capital Improvement bonds:							
Amount of issue - \$2,500,000 Maturing through 2033	3.5%	\$150,000 - \$210,000	2,095,000	-	(145,000)	1,950,000	150,000
Total other debt principal outstanding			6,820,000	-	(1,205,000)	5,615,000	1,470,000
Unamortized bond premiums			265,382	-	(62,269)	203,113	62,269
Total bonds and contracts payable			25,154,727	-	(2,114,916)	23,039,811	2,502,186
Employee compensated absences			1,011,092	779,177	(773,191)	1,017,078	777,768
Estimated liability for workers' compensation and health claims (Note 16)			127,046	1,896,377	(1,566,657)	456,766	456,766
Total governmental activities long-term debt			<u>\$ 26,292,865</u>	<u>\$ 2,675,554</u>	<u>\$ (4,454,764)</u>	<u>\$ 24,513,655</u>	<u>\$ 3,736,720</u>

**Note 7 - 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		\$110,000 -					
Maturing through 2030	2.5%	\$130,606	\$ 955,606	\$ -	\$ (110,000)	\$ 845,606	\$ 110,000
2010 Drinking Water Revolving Fund - 7332-01:							
Amount of issue - \$3,531,192		\$185,000 -					
Maturing through 2029	2.5%	\$221,393	2,016,393	-	(180,000)	1,836,393	185,000
2012 State Revolving Fund Bond - 5365-01:							
Amount of issue - \$2,922,065		\$140,000 -					
Maturing through 2033	2.5%	\$177,065	1,867,065	-	(135,000)	1,732,065	140,000
Total direct borrowings and direct placements principal outstanding			4,839,064	-	(425,000)	4,414,064	435,000
Other debt - 2013 Revenue Refunding Bond:							
Amount of refunding - \$3,190,000			415,000	-	(415,000)	-	-
Maturing through 2023			28,269	-	(28,269)	-	-
Unamortized bond premiums				-			
Total bonds and contracts payable			5,282,333	-	(868,269)	4,414,064	435,000
Employee compensated absences			71,722	51,685	(47,488)	75,919	50,267
Estimated liability for workers' compensation and health claims (Note 16)			1,471	167,423	(147,293)	21,601	21,601
Total business-type activities long-term debt			<u>\$ 5,355,526</u>	<u>\$ 219,108</u>	<u>\$ (1,063,050)</u>	<u>\$ 4,511,584</u>	<u>\$ 506,868</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.

***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.

**Note 7 - Long-term Debt (Continued)**

*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	
2024	\$ 969,917	\$ 378,855	\$ 1,470,000	\$ 128,916	\$ 2,947,688
2025	994,153	355,615	1,480,000	96,088	2,925,856
2026	912,772	331,790	495,000	72,925	1,812,487
2027	935,079	309,419	505,000	60,052	1,809,550
2028	959,949	286,503	515,000	46,898	1,808,350
2029-2033	5,165,625	1,067,782	940,000	121,275	7,294,682
Thereafter	7,284,203	400,258	210,000	3,675	7,898,136
<b>Total</b>	<b>\$ 17,221,698</b>	<b>\$ 3,130,222</b>	<b>\$ 5,615,000</b>	<b>\$ 529,829</b>	<b>\$ 26,496,749</b>

Years Ending June 30	Business-type Activities		
	Direct Borrowings and Direct Placements		
	Principal	Interest	Total
2024	\$ 435,000	\$ 108,604	\$ 543,604
2025	445,000	97,729	542,729
2026	460,000	86,542	546,542
2027	470,000	74,979	544,979
2028	485,000	63,167	548,167
2029-2033	1,941,999	139,120	2,081,119
Thereafter	177,065	2,213	179,278
<b>Total</b>	<b>\$ 4,414,064</b>	<b>\$ 572,354</b>	<b>\$ 4,986,418</b>

**Note 8 - Milk River Drainage District**

The City is a 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, 2023, the drainage district had issued \$40,660,000 of debt to make improvements to the system. The total cost of the project as of June 30, 2023 is \$44,332,896, and it has been substantially completed during the fiscal year ended June 30, 2023. The City of Grosse Pointe Woods, Michigan is responsible for funding 50.5 percent of the project. As of June 30, 2023, the City has recorded \$22,388,113 for its share of the completed capital improvements and \$17,019,842 for its share of the debt. In addition to the debt, the City has recorded \$80,670 in prepayments for additional costs as of June 30, 2023. The City records the activity in the Grosse-Gratiot Drain Fund.

**Note 9 - Defined Benefit 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 defined benefit pension 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). There are no separately available financial statements for the pension systems.

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, 2023	June 30, 2023
Inactive plan members or beneficiaries currently receiving benefits	108	60
Inactive plan members entitled to but not yet receiving benefits	12	-
Active plan members	76	47
Total employees covered by the plan	<u>196</u>	<u>107</u>

***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, 2023, the average active employee contribution rate was 5.5 percent and 0.0 percent of covered payroll, and the City's contribution rate was 37.77 percent and 11.83 percent of covered payroll for the various employee groups for the Pension Plan and the Supplemental Annuity, respectively.

**Note 9 - Defined Benefit Pension Plans (Continued)**

**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 Pension Plan Supplemental Annuity
Measurement date used for the City's net pension liability	June 30, 2023	June 30, 2023

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, 2022</b>	\$ 69,496,136	\$ 38,115,937	\$ 31,380,199
Changes for the year:			
Service cost	1,029,506	-	1,029,506
Interest	4,655,548	-	4,655,548
Changes in benefits	(2,108,032)	-	(2,108,032)
Differences between expected and actual experience	716,258	-	716,258
Changes in assumptions	(5,158,946)	-	(5,158,946)
Contributions - Employer	-	2,042,555	(2,042,555)
Contributions - Employee	-	297,963	(297,963)
Net investment income	-	3,922,857	(3,922,857)
Benefit payments, including refunds	(3,921,734)	(3,921,734)	-
Administrative expenses	-	(72,227)	72,227
<b>Net changes</b>	<b>(4,787,400)</b>	<b>2,269,414</b>	<b>(7,056,814)</b>
<b>Balance at June 30, 2023</b>	<b>\$ 64,708,736</b>	<b>\$ 40,385,351</b>	<b>\$ 24,323,385</b>

The plan's fiduciary net position represents 62.41 percent of the total pension liability.

**Note 9 - Defined Benefit 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, 2022</b>	\$ 3,878,998	\$ 2,314,927	\$ 1,564,071
Changes for the year:			
Service cost	44,932	-	44,932
Interest	283,542	-	283,542
Differences between expected and actual experience	39,243	-	39,243
Changes in assumptions	47,379	-	47,379
Contributions - Employer	-	329,201	(329,201)
Net investment income	-	235,635	(235,635)
Benefit payments, including refunds	(286,747)	(286,747)	-
Administrative expenses	-	(4,372)	4,372
Miscellaneous other charges	-	2,589	(2,589)
<b>Net changes</b>	<b>128,349</b>	<b>276,306</b>	<b>(147,957)</b>
<b>Balance at June 30, 2023</b>	<b>\$ 4,007,347</b>	<b>\$ 2,591,233</b>	<b>\$ 1,416,114</b>

The plan's fiduciary net position represents 64.66 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, 2023, the City Council recognized pension recovery of \$4,277,184 from the Pension Plan and pension expense of \$138,284 from the Supplemental Annuity.

At June 30, 2023, 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	\$ 537,190	\$ (370,171)
Changes in assumptions	-	(8,611,886)
Net difference between projected and actual earnings on pension plan investments	1,813,890	-
<b>Total</b>	<b>\$ 2,351,080</b>	<b>\$ (8,982,057)</b>

At June 30, 2023, 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	\$ 39,903	\$ (25,385)
Changes in assumptions	37,903	(19,908)
Net difference between projected and actual earnings on pension plan investments	118,857	-
<b>Total</b>	<b>\$ 196,663</b>	<b>\$ (45,293)</b>

**Note 9 - Defined Benefit 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
2024	\$ (4,977,626)	\$ 19,047
2025	(2,076,278)	16,008
2026	648,163	114,792
2027	(225,236)	1,523
Total	\$ (6,630,977)	\$ 151,370

**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)	7.4%	7.4%
Mortality rates	PubS-2010 and PubG-2010 Mortality Tables with MP-2018	PubS-2010 and PubG-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 7.35 and 7.40 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 4.13 percent. The source of that bond rate was the S&P Municipal Bond 20 Year High Grade Rate Index as of June 30, 2023. 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, 2023 through July 1, 2086 and from June 30, 2023 through July 1, 2113 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.



**Note 9 - Defined Benefit Pension Plans (Continued)**

**Investment Rate of Return**

Best estimates of geometric real rates of return as of the June 30, 2023 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 %	4.15 %
U.S. mid-cap equity	5.00	4.44
U.S. small-cap equity	7.00	6.22
International developed equity	10.00	6.22
International developed small cap	5.00	5.93
International emerging markets	10.00	7.11
U.S. core bonds	10.00	2.37
Public real estate (REITS)	3.00	4.15
High-yield bonds	10.00	6.22
Energy/MLPs	3.00	5.93
Liquid diversifying strategies	7.00	2.96

**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 (6.35 and 6.40 percent for the Pension Plan and Supplemental Annuity, respectively) or 1 percentage point higher (8.35 and 8.40 percent for the Pension Plan and 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	\$ 32,318,597	\$ 24,323,385	\$ 17,685,706
Net pension liability of the City of Grosse Pointe Woods Pension Plan Supplemental Annuity	1,845,962	1,416,114	1,054,736

**Assumption Changes**

The discount rate for the Pension Plan was updated from 6.79 percent to 7.35 percent to reflect the current and expected economic conditions.

**Benefit Changes**

Effective September 12, 2022, the Pension Plan added the Employee Retention Option Plan (EROP), which allowed command and public safety officers to draw a deferred pension. These employees are eligible at age 50 with 25 years of service, or age 55 with 20 years of service. Participation has a 5-year maximum and 3.00 percent interest. The EROP balance as of June 30, 2023 was \$0.

June 30, 2023

**Note 9 - Defined Benefit 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, 2023:

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, 2023, the annual money-weighted rate of return on pension plan investments and the supplemental annuity investments, net of pension plan investment expense, was 7.97 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**Note 10 - 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, 2023. Detailed information for each pension plan can be found in Note 9.

	Total Pension Liability	Plan Net Position	Net Pension Liability	Deferred Outflows	Deferred Inflows	Pension Expense
City of Grosse Pointe Woods Pension Plan	\$ 64,708,736	\$ 40,385,351	\$ 24,323,385	\$ 2,351,080	\$ 8,982,057	\$ (4,277,184)
City of Grosse Pointe Woods Pension Plan Supplemental Annuity	4,007,347	2,591,233	1,416,114	196,663	45,293	138,284
Total	<u>\$ 68,716,083</u>	<u>\$ 42,976,584</u>	<u>\$ 25,739,499</u>	<u>\$ 2,547,743</u>	<u>\$ 9,027,350</u>	<u>\$ (4,138,900)</u>

**Note 11 - 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 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. There are no separately available financial statements for the Plan.

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 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 and are eligible if they had been an employee on the date preceding the effective date of the retiree's retirement and commencement of benefits from the City. 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, 2022
Inactive plan members or beneficiaries currently receiving benefits	97
Active plan members	<u>36</u>
Total plan members	<u><u>133</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, 2023, the City's contribution was \$1,427,234. Certain plan members are required to contribute based on the terms of their union contract. Total employee contributions were \$51,075.

***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, 2023 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, 2023 measurement date. The valuation date was June 30, 2022.

**Note 11 - 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, 2022</b>	\$ 26,826,424	\$ 1,581,106	\$ 25,245,318
Changes for the year:			
Service cost	270,591	-	270,591
Interest	1,814,809	-	1,814,809
Contributions - Employer	-	1,427,234	(1,427,234)
Contributions - Employee	-	51,075	(51,075)
Net investment income	-	180,863	(180,863)
Benefit payments, including refunds	(1,227,234)	(1,227,234)	-
Net changes	858,166	431,938	426,228
<b>Balance at June 30, 2023</b>	<u>\$ 27,684,590</u>	<u>\$ 2,013,044</u>	<u>\$ 25,671,546</u>

The plan's fiduciary net position represents 7.27 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, 2023, the City recognized OPEB recovery of \$1,152,278.

At June 30, 2023, 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
Net difference between projected and actual earnings on OPEB plan investments	\$ 86,378	\$ -

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
2024	\$ 21,388
2025	14,455
2026	63,327
2027	(12,792)
Total	<u>\$ 86,378</u>

***Actuarial Assumptions***

The total OPEB liability in the June 30, 2023 actuarial valuation was determined using an investment rate of return (net of investment expenses) of 6.85 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-2020 improvement scale. These assumptions were applied to all periods included in the measurement.

**Note 11 - Other Postemployment Benefit Plan (Continued)**

**Discount Rate**

The discount rate used to measure the total OPEB liability was 6.85 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, 2023 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 %	5.12 %
U.S. mid-cap equity	15.00	5.54
U.S. small-cap equity	10.00	5.12
International developed equity	15.00	6.40
Emerging markets equity	5.00	8.10
U.S. core bonds	25.00	1.19
TIPs	5.00	1.28

**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 6.85 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 (5.85%)	Current Discount Rate (6.85%)	1 Percentage Point Increase (7.85%)
Net OPEB liability of the Grosse Pointe Woods Retiree Healthcare Plan	\$ 29,543,889	\$ 25,671,546	\$ 22,516,107

**Note 11 - 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	\$ 22,152,906	\$ 25,671,546	\$ 30,008,047

***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, 2023:

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	100.00 %

***Rate of Return***

For the year ended June 30, 2023, the annual money-weighted rate of return on OPEB plan investments, net of OPEB plan investment expense, was 8.09 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**Note 12 - 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 Mission Square. Payment of the deferred compensation is not available to employees until retirement, death, or unforeseeable emergency. As of June 30, 2023, employees who had elected to participate in the DC Plan had total assets of \$5,433,436.

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 13 - 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 HSA Plan totaled \$86,251 for the year ended June 30, 2023. 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, 2023, the HSA Plan had total assets of \$1,138,967.

**Note 14 - 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	\$ 683,096	\$ 43,833	\$ 8,934
Stocks	15,041,921	965,135	-
Corporate bonds	7,221,417	463,348	-
Bonds	17,437,860	1,118,866	2,004,110
Other assets	1,057	51	-
Net position	<u>\$ 40,385,351</u>	<u>\$ 2,591,233</u>	<u>\$ 2,013,044</u>
<b>Statement of Changes in Net Position</b>			
Investment income	\$ 3,915,743	\$ 237,805	\$ 180,863
Contributions	2,340,517	329,201	1,478,309
Benefit payments	3,921,734	286,747	1,227,234
Other deductions	65,112	3,953	-
Net change in net position	<u>\$ 2,269,414</u>	<u>\$ 276,306</u>	<u>\$ 431,938</u>

**Note 15 - 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 \$68,888 at June 30, 2023 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 16 - 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	
	2023	2022	2023	2022
Estimated liability - Beginning of year	\$ 108,664	\$ 123,605	\$ 19,853	\$ 47,600
Estimated claims incurred, including changes in estimates	224,446	38,912	1,839,354	1,542,880
Claim payments	(139,644)	(53,853)	(1,574,306)	(1,570,627)
Estimated liability - End of year	<u>\$ 193,466</u>	<u>\$ 108,664</u>	<u>\$ 284,901</u>	<u>\$ 19,853</u>

**Note 17 - Contingent Liabilities**

The City is involved in a putative class action lawsuit related to sewer backups that occurred in the summer of 2021. The City is vigorously defending the lawsuit. No accrual has been recorded as of June 30, 2023.



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## Required Supplementary Information

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# City of Grosse Pointe Woods, Michigan

## Required Supplementary Information Budgetary Comparison Schedule General Fund

Year Ended June 30, 2023

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
<b>Revenue</b>				
Property taxes	\$ 11,018,222	\$ 11,056,222	\$ 11,019,489	\$ (36,733)
Franchise fees	325,000	325,000	376,482	51,482
Intergovernmental - Federal grants	1,611,220	1,611,220	1,634,140	22,920
State and local sources:				
State-shared revenue	1,880,047	1,880,047	2,080,165	200,118
Other state grants	18,794	18,794	23,131	4,337
Charges for services	428,396	601,446	919,111	317,665
Fines and forfeitures	250,000	250,000	211,957	(38,043)
Investment income	7,500	7,500	321,751	314,251
Other revenue	190,671	190,671	321,006	130,335
<b>Total revenue</b>	<b>15,729,850</b>	<b>15,940,900</b>	<b>16,907,232</b>	<b>966,332</b>
<b>Expenditures - Current services:</b>				
General government:				
City Council	70,794	70,444	48,151	22,293
City comptroller	494,672	491,422	437,989	53,433
Commission	17,701	20,847	16,061	4,786
Municipal court	482,960	482,960	415,981	66,979
Management information systems	494,394	494,394	451,532	42,862
Assessing	121,444	121,444	91,965	29,479
Clerk	477,542	474,292	409,989	64,303
Building inspection	655,676	848,626	819,856	28,770
Attorney	274,000	274,000	160,310	113,690
Administration	363,193	365,193	335,781	29,412
Fringe benefits	288,515	288,515	250,486	38,029
Other services and charges	347,019	386,723	356,316	30,407
Public safety:				
Police service	4,397,016	4,389,286	4,117,726	271,560
Fire prevention and inspection	56,332	57,832	34,363	23,469
Fringe benefits	1,675,798	1,719,678	1,699,419	20,259
Support services	170,108	175,308	138,064	37,244
Administration	358,823	355,123	322,104	33,019
Other services and charges	302,304	315,549	313,256	2,293
Public works:				
Street maintenance	371,334	371,334	309,810	61,524
Other services and charges	788,176	788,176	788,300	(124)
Supervision and engineering	131,931	133,865	117,878	15,987
Forestry services	273,387	273,387	219,629	53,758
Fringe benefits	274,954	314,954	336,996	(22,042)
City building and grounds	279,133	285,633	238,636	46,997
Parks and recreation:				
Other services and charges	24,464	24,464	23,644	820
Supervision and engineering	19,093	19,093	17,419	1,674
Lake Front Park	1,465,296	1,482,362	1,404,566	77,796
Fringe benefits	104,694	104,694	101,334	3,360
Community center	235,220	235,220	201,543	33,677
City parks	64,546	89,648	101,707	(12,059)
<b>Total expenditures</b>	<b>15,080,519</b>	<b>15,454,466</b>	<b>14,280,811</b>	<b>1,173,655</b>
<b>Excess of Revenue Over Expenditures</b>	<b>649,331</b>	<b>486,434</b>	<b>2,626,421</b>	<b>2,139,987</b>
<b>Other Financing Uses - Transfer out</b>	<b>(1,096,158)</b>	<b>(1,104,740)</b>	<b>(1,104,739)</b>	<b>1</b>
<b>Net Change in Fund Balance</b>	<b>(446,827)</b>	<b>(618,306)</b>	<b>1,521,682</b>	<b>2,139,988</b>
<b>Fund Balance - Beginning of year</b>	<b>6,044,443</b>	<b>6,044,443</b>	<b>6,044,443</b>	<b>-</b>
<b>Fund Balance - End of year</b>	<b>\$ 5,597,616</b>	<b>\$ 5,426,137</b>	<b>\$ 7,566,125</b>	<b>\$ 2,139,988</b>

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

Last Ten Fiscal Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Total Pension Liability</b>										
Service cost	\$ 1,029,506	\$ 1,080,805	\$ 1,459,769	\$ 1,381,734	\$ 1,419,981	\$ 872,705	\$ 812,794	\$ 893,380	\$ 692,961	\$ 675,799
Interest	4,655,548	4,517,849	4,149,881	4,160,628	4,115,769	3,739,452	3,713,413	3,802,189	3,521,128	3,499,326
Changes in benefit terms	(2,108,032)	196,683	-	-	-	-	-	-	-	-
Differences between expected and actual experience	716,258	(630,363)	(219,966)	(2,041,992)	61,396	1,898,141	(1,943,674)	(509,341)	501,262	(579,977)
Changes in assumptions	(5,158,946)	(2,730,443)	(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	(3,921,734)	(3,586,669)	(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>	<b>(4,787,400)</b>	<b>(1,152,138)</b>	<b>(11,690,710)</b>	<b>1,469,396</b>	<b>(479,592)</b>	<b>21,032,965</b>	<b>(4,580,177)</b>	<b>7,998,750</b>	<b>7,085,959</b>	<b>503,134</b>
<b>Total Pension Liability - Beginning of year</b>	<b>69,496,136</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>49,308,549</b>
<b>Total Pension Liability - End of year</b>	<b>\$ 64,708,736</b>	<b>\$ 69,496,136</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	\$ 2,042,555	\$ 2,044,344	\$ 1,623,076	\$ 1,406,409	\$ 1,215,450	\$ 1,230,649	\$ 1,076,052	\$ 925,683	\$ 889,829	\$ 888,696
Contributions - Member	297,963	290,887	282,203	262,296	263,799	249,835	243,096	252,579	258,967	275,808
Net investment income (loss)	3,922,857	(6,523,478)	12,109,682	157,140	1,291,520	2,128,175	3,992,724	(1,359,930)	15,073	6,669,874
Administrative expenses	(72,227)	(52,775)	(46,967)	(70,669)	(58,125)	(62,843)	(37,168)	(51,765)	(69,537)	(44,753)
Benefit payments, including refunds	(3,921,734)	(3,586,669)	(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>	<b>2,269,414</b>	<b>(7,827,691)</b>	<b>10,397,418</b>	<b>(1,648,726)</b>	<b>(633,465)</b>	<b>213,547</b>	<b>2,071,182</b>	<b>(3,420,945)</b>	<b>(2,221,216)</b>	<b>4,697,610</b>
<b>Plan Fiduciary Net Position - Beginning of year</b>	<b>38,115,937</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>36,488,223</b>
<b>Plan Fiduciary Net Position - End of year</b>	<b>\$ 40,385,351</b>	<b>\$ 38,115,937</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>\$ 24,323,385</b>	<b>\$ 31,380,199</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>	<b>62.41 %</b>	<b>54.85 %</b>	<b>65.03 %</b>	<b>43.17 %</b>	<b>45.99 %</b>	<b>46.50 %</b>	<b>62.36 %</b>	<b>55.02 %</b>	<b>68.48 %</b>	<b>82.69 %</b>
<b>Covered Payroll</b>	<b>\$ 5,408,364</b>	<b>\$ 5,425,650</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>City's Net Pension Liability as a Percentage of Covered Payroll</b>	<b>449.74 %</b>	<b>578.37 %</b>	<b>459.82 %</b>	<b>976.66 %</b>	<b>925.98 %</b>	<b>957.73 %</b>	<b>505.17 %</b>	<b>632.60 %</b>	<b>385.53 %</b>	<b>195.50 %</b>

Required Supplementary Information  
Schedule of Changes in the Net Pension Liability and Related Ratios  
Pension Plan (Continued)

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**Last Ten 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 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
- 2022: Changed the discount rate to 6.79 percent
- 2023: Changed the investment rate of return to 7.40 percent. Changed the discount rate to 7.35 percent due to a change in the crossover.

***Changes in Benefit Terms***

- 2023: The \$2.1 million change in benefit terms resulted from the plan's addition of an Employee Retention Option Plan (EROP).

**City of Grosse Pointe Woods, Michigan**

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

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	<b>Last Ten Fiscal Years Years Ended June 30</b>									
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual money-weighted rate of return - Net of investment expense	7.97 %	(16.99)%	36.24 %	1.52 %	4.89 %	4.84 %	11.60 %	(3.50)%	0.10 %	8.00 %

Required Supplementary Information  
Schedule of Pension Contributions  
Pension Plan

Last Ten Fiscal Years  
Years Ended June 30

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 2,003,000	\$ 2,044,000	\$ 1,623,000	\$ 1,406,000	\$ 1,215,000	\$ 1,231,000	\$ 1,076,000	\$ 926,000	\$ 890,000	\$ 889,000
Contributions in relation to the actuarially determined contribution	2,043,000	2,044,000	1,623,000	1,406,000	1,215,000	1,231,000	1,076,000	926,000	890,000	889,000
<b>Additional Contribution</b>	<b>\$ 40,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Covered Payroll</b>	<b>\$ 5,408,364</b>	<b>\$ 5,425,650</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>Contributions as a Percentage of Covered Payroll</b>	<b>37.77 %</b>	<b>37.67 %</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>

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
Remaining amortization period	25 years, open
Asset valuation method	5-year smoothed market
Inflation	2.50 percent
Salary increase	3.50 - 7.30 percent, including inflation
Investment rate of return	7.40 percent - Net of expense
Mortality	Pub-2010 Mortality Table with MP-2018

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

Last Ten Fiscal Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Total Pension Liability</b>										
Service cost	\$ 44,932	\$ 45,787	\$ 43,432	\$ 51,793	\$ 47,748	\$ 59,640	\$ 39,299	\$ 37,233	\$ 28,387	\$ 33,212
Interest	283,542	281,506	275,505	272,594	259,909	239,740	254,061	269,224	234,285	236,533
Differences between expected and actual experience	39,243	(22,217)	21,271	(151,559)	136,155	161,463	(227,980)	(232,788)	(399,452)	(42,908)
Changes in assumptions	47,379	-	(15,148)	(198,496)	(57,257)	567,907	-	86,953	831,276	-
Benefit payments, including refunds	(286,747)	(267,409)	(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>128,349</b>	<b>37,667</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>3,878,998</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>3,068,999</b>
<b>Total Pension Liability - End of year</b>	<b>\$ 4,007,347</b>	<b>\$ 3,878,998</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	\$ 329,201	\$ 349,494	\$ 318,174	\$ 335,830	\$ 311,792	\$ 298,389	\$ 290,000	\$ 297,360	\$ 286,439	\$ 277,776
Net investment income (loss)	235,635	(368,012)	649,743	7,796	59,811	91,098	159,415	3,963	(9,093)	230,642
Administrative expenses	(4,372)	(7,005)	(2,519)	(3,506)	(2,693)	(5,768)	(995)	-	(22,140)	-
Benefit payments, including refunds	(286,747)	(267,409)	(266,789)	(278,103)	(275,592)	(242,921)	(257,534)	(263,715)	(247,158)	(257,888)
Other	2,589	2,024	-	-	-	960	-	-	-	-
<b>Net Change in Plan Fiduciary Net Position</b>	<b>276,306</b>	<b>(290,908)</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>2,314,927</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>1,123,061</b>
<b>Plan Fiduciary Net Position - End of year</b>	<b>\$ 2,591,233</b>	<b>\$ 2,314,927</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>\$ 1,416,114</b>	<b>\$ 1,564,071</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>64.66 %</b>	<b>59.68 %</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>\$ 2,783,550</b>	<b>\$ 2,810,667</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>50.87 %</b>	<b>55.65 %</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>

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

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**Last Ten Fiscal Years**

GASB Statement No. 67 was implemented for the FYE June 30, 2014 and does not require retroactive implementation. The required supplementary 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, 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
- 2023:** Changed the investment rate of return to 7.40 percent and the discount rate to 7.40 percent.



Required Supplementary Information  
Schedule of Pension Contributions  
Supplemental Annuity

Last Ten Fiscal Years  
Years Ended June 30

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 329,201	\$ 349,494	\$ 318,174	\$ 335,830	\$ 311,792	\$ 298,000	\$ 290,000	\$ 297,360	\$ 286,439	\$ 277,776
Contributions in relation to the actuarially determined contribution	329,201	349,494	318,174	335,830	311,792	298,000	290,000	297,360	286,439	277,776
<b>Contribution Deficiency</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Covered Payroll</b>	<b>\$ 2,783,550</b>	<b>\$ 2,810,667</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>Contributions as a Percentage of Covered Payroll</b>	<b>11.83 %</b>	<b>12.43 %</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>

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	25 years, open
Asset valuation method	Market
Inflation	2.50 percent
Salary increase	0.00 percent
Investment rate of return	7.40 percent - Net of expense
Mortality	Pub-2010 Mortality Table with MP-2018

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

**Last Six Fiscal Years**

	2023	2022	2021	2020	2019	2018
<b>Total OPEB Liability</b>						
Service cost	\$ 270,591	\$ 512,420	\$ 431,244	\$ 416,661	\$ 448,946	\$ 1,861,554
Interest	1,814,809	2,617,900	2,527,585	2,428,098	2,426,171	1,973,036
Differences between expected and actual experience	-	(377,814)	-	(551,667)	(1,375,107)	(3,809,187)
Changes in assumptions	-	(990,445)	(288,910)	290,589	(1,046,230)	(25,133,680)
Benefit payments, including refunds	(1,227,234)	(1,479,212)	(1,443,135)	(1,351,986)	(1,507,028)	(1,578,411)
<b>Net Change in Total OPEB Liability</b>	<b>858,166</b>	<b>282,849</b>	<b>1,226,784</b>	<b>1,231,695</b>	<b>(1,053,248)</b>	<b>(26,686,688)</b>
<b>Total OPEB Liability - Beginning of year</b>	<b>26,826,424</b>	<b>26,543,575</b>	<b>36,386,477</b>	<b>35,154,782</b>	<b>36,208,030</b>	<b>62,894,718</b>
<b>Total OPEB Liability - End of year</b>	<b>\$ 27,684,590</b>	<b>\$ 26,826,424</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	\$ 1,427,234	\$ 1,679,212	\$ 1,643,135	\$ 1,401,986	\$ 1,557,027	\$ 1,628,411
Contributions - Active and inactive plan members not yet receiving benefits	51,075	57,134	59,723	58,919	54,911	63,942
Net investment income (loss)	180,863	(260,670)	323,547	29,551	56,866	4,590
Benefit payments, including refunds	(1,227,234)	(1,479,212)	(1,443,135)	(1,351,986)	(1,507,028)	(1,578,411)
<b>Net Change in Plan Fiduciary Net Position</b>	<b>431,938</b>	<b>(3,536)</b>	<b>583,270</b>	<b>138,470</b>	<b>161,776</b>	<b>118,532</b>
<b>Plan Fiduciary Net Position - Beginning of year</b>	<b>1,581,106</b>	<b>1,584,642</b>	<b>1,001,372</b>	<b>862,902</b>	<b>701,126</b>	<b>582,594</b>
<b>Plan Fiduciary Net Position - End of year</b>	<b>\$ 2,013,044</b>	<b>\$ 1,581,106</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>\$ 25,671,546</b>	<b>\$ 25,245,318</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>	<b>7.27 %</b>	<b>5.89 %</b>	<b>4.21 %</b>	<b>2.75 %</b>	<b>2.45 %</b>	<b>1.94 %</b>
<b>Covered Payroll</b>	<b>\$ 3,135,333</b>	<b>\$ 3,029,307</b>	<b>\$ 3,361,323</b>	<b>\$ 3,247,655</b>	<b>\$ 3,618,888</b>	<b>\$ 3,333,571</b>
<b>Net OPEB Liability as a Percentage of Covered Payroll</b>	<b>818.78 %</b>	<b>833.37 %</b>	<b>1,071.86 %</b>	<b>1,089.56 %</b>	<b>947.58 %</b>	<b>1,065.13 %</b>

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

**Restatement**

The total OPEB liability as of the beginning of the year for the year ended June 30, 2022 was restated as the result of an error in prior periods. The net OPEB liability had been overstated as a result of including deferred retirees in the calculation who were ineligible for the benefit, as well as using the incorrect benefits for certain participants in the plan. The effect of the restatement was to decrease the total OPEB liability by \$11,069,686 as of the beginning of the year.

Required Supplementary Information  
Schedule of Changes in the Net OPEB Liability and Related Ratios (Continued)

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Last Six Fiscal Years

*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  
2022: Changed the mortality table to the Pub-2010 Mortality Table with MP-2020 improvement scale and changed the discount rate to 6.85 percent  
2023: No changes

Required Supplementary Information  
Schedule of OPEB Contributions

Last Ten Fiscal Years  
Years Ended June 30

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 2,260,062	\$ 2,227,338	\$ 3,509,525	\$ 3,125,991	\$ 3,125,991	\$ 3,083,916	\$ 3,230,383	\$ 3,767,017	\$ 3,622,132	\$ 3,482,819
Contributions in relation to the actuarially determined contribution	1,427,234	1,679,212	1,643,135	1,401,986	1,557,027	1,628,411	1,472,713	1,675,660	1,618,057	1,332,162
<b>Contribution Deficiency</b>	<b>\$ (832,828)</b>	<b>\$ (548,126)</b>	<b>\$ (1,866,390)</b>	<b>\$ (1,724,005)</b>	<b>\$ (1,568,964)</b>	<b>\$ (1,455,505)</b>	<b>\$ (1,757,670)</b>	<b>\$ (2,091,357)</b>	<b>\$ (2,004,075)</b>	<b>\$ (2,150,657)</b>
<b>Covered Payroll</b>	<b>\$ 3,135,333</b>	<b>\$ 3,029,307</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>Contributions as a Percentage of Covered Payroll</b>	<b>45.52 %</b>	<b>55.43 %</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>

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
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	6.85 percent
Mortality	Pub-2010 Mortality Table with MP-2020

## City of Grosse Pointe Woods, Michigan

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### Required Supplementary Information Schedule of OPEB Investment Returns

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	Last Six Fiscal Years Years Ended June 30					
	2023	2022	2021	2020	2019	2018
Annual money-weighted rate of return - Net of investment expense	8.09 %	(15.20)%	24.76 %	3.10 %	6.68 %	0.68 %

**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	\$ 17,522,920	\$ 15,474,968	\$ (704,739)
Local Street Fund budgeted separately from the General Fund	(614,810)	(1,194,157)	(400,000)
Cable Franchise Fund budgeted separately from the General Fund	(878)	-	-
	<u>\$ 16,907,232</u>	<u>\$ 14,280,811</u>	<u>\$ (1,104,739)</u>

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## Other Supplementary 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.

#### **Opioid Settlement Fund**

This fund was created to track future revenue and expenditures for the National Opioid Settlement, where the City was listed as eligible to receive funds for the Teva, Allergan, CVS, Walmart, and Walgreens settlements.

#### ***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.

***Capital Project Funds***

Capital project 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.

***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	\$ 1,382,350	\$ 803,601	\$ 5,545	\$ 10,044	\$ 248,678	\$ 1,815
Receivables:						
Other receivables	4,100	-	-	-	-	-
Due from other governments	222,971	-	-	20,000	17,261	-
Prepaid expenditures and other assets	10,061	6,179	-	-	780	-
<b>Total assets</b>	<b>\$ 1,619,482</b>	<b>\$ 809,780</b>	<b>\$ 5,545</b>	<b>\$ 30,044</b>	<b>\$ 266,719</b>	<b>\$ 1,815</b>
<b>Liabilities</b>						
Accounts payable	\$ 288,802	\$ 28,111	\$ -	\$ -	\$ 38,786	\$ -
Due to other funds	-	-	-	20,000	-	-
Advances from other funds	-	51,979	-	-	-	-
Accrued liabilities and other	5,533	22,736	-	-	-	-
Unearned revenue	-	36,707	-	-	-	-
Provision for claims	21,601	7,200	-	-	245	-
<b>Total liabilities</b>	<b>315,936</b>	<b>146,733</b>	<b>-</b>	<b>20,000</b>	<b>39,031</b>	<b>-</b>
<b>Deferred Inflows of Resources -</b>						
Unavailable revenue	-	-	-	20,000	-	-
<b>Total liabilities and deferred inflows of resources</b>	<b>315,936</b>	<b>146,733</b>	<b>-</b>	<b>40,000</b>	<b>39,031</b>	<b>-</b>
<b>Fund Balances (Deficit)</b>						
Nonspendable	10,061	6,179	-	-	780	-
Restricted:						
Roads	1,293,485	-	-	-	-	-
Public safety	-	-	5,545	-	113,343	1,815
Debt service	-	-	-	-	-	-
Grants	-	-	-	-	-	-
Community development	-	-	-	-	-	-
Solid waste	-	656,868	-	-	-	-
Opioid settlement	-	-	-	-	-	-
Committed - Repairs and equipment	-	-	-	-	-	-
Assigned:						
Public safety	-	-	-	-	113,565	-
Capital projects	-	-	-	-	-	-
Parkway beautification	-	-	-	-	-	-
Unassigned	-	-	-	(9,956)	-	-
<b>Total fund balances (deficit)</b>	<b>1,303,546</b>	<b>663,047</b>	<b>5,545</b>	<b>(9,956)</b>	<b>227,688</b>	<b>1,815</b>
<b>Total liabilities, deferred inflows of resources, and fund balances (deficit)</b>	<b>\$ 1,619,482</b>	<b>\$ 809,780</b>	<b>\$ 5,545</b>	<b>\$ 30,044</b>	<b>\$ 266,719</b>	<b>\$ 1,815</b>

Other Supplementary Information  
Combining Balance Sheet  
Nonmajor Governmental Funds

June 30, 2023

Special Revenue Funds			Debt Service Funds		Capital Project Fund	Total
Parkway Beautification Fund	MIDC Grant Fund	Opioid Settlement Fund	2015 Road Bond Debt Service Fund	2018 Capital Improvement Bond Fund	Municipal Improvement Fund	
\$ 297,029	\$ 45,677	\$ 11,657	\$ 372,655	\$ 6,567	\$ 679,738	\$ 3,865,356
-	-	-	-	-	-	4,100
-	-	64,812	-	-	-	325,044
150	-	-	-	-	-	17,170
<b>\$ 297,179</b>	<b>\$ 45,677</b>	<b>\$ 76,469</b>	<b>\$ 372,655</b>	<b>\$ 6,567</b>	<b>\$ 679,738</b>	<b>\$ 4,211,670</b>
\$ 944	\$ 1,610	\$ -	\$ -	\$ -	\$ 97,258	\$ 455,511
-	-	-	-	-	-	20,000
-	-	-	-	-	-	51,979
-	-	-	10,880	-	-	39,149
-	40,919	-	-	-	-	77,626
-	-	-	-	-	-	29,046
944	42,529	-	10,880	-	97,258	673,311
-	-	63,280	-	-	-	83,280
944	42,529	63,280	10,880	-	97,258	756,591
150	-	-	-	-	-	17,170
-	-	-	-	-	-	1,293,485
-	-	-	-	-	-	120,703
-	-	-	361,775	6,567	-	368,342
-	3,148	-	-	-	-	3,148
138,900	-	-	-	-	-	138,900
-	-	-	-	-	-	656,868
-	-	13,189	-	-	-	13,189
-	-	-	-	-	564,258	564,258
-	-	-	-	-	-	113,565
-	-	-	-	-	18,222	18,222
157,185	-	-	-	-	-	157,185
-	-	-	-	-	-	(9,956)
296,235	3,148	13,189	361,775	6,567	582,480	3,455,079
<b>\$ 297,179</b>	<b>\$ 45,677</b>	<b>\$ 76,469</b>	<b>\$ 372,655</b>	<b>\$ 6,567</b>	<b>\$ 679,738</b>	<b>\$ 4,211,670</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	\$ -	\$ 1,984,205	\$ -	\$ -	\$ -	\$ -
Intergovernmental:						
Federal grants	-	28,994	-	20,000	-	-
State sources:						
State-shared revenue	-	9,595	-	-	-	-
Act 51 gas and weight tax	1,314,394	-	-	-	-	-
Other state grants	-	-	6,651	-	-	-
Investment income	45,295	50,246	-	-	-	-
Other revenue	43,110	380	-	-	105,776	-
<b>Total revenue</b>	<b>1,402,799</b>	<b>2,073,420</b>	<b>6,651</b>	<b>20,000</b>	<b>105,776</b>	<b>-</b>
<b>Expenditures</b>						
Current services:						
General government	-	-	-	20,000	9,334	-
Public safety	-	-	3,395	-	18,983	745
Public works	1,162,908	1,858,704	-	-	-	-
Community and economic development	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest on long-term debt	-	2,078	-	-	-	-
<b>Total expenditures</b>	<b>1,162,908</b>	<b>1,860,782</b>	<b>3,395</b>	<b>20,000</b>	<b>28,317</b>	<b>745</b>
<b>Excess of Revenue Over (Under) Expenditures</b>	<b>239,891</b>	<b>212,638</b>	<b>3,256</b>	<b>-</b>	<b>77,459</b>	<b>(745)</b>
<b>Other Financing Sources - Transfers in</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>239,891</b>	<b>212,638</b>	<b>3,256</b>	<b>-</b>	<b>77,459</b>	<b>(745)</b>
<b>Fund Balances (Deficit) - Beginning of year</b>	<b>1,063,655</b>	<b>450,409</b>	<b>2,289</b>	<b>(9,956)</b>	<b>150,229</b>	<b>2,560</b>
<b>Fund Balances (Deficit) - End of year</b>	<b>\$ 1,303,546</b>	<b>\$ 663,047</b>	<b>\$ 5,545</b>	<b>\$ (9,956)</b>	<b>\$ 227,688</b>	<b>\$ 1,815</b>

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

Year Ended June 30, 2023

Special Revenue Funds			Debt Service Funds		Capital Project Fund	Total
Parkway Beautification Fund	MIDC Grant Fund	Opioid Settlement Fund	2015 Road Bond Debt Service Fund	2018 Capital Improvement Bond Fund	Municipal Improvement Fund	
\$ -	\$ -	\$ -	\$ 1,025,787	\$ -	\$ -	\$ 3,009,992
-	-	-	-	-	-	48,994
-	-	-	5,734	-	-	15,329
-	-	-	-	-	-	1,314,394
-	31,225	13,189	-	-	-	51,065
-	-	-	-	-	-	95,541
95,258	-	-	-	-	195,000	439,524
95,258	31,225	13,189	1,031,521	-	195,000	4,974,839
-	34,400	-	-	-	-	63,734
-	-	-	-	-	-	23,123
-	-	-	-	-	-	3,021,612
-	-	-	-	-	231,071	231,071
54,973	-	-	-	-	-	54,973
-	-	-	1,060,000	145,000	-	1,205,000
-	-	-	94,998	75,238	-	172,314
54,973	34,400	-	1,154,998	220,238	231,071	4,771,827
40,285	(3,175)	13,189	(123,477)	(220,238)	(36,071)	203,012
-	3,175	-	-	220,238	481,326	704,739
40,285	-	13,189	(123,477)	-	445,255	907,751
255,950	3,148	-	485,252	6,567	137,225	2,547,328
<u>\$ 296,235</u>	<u>\$ 3,148</u>	<u>\$ 13,189</u>	<u>\$ 361,775</u>	<u>\$ 6,567</u>	<u>\$ 582,480</u>	<u>\$ 3,455,079</u>

**City of Grosse Pointe Woods, Michigan**

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

**Year Ended June 30, 2023**

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
	(Unaudited)	(Unaudited)		(Unaudited)
<b>Revenue</b>				
Property taxes	\$ 3,786,254	\$ 3,786,254	\$ 3,767,957	\$ (18,297)
Intergovernmental	13,000	13,000	17,886	4,886
Investment income	1,000	1,000	20,108	19,108
Total revenue	<u>3,800,254</u>	<u>3,800,254</u>	<u>3,805,951</u>	<u>5,697</u>
<b>Expenditures</b>				
Current services - Public works	2,505,426	2,505,426	3,023,078	(517,652)
Debt service	1,280,836	1,280,836	1,284,678	(3,842)
Total expenditures	<u>3,786,262</u>	<u>3,786,262</u>	<u>4,307,756</u>	<u>(521,494)</u>
<b>Net Change in Fund Balance</b> - Excess of revenue over (under) expenditures	13,992	13,992	(501,805)	(515,797)
<b>Fund Balance</b> - Beginning of year	<u>949,675</u>	<u>949,675</u>	<u>949,675</u>	<u>-</u>
<b>Fund Balance</b> - End of year	<u><u>\$ 963,667</u></u>	<u><u>\$ 963,667</u></u>	<u><u>\$ 447,870</u></u>	<u><u>\$ (515,797)</u></u>

## City of Grosse Pointe Woods, Michigan

### Other Supplementary Information Budgetary Comparison Schedule - Nonmajor Governmental Funds Major Street Fund

Year Ended June 30, 2023

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget (Unaudited)
<b>Revenue</b>				
Intergovernmental - State sources	\$ 1,247,266	\$ 1,247,266	\$ 1,314,394	\$ 67,128
Investment income	500	500	45,295	44,795
Other revenue	25,000	25,000	43,110	18,110
Total revenue	1,272,766	1,272,766	1,402,799	130,033
<b>Expenditures - Current services - Public works</b>				
Street construction	937,500	1,071,266	581,747	489,519
Routine maintenance	217,001	217,001	181,439	35,562
Winter maintenance	24,110	24,110	17,371	6,739
Traffic services	9,100	9,100	9,022	78
Administration	145,052	145,052	144,984	68
Fringe benefits	228,408	228,408	228,345	63
Total expenditures	1,561,171	1,694,937	1,162,908	532,029
<b>Net Change in Fund Balance - Excess of revenue (under) over expenditures</b>	(288,405)	(422,171)	239,891	662,062
<b>Fund Balance - Beginning of year</b>	1,063,655	1,063,655	1,063,655	-
<b>Fund Balance - End of year</b>	<u>\$ 775,250</u>	<u>\$ 641,484</u>	<u>\$ 1,303,546</u>	<u>\$ 662,062</u>

**City of Grosse Pointe Woods, Michigan**

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

**Year Ended June 30, 2023**

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget (Unaudited)
<b>Revenue</b>				
Property taxes	\$ 1,994,418	\$ 1,994,418	\$ 1,984,205	\$ (10,213)
Intergovernmental	8,000	8,000	38,589	30,589
Investment income	200	200	50,246	50,046
Other revenue	-	-	380	380
Total revenue	2,002,618	2,002,618	2,073,420	70,802
<b>Expenditures</b>				
Current services - Public works:				
Other services and chargers	1,799,424	1,799,424	1,723,366	76,058
Fringe benefits	134,083	134,083	135,338	(1,255)
Debt service	2,078	2,078	2,078	-
Total expenditures	1,935,585	1,935,585	1,860,782	74,803
<b>Net Change in Fund Balance</b>	67,033	67,033	212,638	145,605
<b>Fund Balance - Beginning of year</b>	450,409	450,409	450,409	-
<b>Fund Balance - End of year</b>	<u>\$ 517,442</u>	<u>\$ 517,442</u>	<u>\$ 663,047</u>	<u>\$ 145,605</u>



**City of Grosse Pointe Woods, Michigan**

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

**Year Ended June 30, 2023**

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget (Unaudited)
<b>Revenue</b> - Intergovernmental	\$ 5,000	\$ 5,000	\$ 6,651	\$ 1,651
<b>Expenditures</b> - Current - Public safety	5,000	5,000	3,395	1,605
<b>Net Change in Fund Balance</b>	-	-	3,256	3,256
<b>Fund Balance</b> - Beginning of year	2,289	2,289	2,289	-
<b>Fund Balance</b> - End of year	<u>\$ 2,289</u>	<u>\$ 2,289</u>	<u>\$ 5,545</u>	<u>\$ 3,256</u>

**City of Grosse Pointe Woods, Michigan**

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

**Year Ended June 30, 2023**

	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 (Deficit) - Beginning of year</b>	(9,956)	(9,956)	(9,956)	-
<b>Fund Balance (Deficit) - End of year</b>	<u>\$ (9,956)</u>	<u>\$ (9,956)</u>	<u>\$ (9,956)</u>	<u>\$ -</u>

**City of Grosse Pointe Woods, Michigan**

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

**Year Ended June 30, 2023**

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget (Unaudited)
<b>Revenue</b> - Other revenue	\$ 50,000	\$ 50,000	\$ 105,776	\$ 55,776
<b>Expenditures</b> - Current services:				
General government	11,650	11,650	9,334	2,316
Public safety	49,097	49,097	18,983	30,114
Total expenditures	60,747	60,747	28,317	32,430
<b>Net Change in Fund Balance</b>	(10,747)	(10,747)	77,459	88,206
<b>Fund Balance</b> - Beginning of year	150,229	150,229	150,229	-
<b>Fund Balance</b> - End of year	<u>\$ 139,482</u>	<u>\$ 139,482</u>	<u>\$ 227,688</u>	<u>\$ 88,206</u>

**City of Grosse Pointe Woods, Michigan**

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

**Year Ended June 30, 2023**

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget (Unaudited)
<b>Revenue - Other revenue</b>	\$ -	\$ -	\$ -	\$ -
<b>Expenditures - Current services - Public safety</b>	1,500	1,500	745	755
<b>Net Change in Fund Balance</b>	(1,500)	(1,500)	(745)	755
<b>Fund Balance - Beginning of year</b>	2,560	2,560	2,560	-
<b>Fund Balance - End of year</b>	<u>\$ 1,060</u>	<u>\$ 1,060</u>	<u>\$ 1,815</u>	<u>\$ 755</u>

**City of Grosse Pointe Woods, Michigan**

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

**Year Ended June 30, 2023**

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget (Unaudited)
<b>Revenue - Other revenue</b>	\$ 60,450	\$ 60,450	\$ 95,258	\$ 34,808
<b>Expenditures - Current - Recreation and culture</b>	56,700	57,200	54,973	2,227
<b>Net Change in Fund Balance</b>	3,750	3,250	40,285	37,035
<b>Fund Balance - Beginning of year</b>	255,950	255,950	255,950	-
<b>Fund Balance - End of year</b>	<u>\$ 259,700</u>	<u>\$ 259,200</u>	<u>\$ 296,235</u>	<u>\$ 37,035</u>

**City of Grosse Pointe Woods, Michigan**

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

**Year Ended June 30, 2023**

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget (Unaudited)
<b>Revenue - State grants</b>	\$ 52,800	\$ 52,800	\$ 31,225	\$ (21,575)
<b>Expenditures - Current - General government</b>	59,068	59,123	34,400	24,723
<b>Excess of Expenditures Over Revenue</b>	(6,268)	(6,323)	(3,175)	3,148
<b>Other Financing Sources - Transfer in</b>	3,120	3,175	3,175	-
<b>Net Change in Fund Balance</b>	(3,148)	(3,148)	-	3,148
<b>Fund Balance - Beginning of year</b>	3,148	3,148	3,148	-
<b>Fund Balance - End of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,148</u>	<u>\$ 3,148</u>

**City of Grosse Pointe Woods, Michigan**

Other Supplementary Information  
 Budgetary Comparison Schedule - Nonmajor Governmental Funds  
 (Continued)  
 Opioid Settlement Fund

**Year Ended June 30, 2023**

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget (Unaudited)
<b>Revenue</b> - Other state grants	\$ -	\$ -	\$ 13,189	\$ 13,189
<b>Expenditures</b>	-	-	-	-
<b>Net Change in Fund Balance</b> - Excess of revenue over expenditures	-	-	13,189	13,189
<b>Fund Balance</b> - Beginning of year	-	-	-	-
<b>Fund Balance</b> - End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 13,189</u>	<u>\$ 13,189</u>

**City of Grosse Pointe Woods, Michigan**

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

**Year Ended June 30, 2023**

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget (Unaudited)
<b>Revenue</b>				
Property taxes	\$ 1,029,937	\$ 1,029,937	\$ 1,025,787	\$ (4,150)
Intergovernmental	5,000	5,000	5,734	734
Total revenue	1,034,937	1,034,937	1,031,521	(3,416)
<b>Expenditures - Debt service</b>				
Principal	1,060,000	1,060,000	1,060,000	-
Interest on long-term debt	94,998	94,998	94,998	-
Total expenditures	1,154,998	1,154,998	1,154,998	-
<b>Net Change in Fund Balance</b>	(120,061)	(120,061)	(123,477)	(3,416)
<b>Fund Balance - Beginning of year</b>	485,252	485,252	485,252	-
<b>Fund Balance - End of year</b>	<u>\$ 365,191</u>	<u>\$ 365,191</u>	<u>\$ 361,775</u>	<u>\$ (3,416)</u>



**City of Grosse Pointe Woods, Michigan**

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

**Year Ended June 30, 2023**

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget (Unaudited)
<b>Revenue</b> - Interest income	\$ -	\$ -	\$ -	\$ -
<b>Expenditures</b> - Debt service				
Principal	145,000	145,000	145,000	-
Interest on long-term debt	75,238	75,238	75,238	-
Total expenditures	<u>220,238</u>	<u>220,238</u>	<u>220,238</u>	<u>-</u>
<b>Excess of Expenditures Over Revenue</b>	(220,238)	(220,238)	(220,238)	-
<b>Other Financing Sources</b> - Transfers in	<u>220,238</u>	<u>220,238</u>	<u>220,238</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 Supplementary Information**  
**Budgetary Comparison Schedule - Nonmajor Governmental Funds**  
**(Continued)**  
**Municipal Improvement Fund**

**Year Ended June 30, 2023**

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget (Unaudited)
<b>Revenue - Miscellaneous</b>	\$ -	\$ 194,866	\$ 195,000	\$ 134
<b>Expenditures - Current - Community and economic development</b>	472,800	701,192	231,071	470,121
<b>Excess of Expenditures Over Revenue</b>	(472,800)	(506,326)	(36,071)	470,255
<b>Other Financing Sources - Transfers in</b>	472,800	481,326	481,326	-
<b>Net Change in Fund Balance</b>	-	(25,000)	445,255	470,255
<b>Fund Balance - Beginning of year</b>	137,225	137,225	137,225	-
<b>Fund Balance - End of year</b>	<u>\$ 137,225</u>	<u>\$ 112,225</u>	<u>\$ 582,480</u>	<u>\$ 470,255</u>

**City of Grosse Pointe Woods, Michigan**

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

**Year Ended June 30, 2023**

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget (Unaudited)
<b>Revenue</b> - Investment income	\$ 1,500	\$ 1,500	\$ 878	\$ (622)
<b>Expenditures</b> - Current - Public works	-	-	-	-
<b>Net Change in Fund Balance</b>	1,500	1,500	878	(622)
<b>Fund Balance</b> - Beginning of year	537,230	537,230	537,230	-
<b>Fund Balance</b> - End of year	<u>\$ 538,730</u>	<u>\$ 538,730</u>	<u>\$ 538,108</u>	<u>\$ (622)</u>

**City of Grosse Pointe Woods, Michigan**

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

**Year Ended June 30, 2023**

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget (Unaudited)
<b>Revenue</b>				
Intergovernmental	\$ 513,164	\$ 513,164	\$ 536,585	\$ 23,421
Investment income	500	500	31,822	31,322
Other revenue	-	-	46,403	46,403
Total revenue	513,664	513,664	614,810	101,146
<b>Expenditures - Current services - Public works</b>				
Streets	514,380	834,999	708,300	126,699
Administration	177,782	177,782	177,237	545
Traffic services	10,400	10,400	9,609	791
Winter maintenance	72,220	72,220	34,648	37,572
Fringe benefits	248,272	248,272	264,363	(16,091)
Total expenditures	1,023,054	1,343,673	1,194,157	149,516
<b>Excess of Expenditures Over Revenue</b>	(509,390)	(830,009)	(579,347)	250,662
<b>Other Financing Sources - Transfers in</b>	400,000	400,000	400,000	-
<b>Net Change in Fund Balance</b>	(109,390)	(430,009)	(179,347)	250,662
<b>Fund Balance - Beginning of year</b>	998,348	998,348	998,348	-
<b>Fund Balance - End of year</b>	<u>\$ 888,958</u>	<u>\$ 568,339</u>	<u>\$ 819,001</u>	<u>\$ 250,662</u>

## City of Grosse Pointe Woods, Michigan

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### Other Supplementary Information Local Street Fund Fund-based Balance Sheet

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	<b>June 30, 2023</b>
<b>Assets</b>	
Cash and investments	\$ 824,566
Receivables	91,058
Prepaid expenditures and other assets	<u>12,233</u>
Total assets	<u><u>\$ 927,857</u></u>
<b>Liabilities</b>	
Accounts payable	\$ 88,861
Accrued liabilities and other	5,594
Provision for claims	<u>14,401</u>
Total liabilities	108,856
<b>Fund Balance - Committed - Roads</b>	<u>819,001</u>
Total liabilities and fund balance	<u><u>\$ 927,857</u></u>

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 Supplementary Information Combining Statement of Net Position Nonmajor Enterprise Funds

June 30, 2023

	Boat Dock Rental Fund	Commodity Sales Fund	Total Nonmajor Enterprise Funds
<b>Assets</b>			
Current assets - Cash and cash equivalents	\$ 506,236	\$ 96,546	\$ 602,782
Noncurrent assets - Capital assets - Net	340,215	68,827	409,042
Total assets	846,451	165,373	1,011,824
<b>Liabilities - Current liabilities</b>			
Accounts payable	2,072	-	2,072
Accrued liabilities and other	2,191	-	2,191
Total liabilities	4,263	-	4,263
<b>Net Position</b>			
Net investment in capital assets	340,215	68,827	409,042
Unrestricted	501,973	96,546	598,519
Total net position	<u>\$ 842,188</u>	<u>\$ 165,373</u>	<u>\$ 1,007,561</u>

**City of Grosse Pointe Woods, Michigan**

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

**Year Ended June 30, 2023**

	Boat Dock Rental Fund	Commodity Sales Fund	Total Nonmajor Enterprise Funds
<b>Operating Revenue</b>			
Docking and launching fees	\$ 216,226	\$ -	\$ 216,226
Commodity sales	-	9,555	9,555
Total operating revenue	216,226	9,555	225,781
<b>Operating Expenses</b>			
General and administrative	84,306	290	84,596
Operation and maintenance	5,000	-	5,000
Depreciation	77,425	2,868	80,293
Total operating expenses	166,731	3,158	169,889
<b>Operating Income</b>	49,495	6,397	55,892
<b>Nonoperating Revenue - Investment income</b>	17,236	3,699	20,935
<b>Change in Net Position</b>	66,731	10,096	76,827
<b>Net Position - Beginning of year</b>	775,457	155,277	930,734
<b>Net Position - End of year</b>	<b><u>\$ 842,188</u></b>	<b><u>\$ 165,373</u></b>	<b><u>\$ 1,007,561</u></b>



## City of Grosse Pointe Woods, Michigan

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

Year Ended June 30, 2023

	Boat Dock Rental Fund	Commodity Sales Fund	Total Nonmajor Enterprise Funds
<b>Cash Flows from Operating Activities</b>			
Receipts from customers	\$ 216,226	\$ 9,555	\$ 225,781
Payments to suppliers	(38,888)	(1,750)	(40,638)
Payments to employees and fringes	(49,678)	(290)	(49,968)
Net cash and cash equivalents provided by operating activities	127,660	7,515	135,175
<b>Cash Flows Used in Capital and Related Financing Activities</b> - Purchase of capital assets	-	(65,445)	(65,445)
<b>Cash Flows Provided by Investing Activities</b>	17,236	3,699	20,935
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	144,896	(54,231)	90,665
<b>Cash and Cash Equivalents</b> - Beginning of year	361,340	150,777	512,117
<b>Cash and Cash Equivalents</b> - End of year	<u>\$ 506,236</u>	<u>\$ 96,546</u>	<u>\$ 602,782</u>
<b>Classification of Cash and Cash Equivalents</b> - Cash and cash equivalents	<u>\$ 506,236</u>	<u>\$ 96,546</u>	<u>\$ 602,782</u>
<b>Reconciliation of Operating Income to Net Cash from Operating Activities</b>			
Operating income	\$ 49,495	\$ 6,397	\$ 55,892
Adjustments to reconcile operating income to net cash from operating activities:			
Depreciation	77,425	2,868	80,293
Changes in assets and liabilities:			
Net pension or OPEB asset	443	-	443
Accounts payable	297	(1,750)	(1,453)
Total adjustments	78,165	1,118	79,283
Net cash and cash equivalents provided by operating activities	<u>\$ 127,660</u>	<u>\$ 7,515</u>	<u>\$ 135,175</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 Supplementary Information Combining Statement of Net Position Internal Service Funds

June 30, 2023

	Motor Vehicle Fund	Workers' Compensation Fund	Total Internal Service Funds
<b>Assets</b>			
Current assets:			
Cash and cash equivalents	\$ 623,026	\$ 153,289	\$ 776,315
Investments	627,408	115,600	743,008
Receivables:			
Accrued interest receivable	8,427	2,571	10,998
Due from other governments	109,583	-	109,583
Prepaid expenditures and other assets - Prepaid expenses	8,505	68,782	77,287
Total current assets	1,376,949	340,242	1,717,191
Noncurrent assets - Capital assets - Net	2,731,906	-	2,731,906
Total assets	4,108,855	340,242	4,449,097
<b>Deferred Outflows of Resources</b>			
Deferred pension costs	105,971	-	105,971
Deferred OPEB costs	2,249	-	2,249
Total deferred outflows of resources	108,220	-	108,220
<b>Liabilities</b>			
Current liabilities:			
Accounts payable	30,657	20,134	50,791
Accrued liabilities and other	3,432	-	3,432
Provision for claims	7,200	193,466	200,666
Current portion of bonds and contracts payable	99,963	-	99,963
Total current liabilities	141,252	213,600	354,852
Noncurrent liabilities:			
Compensated absences	34,492	-	34,492
Net pension liability	704,080	-	704,080
Net OPEB liability	671,405	-	671,405
Bonds and contracts payable - Net of current portion	101,893	-	101,893
Total liabilities	1,653,122	213,600	1,866,722
<b>Deferred Inflows of Resources - Deferred pension cost reductions</b>	271,264	-	271,264
<b>Net Position</b>			
Net investment in capital assets	2,530,050	-	2,530,050
Unrestricted	(237,361)	126,642	(110,719)
Total net position	<u>\$ 2,292,689</u>	<u>\$ 126,642</u>	<u>\$ 2,419,331</u>

## City of Grosse Pointe Woods, Michigan

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

**Year Ended June 30, 2023**

	Motor Vehicle Fund	Workers' Compensation Fund	Total Internal Service Funds
<b>Operating Revenue - Charges to other funds</b>	\$ 674,245	\$ 191,664	\$ 865,909
<b>Operating Expenses</b>			
Cost of insurance claims	8,786	252,563	261,349
General and administrative	(37,585)	53,341	15,756
Vehicle operation and maintenance	328,336	-	328,336
Depreciation	427,307	-	427,307
Total operating expenses	<u>726,844</u>	<u>305,904</u>	<u>1,032,748</u>
<b>Operating Loss</b>	(52,599)	(114,240)	(166,839)
<b>Nonoperating Revenue (Expense)</b>			
Investment income	38,588	2,741	41,329
Interest expense	(5,789)	-	(5,789)
Loss on sale of assets	(27,525)	-	(27,525)
Insurance proceeds	150,936	-	150,936
Total nonoperating revenue	<u>156,210</u>	<u>2,741</u>	<u>158,951</u>
<b>Change in Net Position</b>	103,611	(111,499)	(7,888)
<b>Net Position - Beginning of year</b>	<u>2,189,078</u>	<u>238,141</u>	<u>2,427,219</u>
<b>Net Position - End of year</b>	<u><u>\$ 2,292,689</u></u>	<u><u>\$ 126,642</u></u>	<u><u>\$ 2,419,331</u></u>

## City of Grosse Pointe Woods, Michigan

### Other Supplementary Information Combining Statement of Cash Flows Internal Service Funds

Year Ended June 30, 2023

	Motor Vehicle Fund	Workers' Compensation Fund	Total Internal Service Funds
<b>Cash Flows from Operating Activities</b>			
Receipts from interfund services and reimbursements	\$ 674,245	\$ 191,664	\$ 865,909
Payments to suppliers	(417,115)	-	(417,115)
Payments to employees and fringes	(341,396)	(57,596)	(398,992)
Claims paid	(2,076)	(150,178)	(152,254)
Net cash and cash equivalents used in operating activities	(86,342)	(16,110)	(102,452)
<b>Cash Flows from Capital and Related Financing Activities</b>			
Benefit fees	150,936	-	150,936
Proceeds from sale of capital assets	4,100	-	4,100
Purchase of capital assets	(157,161)	-	(157,161)
Principal and interest paid on capital debt	(5,789)	-	(5,789)
Net cash and cash equivalents used in capital and related financing activities	(7,914)	-	(7,914)
<b>Cash Flows from Investing Activities</b>			
Interest received on investments	31,017	351	31,368
Proceeds from sale and maturities of investment securities	(5,389)	(350)	(5,739)
Net cash and cash equivalents provided by investing activities	25,628	1	25,629
<b>Net Decrease in Cash and Cash Equivalents</b>	(68,628)	(16,109)	(84,737)
<b>Cash and Cash Equivalents - Beginning of year</b>	691,654	169,398	861,052
<b>Cash and Cash Equivalents - End of year</b>	<u>\$ 623,026</u>	<u>\$ 153,289</u>	<u>\$ 776,315</u>
<b>Classification of Cash and Cash Equivalents</b>			
Cash and investments	\$ 1,250,434	\$ 268,889	\$ 1,519,323
Less amounts classified as investments	(627,408)	(115,600)	(743,008)
Total cash and cash equivalents	<u>\$ 623,026</u>	<u>\$ 153,289</u>	<u>\$ 776,315</u>

**City of Grosse Pointe Woods, Michigan**

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

**Year Ended June 30, 2023**

	Motor Vehicle Fund	Workers' Compensation Fund	Total Internal Service Funds
<b>Reconciliation of Operating Loss to Net Cash from Operating Activities</b>			
Operating loss	\$ (52,599)	\$ (114,240)	\$ (166,839)
Adjustments to reconcile operating loss to net cash from operating activities:			
Depreciation	427,307	-	427,307
Changes in assets and liabilities:			
Receivables	(109,583)	-	(109,583)
Prepaid and other assets	3,110	(5,823)	(2,713)
Net pension or OPEB asset	(381,305)	-	(381,305)
Accounts payable	20,018	19,151	39,169
Estimated claims liability	6,710	84,802	91,512
Total adjustments	(33,743)	98,130	64,387
Net cash and cash equivalents used in operating activities	\$ (86,342)	\$ (16,110)	\$ (102,452)

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.

Other Supplementary Information  
Statement of Fiduciary Net Position  
Fiduciary Funds

June 30, 2023

	Pension and Other Employee Benefit Trust Funds			
	Pension Fund	Supplemental Annuity Fund	Other Postemployment Benefit Trust Fund	Total Pension and OPEB Funds
<b>Assets</b>				
Cash and cash equivalents	\$ 683,096	\$ 43,833	\$ 8,934	\$ 735,863
Investments:				
Stocks	15,041,921	965,135	-	16,007,056
Corporate bonds	7,221,417	463,348	-	7,684,765
Exchange-traded funds	17,437,860	1,118,866	2,004,110	20,560,836
Receivables - Accrued interest receivable	1,057	51	-	1,108
Total assets	40,385,351	2,591,233	2,013,044	44,989,628
<b>Liabilities - Accounts payable</b>	-	-	-	-
<b>Net Position</b>				
Restricted for pension	40,385,351	2,591,233	-	42,976,584
Restricted for postemployment benefits other than pension	-	-	2,013,044	2,013,044
Total net position	<u>\$ 40,385,351</u>	<u>\$ 2,591,233</u>	<u>\$ 2,013,044</u>	<u>\$ 44,989,628</u>



## City of Grosse Pointe Woods, Michigan

### Other Supplementary Information Statement of Changes in Fiduciary Net Position Fiduciary Funds

Year Ended June 30, 2023

	Pension and Other Employee Benefit Trust Funds			
	Pension Fund	Supplemental Annuity Fund	Other Postemployment Benefit Trust Fund	Total Pension and OPEB Funds
<b>Additions</b>				
Investment income (loss):				
Interest and dividends	\$ 326,228	\$ 19,797	\$ 41,127	\$ 387,152
Net increase in fair value of investments	3,589,515	218,008	139,736	3,947,259
Investment costs	(65,112)	(3,953)	-	(69,065)
Net investment income	3,850,631	233,852	180,863	4,265,346
Contributions:				
Employer contributions	2,042,554	329,201	1,427,234	3,798,989
Employee contributions	297,963	-	51,075	349,038
Total contributions	2,340,517	329,201	1,478,309	4,148,027
Total additions	6,191,148	563,053	1,659,172	8,413,373
Deductions - Benefit payments	3,921,734	286,747	1,227,234	5,435,715
<b>Net Increase in Fiduciary Net Position</b>	2,269,414	276,306	431,938	2,977,658
<b>Net Position - Beginning of year</b>	38,115,937	2,314,927	1,581,106	42,011,970
<b>Net Position - End of year</b>	<b>\$ 40,385,351</b>	<b>\$ 2,591,233</b>	<b>\$ 2,013,044</b>	<b>\$ 44,989,628</b>

**June 30, 2023**

***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.

# Statistical Section

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

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

## 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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	As of June 30,			
	2014	2015	2016	2017
<b>Governmental Activities</b>				
Net investment in capital assets	\$ 26,303,935	\$ 27,569,120	\$ 25,064,363	\$ 22,206,276
Restricted	835,294	7,500,582	2,946,510	3,380,839
Unrestricted	<u>(7,745,764)</u>	<u>(28,560,231)</u>	<u>(26,399,199)</u>	<u>(26,770,331)</u>
Total net position	<b><u>\$ 19,393,465</u></b>	<b><u>\$ 6,509,471</u></b>	<b><u>\$ 1,611,674</u></b>	<b><u>\$ (1,183,216)</u></b>
<b>Business-type Activities</b>				
Net investment in capital assets	\$ 18,458,605	\$ 18,185,073	\$ 18,154,537	\$ 18,507,826
Restricted	319,000	306,500	256,000	223,500
Unrestricted	<u>5,465,819</u>	<u>5,537,757</u>	<u>7,005,669</u>	<u>9,036,011</u>
Total net position	<b><u>\$ 24,243,424</u></b>	<b><u>\$ 24,029,330</u></b>	<b><u>\$ 25,416,206</u></b>	<b><u>\$ 27,767,337</u></b>
<b>Primary Government in Total</b>				
Net investment in capital assets	\$ 44,762,540	\$ 45,754,193	\$ 43,218,900	\$ 40,714,102
Restricted	1,154,294	7,807,082	3,202,510	3,604,339
Unrestricted	<u>(2,279,945)</u>	<u>(23,022,474)</u>	<u>(19,393,530)</u>	<u>(17,734,320)</u>
Total net position	<b><u>\$ 43,636,889</u></b>	<b><u>\$ 30,538,801</u></b>	<b><u>\$ 27,027,880</u></b>	<b><u>\$ 26,584,121</u></b>

Source: City annual financial statements

Summary Condensed State of Net Position

## Net Position by Component

Last Ten Fiscal Years

June 30, 2023

(Unaudited)

As of June 30,					
2018	2019	2020	2021	2022	2023
\$ 27,441,437	\$ 29,554,228	\$ 34,307,867	\$ 37,562,491	\$ 38,551,052	\$ 39,062,388
3,853,062	4,675,063	3,879,012	3,224,854	3,238,920	3,132,849
(65,318,399)	(62,826,090)	(62,229,876)	(64,355,478)	(50,566,076)	(42,180,777)
<b>\$ (34,023,900)</b>	<b>\$ (28,596,799)</b>	<b>\$ (24,042,997)</b>	<b>\$ (23,568,133)</b>	<b>\$ (8,776,104)</b>	<b>\$ 14,460</b>
\$ 18,830,410	\$ 21,640,125	\$ 23,036,705	\$ 24,837,411	\$ 27,007,453	\$ 28,235,200
198,090	155,000	198,090	198,090	198,090	198,090
8,144,812	7,377,799	8,078,834	7,571,807	7,700,107	8,844,580
<b>\$ 27,173,312</b>	<b>\$ 29,172,924</b>	<b>\$ 31,313,629</b>	<b>\$ 32,607,308</b>	<b>\$ 34,905,650</b>	<b>\$ 37,277,870</b>
\$ 46,271,847	\$ 51,194,353	\$ 57,344,572	\$ 62,399,902	\$ 65,558,505	\$ 67,297,588
\$ 4,051,152	\$ 4,830,063	\$ 4,077,102	\$ 3,422,944	\$ 3,437,010	\$ 3,330,939
(57,173,587)	(55,448,291)	(54,151,042)	(56,783,671)	(42,865,969)	(33,336,197)
<b>\$ (6,850,588)</b>	<b>\$ 576,125</b>	<b>\$ 7,270,632</b>	<b>\$ 9,039,175</b>	<b>\$ 26,129,546</b>	<b>\$ 37,292,330</b>

## City of Grosse Pointe Woods, Michigan

	Fiscal Year			
	2014	2015	2016	2017
<b>Expenses</b>				
Governmental activities:				
General government	\$ 3,130,925	\$ 2,494,362	\$ 3,586,605	\$ 3,508,241
Public safety	6,553,852	7,777,514	9,321,147	8,318,311
Public works	6,091,819	6,126,373	6,431,753	6,720,230
Solid waste	1,150,743	1,193,308	1,126,483	1,108,370
Municipal improvement	307,290	554,163	575,094	260,432
Recreation and culture	1,554,898	1,773,961	1,855,328	1,905,019
Interest on long-term debt	830,255	-	207,605	158,803
Total governmental activities	19,619,782	19,919,681	23,104,015	21,979,406
Business-type activities:				
Water/Sewer	5,420,387	5,919,315	6,053,295	5,897,189
Parking	195,791	246,050	304,826	136,057
Boat dock	97,519	96,733	104,778	89,176
Commodity sales	-	36,955	23,940	35,713
Total business-type activities expenses	5,713,697	6,299,053	6,486,839	6,158,135
Total primary government expenses	25,333,479	26,218,734	29,590,854	28,137,541
<b>Program Revenue</b>				
Governmental activities:				
Charges for services				
Municipal court	593,962	455,417	401,218	489,299
Building inspections and related	-	-	-	-
Recreation and culture	107,161	111,904	116,383	146,619
Other activities	614,984	321,151	379,099	364,232
Total charges for services	1,316,107	888,472	896,700	1,000,150
Operating and capital grants and contributions	943,540	1,091,214	1,009,509	1,306,687
Total governmental activities program revenue	2,259,647	1,979,686	1,906,209	2,306,837
<b>Business-type Activities</b>				
Charges for services:				
Water/Sewer	6,339,551	6,241,351	7,202,849	7,818,095
Parking	292,825	454,533	439,720	446,643
Boat dock	126,052	140,986	150,625	142,843
Commodity sales	34,214	33,075	30,392	27,679
Capital grants and contributions	-	-	-	-
Total business-type program revenue	6,792,642	6,869,945	7,823,586	8,435,260
Total primary government program revenue	\$ 9,052,289	\$ 8,849,631	\$ 9,729,795	\$ 10,742,097
<b>Net (Expense) Revenue</b>				
Governmental activities	\$ (17,360,135)	\$ (17,939,995)	\$ (21,197,806)	\$ (19,672,569)
Business-type activities	1,078,945	570,892	1,336,747	2,277,125
Total primary government net expense	\$ (16,281,190)	\$ (17,369,103)	\$ (19,861,059)	\$ (17,395,444)

Source: City annual financial statements

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

**Last Ten Fiscal Years**  
**June 30, 2023**  
**(Unaudited)**

Fiscal Year						
2018	2019	2020	2021	2022	2023	
\$ 2,132,039	\$ 739,340	\$ 518,716	\$ 2,593,302	\$ 2,628,416	\$ 2,594,261	
5,667,873	4,025,271	5,741,383	6,675,082	4,539,620	2,845,192	
5,388,938	6,164,026	6,547,959	7,888,744	7,312,364	8,103,899	
1,666,746	1,499,882	1,661,616	1,725,517	1,781,243	1,778,704	
811,929	1,029,092	1,283,863	1,017,990	(48,212)	50,976	
1,758,972	1,723,645	1,848,120	939,350	1,864,690	1,739,957	
186,192	539,273	560,896	719,155	591,553	531,883	
17,612,689	15,720,529	18,162,553	21,559,140	18,669,674	17,644,872	
6,147,744	6,351,669	6,399,751	6,089,411	6,340,899	5,978,476	
235,753	495,089	432,624	899,113	354,994	338,605	
432,292	279,565	132,434	157,547	168,082	166,731	
10,922	47,233	5,279	5,642	5,408	3,158	
6,826,711	7,173,556	6,970,088	7,151,713	6,869,383	6,486,970	
24,439,400	22,894,085	25,132,641	28,710,853	25,539,057	24,131,842	
452,764	410,923	403,678	473,529	510,360	734,184	
-	-	-	-	-	-	
141,725	136,973	78,258	56,639	119,609	242,217	
397,502	305,384	253,907	232,067	221,400	415,061	
991,991	853,280	735,843	762,235	851,369	1,391,462	
1,655,576	1,756,482	2,496,185	1,731,363	1,848,173	3,874,627	
2,647,567	2,609,762	3,232,028	2,493,598	2,699,542	5,266,089	
8,763,915	8,214,871	8,021,351	7,831,304	7,623,445	7,999,000	
473,826	448,071	321,868	318,653	282,440	331,026	
172,091	194,478	512,097	236,098	234,134	216,226	
25,939	21,382	13,795	12,084	11,230	9,555	
-	-	-	-	-	-	
9,435,771	8,878,802	8,869,111	8,398,139	8,151,249	8,555,807	
<b>\$ 12,083,338</b>	<b>\$ 11,488,564</b>	<b>\$ 12,101,139</b>	<b>\$ 10,891,737</b>	<b>\$ 10,850,791</b>	<b>\$ 13,821,896</b>	
\$ (14,965,122)	\$ (13,110,767)	\$ (14,930,525)	\$ (19,065,542)	\$ (15,970,132)	\$ (12,378,783)	
2,609,060	1,705,246	1,899,023	1,246,426	1,281,866	2,068,837	
<b>\$ (12,356,062)</b>	<b>\$ (11,405,521)</b>	<b>\$ (13,031,502)</b>	<b>\$ (17,819,116)</b>	<b>\$ (14,688,266)</b>	<b>\$ (10,309,946)</b>	

## City of Grosse Pointe Woods, Michigan

	Fiscal Year			
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b>General Revenue</b>				
Governmental activities:				
Property taxes	\$ 12,971,861	\$ 12,089,662	\$ 13,450,544	\$ 14,229,532
Income taxes				
State-shared revenue	1,521,267	1,568,207	1,640,461	1,564,983
Investment earnings	46,301	43,238	82,738	38,764
Donations	-	-	-	-
Franchise fees	340,268	315,723	427,964	379,362
Other	301,260	507,807	627,485	665,038
Gain on sale of fixed assets	-	7,850	23,684	-
Transfers	(107,832)	-	-	-
Total governmental activities	<u>15,073,125</u>	<u>14,532,487</u>	<u>16,252,876</u>	<u>16,877,679</u>
Business-type activities:				
Unrestricted investment earnings	21,104	28,735	50,129	74,006
Other	2,000	-	-	-
Transfers	107,832	-	-	-
Total business-type activities	<u>130,936</u>	<u>28,735</u>	<u>50,129</u>	<u>74,006</u>
Total primary government	<u>15,204,061</u>	<u>14,561,222</u>	<u>16,303,005</u>	<u>16,951,685</u>
<b>Change in Net Position</b>				
Governmental activities	(2,287,010)	(3,407,508)	(4,944,930)	(2,794,890)
Business-type activities	1,209,881	599,627	1,386,876	2,351,131
Total primary government	<u>\$ (1,077,129)</u>	<u>\$ (2,807,881)</u>	<u>\$ (3,558,054)</u>	<u>\$ (443,759)</u>

Source: City annual financial statements



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

**Last Ten Fiscal Years**  
**June 30, 2023**  
**(Unaudited)**

Fiscal Year						
2018	2019	2020	2021	2022	2023	
\$ 14,116,610	\$ 15,161,779	\$ 15,997,173	\$ 16,333,840	\$ 17,562,597	\$ 17,797,438	
1,715,312	1,848,256	1,649,486	2,395,549	2,078,560	2,175,251	
171,696	438,677	338,402	25,167	(103,986)	504,673	
-	-	-	-	-	-	
362,235	336,174	369,566	341,918	325,892	316,184	
822,143	752,982	1,129,700	443,932	809,184	375,801	
-	-	-	-	-	-	
-	-	-	-	-	-	
17,187,996	18,537,868	19,484,327	19,540,406	20,672,247	21,169,347	
147,189	294,366	241,682	47,253	36,704	303,383	
-	-	-	-	-	-	
-	-	-	-	-	-	
147,189	294,366	241,682	47,253	36,704	303,383	
17,335,185	18,832,234	19,726,009	19,587,659	20,708,951	21,472,730	
2,222,874	5,427,101	4,553,802	474,864	4,702,115	8,790,564	
2,756,249	1,999,612	2,140,705	1,293,679	1,318,570	2,372,220	
<b>\$ 4,979,123</b>	<b>\$ 7,426,713</b>	<b>\$ 6,694,507</b>	<b>\$ 1,768,543</b>	<b>\$ 6,020,685</b>	<b>\$ 11,162,784</b>	

## City of Grosse Pointe Woods

	As of June 30,			
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b>General Fund</b>				
Prior to adoption of GASB 54:				
Reserved	\$ -	\$ -	\$ -	\$ -
Designated	-	-	-	-
Unreserved and undesignated	-	-	-	-
Subsequent to adoption of GASB 54:				
Nonspendable	138,757	104,203	79,148	94,419
Restricted	-	-	-	-
Committed	317,432	558,479	751,952	541,642
Assigned	953,821	1,027,515	707,910	748,464
Unassigned	<u>3,754,923</u>	<u>3,716,961</u>	<u>4,992,622</u>	<u>6,255,011</u>
Total general fund	<u>5,164,933</u>	<u>5,407,158</u>	<u>6,531,632</u>	<u>7,639,536</u>
<b>All Other Governmental Funds</b>				
Nonspendable	17,002	13,365	10,438	11,153
Restricted	829,037	7,488,572	2,937,106	5,816,063
Committed	33,500	66,700	16,770	23,158
Assigned	1,152,784	935,005	1,876,521	231,432
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>(33,213)</u>
Total all other governmental funds	<u>2,032,323</u>	<u>8,503,642</u>	<u>4,840,835</u>	<u>6,048,593</u>
Total of all governmental funds	<u>\$ 7,197,256</u>	<u>\$ 13,910,800</u>	<u>\$ 11,372,467</u>	<u>\$ 13,688,129</u>

Source: City annual financial statements

## Fund Balances - Governmental Funds

Last Ten Fiscal Years

June 30, 2023

(Unaudited)

As of June 30,						
2018	2019	2020	2021	2022	2023	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
-	-	-	-	-	-	
-	-	-	-	-	-	
24,890	405,496	290,917	296,990	259,597	254,077	
-	-	-	-	-	-	
424,329	1,387,970	791,701	1,273,809	989,090	833,336	
3,391,228	1,224,769	599,619	600,130	587,230	588,108	
<u>5,315,591</u>	<u>5,366,466</u>	<u>6,181,169</u>	<u>5,129,049</u>	<u>5,744,104</u>	<u>7,247,713</u>	
<u>9,156,038</u>	<u>8,384,701</u>	<u>7,863,406</u>	<u>7,299,978</u>	<u>7,580,021</u>	<u>8,923,234</u>	
3,636	9,080	11,783	13,860	13,401	97,840	
3,850,363	5,552,733	4,157,254	3,233,157	3,215,475	2,961,835	
20,006	-	-	-	-	564,258	
363,125	325,198	291,806	341,746	268,127	288,972	
(207,026)	-	-	-	-	(9,956)	
<u>4,030,104</u>	<u>5,887,011</u>	<u>4,460,843</u>	<u>3,588,763</u>	<u>3,497,003</u>	<u>3,902,949</u>	
<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>	<b><u>\$ 11,077,024</u></b>	<b><u>\$ 12,826,183</u></b>	

## City of Grosse Pointe Woods

	As of June 30,			
	2014	2015	2016	2017
<b>Revenue</b>				
Property taxes	\$ 12,971,026	\$ 12,089,662	\$ 13,450,544	\$ 13,942,867
State and local sources	2,328,022	2,389,342	2,649,970	2,723,847
Intergovernmental taxes	-	-	-	-
Delinquent interest and collection fee income	-	-	-	-
Federal financial assistance	6,483	7,693	-	25,227
Other revenue	2,088,772	1,903,267	2,057,149	2,272,146
Investment income	34,791	26,214	70,506	27,286
<b>Total revenue</b>	<b>17,429,094</b>	<b>16,416,178</b>	<b>18,228,169</b>	<b>18,991,373</b>
<b>Expenditures</b>				
Current:				
General government	2,773,796	2,864,850	2,603,109	2,645,589
Public safety	5,480,645	5,397,800	5,322,568	5,467,346
Public works	6,202,883	6,465,890	10,813,928	8,840,961
Recreation and culture	1,337,255	1,373,591	1,367,357	1,463,628
Miscellaneous	-	-	-	-
Capital outlay	334,617	498,095	451,935	171,937
Debt service principal	828,847	226,874	-	750,000
Debt service interest	-	-	207,605	211,250
<b>Total expenditures</b>	<b>16,958,043</b>	<b>16,827,100</b>	<b>20,766,502</b>	<b>19,550,711</b>
<b>Excess of Revenue (Under) Over Expenditures</b>	<b>471,051</b>	<b>(410,922)</b>	<b>(2,538,333)</b>	<b>(559,338)</b>
<b>Other Financing Sources (Uses)</b>				
Debt issuance/proceeds from sale of cap assets	-	7,124,466	-	2,875,000
Transfers in	660,919	231,416	364,163	16,900
Transfers out	(768,751)	(231,416)	(364,163)	(16,900)
<b>Total other financing (uses) sources</b>	<b>(107,832)</b>	<b>7,124,466</b>	<b>-</b>	<b>2,875,000</b>
<b>Net Change in Fund Balances</b>	<b>363,219</b>	<b>6,713,544</b>	<b>(2,538,333)</b>	<b>2,315,662</b>
<b>Fund Balances - Beginning of year</b>	<b>6,834,037</b>	<b>7,197,256</b>	<b>13,910,800</b>	<b>11,372,467</b>
<b>Fund Balances - End of year</b>	<b>\$ 7,197,256</b>	<b>\$ 13,910,800</b>	<b>\$ 11,372,467</b>	<b>\$ 13,688,129</b>
Debt service as a percentage of noncapital expenditures	5.01%	1.44%	1.34%	5.90%

Source: City annual financial statements

## Changes in Fund Balances - Governmental Funds

Last Ten Fiscal Years

June 30, 2023

(Unaudited)

As of June 30,						
2018	2019	2020	2021	2022	2023	
\$ 14,403,290	\$ 15,161,779	\$ 15,996,485	\$ 16,333,840	\$ 17,562,597	\$ 17,797,438	
3,167,506	3,746,298	3,215,563	4,102,284	3,906,733	4,038,555	
-	-	-	-	-	-	
-	-	-	-	-	-	
13,777	44,670	26,750	20,000	-	1,683,134	
2,276,711	2,247,657	1,683,001	1,636,399	1,929,171	2,314,483	
146,493	397,423	289,278	20,597	(106,430)	470,100	
<u>20,007,777</u>	<u>21,597,827</u>	<u>21,211,077</u>	<u>22,113,120</u>	<u>23,292,071</u>	<u>26,303,710</u>	
2,700,380	4,501,649	2,603,533	3,155,827	3,168,107	3,858,151	
5,578,638	5,715,168	5,652,474	6,347,322	6,584,918	6,648,055	
17,925,257	12,517,740	16,082,363	10,550,044	9,199,527	9,250,096	
1,700,044	2,008,936	1,747,492	1,541,078	1,774,950	1,905,186	
-	-	-	-	-	-	
615,005	909,337	1,181,810	1,015,605	62,940	231,071	
750,000	824,103	1,648,548	1,676,496	1,872,905	2,052,647	
237,679	531,741	616,472	672,673	667,712	609,345	
<u>29,507,003</u>	<u>27,008,674</u>	<u>29,532,692</u>	<u>24,959,045</u>	<u>23,331,059</u>	<u>24,554,551</u>	
(9,499,226)	(5,410,847)	(8,321,615)	(2,845,925)	(38,988)	1,749,159	
8,997,239	6,496,417	6,374,152	1,410,417	227,271	-	
333,586	361,347	1,839,895	1,539,407	798,754	704,739	
(333,586)	(361,347)	(1,839,895)	(1,539,407)	(798,754)	(704,739)	
<u>8,997,239</u>	<u>6,496,417</u>	<u>6,374,152</u>	<u>1,410,417</u>	<u>227,271</u>	<u>-</u>	
(501,987)	1,085,570	(1,947,463)	(1,435,508)	188,283	1,749,159	
<u>13,688,129</u>	<u>13,186,142</u>	<u>14,271,712</u>	<u>12,324,249</u>	<u>10,888,741</u>	<u>11,077,024</u>	
<b>\$ 13,186,142</b>	<b>\$ 14,271,712</b>	<b>\$ 12,324,249</b>	<b>\$ 10,888,741</b>	<b>\$ 11,077,024</b>	<b>\$ 12,826,183</b>	
3.75%	7.20%	11.47%	11.25%	11.43%	11.53%	

## City of Grosse Pointe Woods

# General Governmental Revenue History

Last Ten Fiscal Years

June 30, 2023

(Unaudited)

Fiscal Year	General Property Taxes	Inter-governmental Revenue	Licenses and Permits	Federal Financial Assistance	Charges for Services	Interest and Miscellaneous	Total Revenue
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
2022	17,562,597	3,906,575	370,999	158	722,004	729,738	23,292,071
2023	17,797,438	4,038,555	376,482	1,683,134	919,111	1,488,990	26,303,710

Source: City annual financial statements

**City of Grosse Pointe Woods**

**Property Tax Levies and Collections**

**Last Ten Fiscal Years  
June 30, 2023  
(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
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%
2021	2022	16,272,132	16,028,353	98.50%	243,779	16,272,132	100.00%
2022	2023	16,761,441	16,564,877	98.83%	196,564	16,761,441	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
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
2021	2022	707,733,272	76,210,252	118,900	23,034,670
2022	2023	758,306,425	79,861,111	117,700	22,991,700

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



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## Taxable Value and Estimated Actual Value of Taxable Property

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June 30, 2023  
(Unaudited)

Total Value	Tax Rate (mills)	State Equalized Value	Estimated Actual Value	Taxable Value as a Percentage of Actual
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%
807,097,094	21.4272	1,081,703,586	2,163,407,172	37.31%
861,276,936	21.3037	1,179,535,598	2,359,071,196	36.51%

## City of Grosse Pointe Woods

Tax Year	Millage Rates - Direct City Taxes (1)							Overlapping
	General Operating	Voted EMS	Voted Park Bond	Voted Road Bond	Statutory Solid Waste	Ch 20/21 Milk River Drain	Total Direct Taxes	County
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
2022	12.9888	-	-	1.2761	2.4711	4.6912	21.4272	9.0655
2023	12.9849	-	-	1.5000	2.4711	4.3477	21.3037	9.0655

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

(2) Previously termed homestead and nonhomestead

Source: Comptroller's office

## Direct and Overlapping Property Tax Rates

**June 30, 2023**

**(Unaudited)**

Overlapping Taxes						Total Tax Rate (2)	
H.C.M.A.	Community College	Grosse Pointe Library	Intermediate School District	School District Principal	School District Nonprincipal	Principal	Nonprincipal
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
0.2070	3.2202	2.0970	5.4275	14.4586	28.1061	55.9030	69.5505
0.2070	3.2202	2.0970	5.4275	13.8124	28.1011	55.1333	69.4220

Principal Property Tax Payers

Current and Ten Years Ago  
 June 30, 2023  
 (Unaudited)

Taxpayer	2023 Taxable Value	Percentage of Total	2014 Taxable Value	Percentage of Total
1 DRSN Real Estate GP LLC	\$ 15,273,340	1.773%	13,872,000	2.243%
2 Michigan Cons. Gas Co.	10,961,400	1.273%	2,539,000	0.411%
3 Detroit Edison	7,104,500	0.825%	3,302,800	0.534%
4 Health Care Reit Inc	6,837,335	0.794%	7,507,500	1.214%
5 Pointe Plaza	5,640,418	0.655%	4,729,500	0.765%
6 VDG Mack Ave LLC	2,826,345	0.328%	N/A	0.000%
7 Legacy Oaks	2,094,675	0.243%	N/A	0.000%
8 Lochmoor Club	1,707,521	0.198%	1,753,700	0.284%
9 Comerica Bank	1,522,691	0.177%	1,926,500	0.311%
10 SCI Michigan Funeral Service	1,438,400	0.167%	1,655,900	0.268%
11 Kroger Co. of Michigan	1,406,073	0.163%	1,194,500	0.193%
12 St. John Health System	1,379,311	0.160%	N/A	0.000%
Total	<u>\$ 58,192,009</u>	<u>6.756%</u>	<u>\$ 38,481,400</u>	<u>6.222%</u>
Total	<u>861,276,936</u>		<u>618,492,730</u>	

Source: City of Grosse Pointe Woods Assessing Department records

## City of Grosse Pointe Woods

	As of June 30,			
	2014	2015	2016	2017
<b>Governmental Activities</b>				
General obligation bonds (GOB)	-	-	-	-
GOB installment note	-	-	-	-
GOB contract - Wayne County Drain	-	-	-	-
2015 Road Bonds Issue #1	-	7,124,469	7,072,022	6,269,575
2015 Road Bonds Issue #2	-	-	-	2,875,000
2018 Capital Improvement Bond Issue	-	-	-	-
Installment loans - Vehicles	-	272,558	648,813	539,586
E-One Metro 100' Aerial Apparatus	-	-	-	-
<b>Total</b>	<b>-</b>	<b>7,397,027</b>	<b>7,720,835</b>	<b>9,684,161</b>
<b>Business-type Activities</b>				
Installment purchase agreements	-	-	-	-
2010 DWRP Bonds	4,951,798	4,696,798	4,436,798	4,166,798
2012 SRF Bonds	2,485,726	2,733,788	2,620,513	2,497,065
Revenue bonds	3,190,000	2,880,000	2,560,000	2,235,000
Bond premium	254,436	226,166	197,896	169,626
<b>Total</b>	<b>10,881,960</b>	<b>10,536,752</b>	<b>9,815,207</b>	<b>9,068,489</b>
<b>Total debt of the government</b>	<b>\$ 10,881,960</b>	<b>\$ 17,933,779</b>	<b>\$ 17,536,042</b>	<b>\$ 18,752,650</b>
<b>Total Taxable Value (1)</b>	\$ 618,492,730	\$ 637,951,875	\$ 651,213,015	\$ 659,449,995
<b>Ratio of Total Debt to Personal Income</b>	1.76%	2.81%	2.69%	2.84%
<b>Total Population</b>	16,135	16,135	16,135	16,135
<b>Total Debt Per Capita</b>	674	1,111	1,087	1,162

(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, 2023

(Unaudited)

As of June 30,					
2018	2019	2020	2021	2022	2023
-	-	-	-	-	-
-	-	-	-	-	-
8,997,239	12,846,326	17,824,929	18,490,523	17,867,490	17,019,842
5,467,128	4,664,681	4,112,234	3,559,787	2,907,340	2,104,893
2,875,000	2,875,000	2,580,000	2,280,000	1,975,000	1,665,000
-	2,637,508	2,497,686	2,352,865	2,203,042	2,048,220
303,927	62,096	-	299,927	201,856	201,856
-	-	-	-	-	-
17,643,294	23,085,611	27,014,849	26,983,101	25,154,728	23,039,811
-	-	-	-	-	-
4,051,999	3,791,999	3,526,999	3,251,999	2,971,999	2,681,999
2,377,065	2,252,065	2,127,065	1,997,065	1,867,065	1,732,065
1,900,000	1,550,000	1,185,000	810,000	415,000	-
141,353	113,082	84,811	56,540	28,269	-
8,470,417	7,707,146	6,923,875	6,115,604	5,282,333	4,414,064
<b>\$ 26,113,711</b>	<b>\$ 30,792,757</b>	<b>\$ 33,938,724</b>	<b>\$ 33,098,705</b>	<b>\$ 30,437,061</b>	<b>\$ 27,453,875</b>
\$ 696,024,629	\$ 723,476,987	\$ 746,406,715	\$ 767,141,507	\$ 807,097,094	\$ 861,276,936
3.75%	4.26%	4.55%	4.31%	3.77%	3.19%
16,135	16,135	16,135	15,332	16,487	16,487
1,618	1,908	2,103	2,159	1,846	1,665

**Pledged-revenue Coverage**

**June 30, 2023**

**(Unaudited)**

Fiscal Year	Debt Service Requirements (3)						
	Gross Revenue (1)	Applicable Expenses (2)	Net Revenue	Principal	Interest	Total	Coverage
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%
2022	7,595,174	4,693,139	2,902,035	395,000	22,525	417,525	695.06%
2023	7,970,731	4,900,105	3,070,626	415,000	8,300	423,300	725.40%

(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, 2023

(Unaudited)

Fiscal Year	Population Per Federal Census		Adjusted Taxable Equalized Valuation	General Obligation Bond Outstanding	Percent Debt to Assessed Value	Debt Per Capita
2014	16,135		618,492,730	-	0.00%	-
2015	16,135	(1)	637,951,875	7,124,469	1.12%	442
2016	16,135		651,213,015	7,071,532	1.09%	438
2017	16,135	(2)	659,449,995	6,674,748	1.01%	414
2018	16,135		696,024,629	14,772,899	2.12%	916
2019	16,135	(3)	722,551,893	19,798,180	1.54%	1,227
2020	16,135	(3)	746,406,715	24,971,469	3.35%	1,548
2021	15,332	(3)	767,141,507	25,418,505	3.31%	1,658
2022	16,487		807,097,094	24,352,020	3.02%	1,477
2023	16,487		861,276,936	22,304,269	2.59%	1,353

(1) Road Bonds approved by voters Nov 2014

(2) Road Bond Debt Issue #2 Added

(3) Capital Improvement Bonds

Source: Comptroller's office



**City of Grosse Pointe Woods**

**Direct and Overlapping Governmental Activities Debt**

**June 30, 2023**

**(Unaudited)**

Governmental unit	Debt Outstanding	Estimated Percent Applicable	Estimated Share of Overlapping Debt
Grosse Pointe Public Library	\$ 16,335,000	24.93%	\$ 4,072,316
Grosse Pointe Public Schools	101,675,000	24.93%	25,347,578
County of Wayne Building Authority and Debt Fund	41,418,929	1.68%	695,838
Wayne County Community College		2.84%	-
Total overlapping debt	159,428,929		
Direct city debt	<u>23,039,811</u>		<u>23,039,811</u>
Total direct and overlapping debt	<b><u>\$ 182,468,740</u></b>		<b><u>\$ 23,039,811</u></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

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	As of June 30,			
	2014	2015	2016	2017
Calculation of debt limit (1):				
Taxable valuation	\$ 618,492,730	\$ 637,951,875	\$ 651,213,015	\$ 659,449,995
10 percent of equalized value	62,331,330	74,231,187	79,357,920	84,284,766
Calculation of debt subject to limit:				
Total debt	10,881,960	17,661,221	16,887,229	18,213,064
Less debt not subject to limit:				
Grosse-Gratiot Drain/Milk River Debt	-	-	-	-
2010 DWRP Bonds	4,951,798	4,696,798	4,436,798	4,166,798
2012 SRF Bonds	2,485,726	2,733,788	2,620,513	2,497,065
Water/Sewer Revenue Bonds 2003	3,190,000	2,880,000	2,560,000	2,235,000
Net debt subject to limit	10,627,524	10,310,586	9,617,311	8,898,863
Total net debt (2)	254,436	7,350,635	7,269,918	9,314,201
Legal debt margin	62,076,894	66,880,552	72,088,002	74,970,565
Net debt subject to limit as percentage of debt limit	0.41%	10.99%	10.08%	12.42%

(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, 2023

(Unaudited)

As of June 30,											
	2018		2019		2020		2021		2022		2023
\$	696,024,629	\$	723,476,987	\$	746,406,715	\$	767,141,507	\$	807,097,094	\$	861,276,936
	87,006,800		94,964,167		100,465,047		103,635,109		108,170,359		117,953,559
	25,809,784		30,730,661		33,938,724		32,798,778		30,235,205		27,252,019
	8,997,239		12,846,326		17,824,929		18,490,523		17,867,490		17,019,842
	3,911,798		3,905,081		3,611,810		3,308,539		2,971,999		2,681,999
	2,377,065		2,252,065		2,127,065		1,997,065		1,867,065		1,732,065
	1,900,000		1,550,000		1,185,000		810,000		415,000		-
	17,186,102		20,553,472		24,748,804		24,606,127		23,121,554		21,433,906
	8,623,682		10,177,189		9,189,920		8,192,651		7,113,651		5,818,113
	78,383,118		84,786,978		91,275,127		95,442,458		101,056,708		112,135,446
	11.00%		12.00%		10.07%		8.58%		7.04%		5.19%

Demographic and Economic Statistics

June 30, 2023

(Unaudited)

Fiscal Year	Population	Personal Income (in thousands)	Per Capita Personal Income	Median Age	Unemployment Rate	School Enrollment
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
2022	16,487 (4)	(3)	111,392	45.1	5.60%	2,962
2023	16,487 (4)	(3)	115,247	45.1	5.60%	2,843

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

(2) US Census Bureau, 2018 American Community Survey

(3) Data not available

(4) 2020 Census

Source: Comptroller's office

Principal Employers

June 30, 2023

(Unaudited)

	Employer	Enterprise	2023 Employees	Employer's Percentage of Total Employment	2014 Employees
1	GP Public School	School	384	11.06%	384
2	Van Elslander Center	Medical	250	7.20%	250
3	Kroger	Grocery	159	4.58%	159
4	University of Liggett	School	128	3.69%	128
5	Great Lakes Cancer Mgt Specialist	Medical	103	2.97%	103
	Sunrise Assisted Living	Medical	130	3.74%	140
6	St. John I.T. & Desktop Support	Medical Business	100	2.88%	100
7	Lochmoor Club	Country Club	100	2.88%	100
9	City of Grosse Pointe Woods	Municipal	79	2.28%	79
10	Gateway Pediatric Therapy	Medical	50	1.44%	N/A
	Total People Employed in City		<b>3,472</b>		<b>3,614</b>

Source: City Business License Registry

Full-time Government Employees (1)

Last Ten Fiscal Years  
June 30, 2023  
(Unaudited)

As of June 30,

Department	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Percent of Total for 2023
Supervisor/Administrator	2	2	2	2	2	2	2	2	2	2	3%
Assessing	1	-	-	-	-	-	-	-	-	-	0%
Clerk's Office	3	3	3	3	3	3	3	3	3	3	4%
Treasurer's Office	4	4	4	4	4	4	4	4	4	4	5%
Municipal Court	3	3	3	3	3	3	3	3	3	3	4%
Information Systems	2	2	2	2	1	1	1	2	2	2	3%
Building	3	4	4	4	4	4	4	4	5	0	0%
Parks and Recreation	2	2	2	2	2	2	2	2	2	2	3%
Public Safety	39	35	34	34	35	32	36	36	35	38	48%
Public Works	22	23	23	24	22	25	25	25	25	25	32%
<b>Total</b>	<b>81</b>	<b>78</b>	<b>77</b>	<b>78</b>	<b>76</b>	<b>76</b>	<b>80</b>	<b>81</b>	<b>81</b>	<b>79</b>	<b>100%</b>
	(2)	(3)			(4)	(5)	(5)	(6)	(7)	(8)	

(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

(7) Building Department position added

(8) Building Department outsourced

(8) Public Safety added (1) dispatcher

(8) Public Safety (1) PSO vacancy filled

(8) Public Safety added (1) Code Enforcement Officer from Building Department

Source: City personnel records

## City of Grosse Pointe Woods

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Function/ Program	As of June 30,			
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Public safety (calendar year Jan 1 - Dec 31):				
Annual Calls for Service	10,980	10,886	10,964	11,902
Police physical arrests	337	359	309	326
Police traffic violations	1,306	1,652	1,541	2,724
Fire runs	213	214	199	282
Fire actual fires	10	20	25	29
Fire basic ambulance runs	458	433	541	544
Fire Advance Life Support ambulance runs	560	601	536	566
Fire inspections	8	19	14	11
Parking Meter Violations	6,793	6,938	6,821	7,164
Parks and recreation (estimated):				
Recreation programs - Lake Front Park	261	217	217	217
Community center programs	57	59	59	59
Water:				
New connections (calendar year Jan 1 - Dec 31)	16	5	2	9
Water main breaks	23	48	34	23
Total consumption (billed to customers - HCF) - FY	724,717	653,545	653,901	731,328

(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, 2023**

**(Unaudited)**

As of June 30,					
<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
11,411	9,828	8,191	7,924	8,294	(1)
177	130	66	69	30	(1)
2,569	1,461	1,273	958	1,215	(1)
219	243	284	249	161	(1)
14	11	24	21	20	(1)
430	582	576	523	574	(1)
828	888	820	784	400	(1)
8	17	10	16	21	(1)
7,263	7,674	5,101	5,456	5,348	(1)
195	217	3	146	149	(1)
75	59	30	82	58	(1)
-	3	1	2	1	(1)
18	31	17	17	30	(1)
721,131	666,821	611,777	655,752	587,841	656,297



**Capital Asset Statistics**

**Last Ten Fiscal Years**

**June 30, 2023**

**(Unaudited)**

Function/Program	As of June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
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	2	2
Ambulances	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	68	68
Fire hydrants	603	608	608	608	608	608	608	608	605	605
Sewer - Miles of sanitary sewers	78	78	78	78	78	78	78	78	95	95

Source: Departmental annual reports

Last Ten Fiscal Years  
June 30, 2023  
(Unaudited)

<u>Fiscal Year</u>	<u>Modified Accrual and Accrual Basis of Accounting</u>
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
2022	2,027,099
2023	2,052,736

Source: Comptroller's office

**Gas and Weight Taxes**

**Last Ten Fiscal Years**

**June 30, 2023**

**(Unaudited)**

Fiscal year	Type of Street		Total
	Major	Local	Gas and Weight Tax (Act 51) Receipts
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
2022	1,277,672	559,615	1,837,288
2023	1,314,394	536,585	1,850,979

Source: Comptroller's office

Labor Agreements

June 30, 2023

(Unaudited)

Bargaining Unit	Expiration Date	Number of Employees at June 30, 2023
<b>Police Officers Association of Michigan</b> Represents Public Safety Officers	6/30/2026	20
<b>Command Officers Association of Michigan</b> Represents Public Safety Sergeants and Lieutenants	6/30/2027	9
<b>Police Officers Labor Council</b> Represents all Communications Dispatchers	6/30/2026	4
<b>Technical, Professional, and Office Workers Assn of MI</b> Represents clerical, public works employees, building, and ordinance officers	6/30/2026	28
<b>Nonunion Employees (Full-time)</b>		
City Administrator	N/A	1
Assistant 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
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	0
Property Maintenance Inspector	N/A	0
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

18

Source: Comptroller's office

## City of Grosse Pointe Woods

# Water and Sewer Customers and Consumption

June 30, 2023

(Unaudited)

User Type	Number of Meters	Water Consumption Volume (100 cubic feet)	Percentage of Consumption
Residential	6,560	564,815	86.06%
Commercial	280	65,276	9.95%
Churches, schools, and government	33	26,206	3.99%
Total	<b>6,873</b>	<b>656,297</b>	<b>100%</b>

Source: Comptroller's office

Historical Net Earnings, Cash Flow, and Debt Service Coverage

June 30, 2023

(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
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	1,924,567	70,377	1,994,944	417,525	4.78%
2022	6,014,247	5,068,032	1,580,927	75,402	1,656,329	423,300	3.91%
2023	5,854,782	4,900,105	2,115,949	291,348	2,407,297	-	n/a

(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, 2023**  
**(Unaudited)**

	Customer	Usage in Dollars	Volume of Water Used (in 100 cubic feet)
1	Lochmoor Club	\$81,578.07	22,851
2	University of Liggett	\$43,379.07	12,151
3	GP Board of Education	\$30,127.23	8,439
4	The Rivers	\$27,024.90	7,570
5	Shore Pointe Condos	\$16,664.76	4,668
6	Sunrise	\$14,776.23	4,139
7	Kroger Utilities	\$8,700.09	2,437
8	Berskshires Condo Assoc	\$8,382.36	2,348
9	Ank Enterprises	\$7,875.42	2,206
10	Pointe Plaza Ltd	\$7,314.93	2,049
11	Original Pancake House	\$5,801.25	1,625
12	Curis Big Boy	\$5,347.86	1,498
13	Star of the Sea	\$5,258.61	1473
14	St John Providence	\$4,933.74	1,382
15	City of GPW	\$3,295.11	923

Source: City of Grosse Pointe Woods Finance

**Metered Water Rates**

**June 30, 2023  
(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, 2023  
(Unaudited)

### State Equalized Value

	By Class				
	2023	2022	2021	2020	2019
Real property	\$ 1,156,543,998	\$ 1,058,668,916	\$ 1,013,523,489	\$ 980,305,869	\$ 925,220,765
Personal property	22,991,700	23,034,670	22,827,600	24,344,600	25,091,000
<b>Total</b>	<b>\$ 1,179,535,698</b>	<b>\$ 1,081,703,586</b>	<b>\$ 1,036,351,089</b>	<b>\$ 1,004,650,469</b>	<b>\$ 950,311,765</b>

	By Use				
	2023	2022	2021	2020	2019
Residential	\$ 1,067,406,498	\$ 972,004,716	\$ 930,527,789	\$ 896,921,869	\$ 851,079,365
Commercial	89,019,700	86,545,300	82,877,300	83,265,500	74,024,200
Industrial	117,700	118,900	118,400	118,500	117,200
Personal property	22,991,700	23,034,670	22,827,600	22,827,600	25,091,000
<b>Total</b>	<b>\$ 1,179,535,598</b>	<b>\$ 1,081,703,586</b>	<b>\$ 1,036,351,089</b>	<b>\$ 1,003,133,469</b>	<b>\$ 950,311,765</b>

### Taxable Value

	By Class				
	2023	2022	2021	2020	2019
Real property	\$ 838,285,236	\$ 784,062,424	\$ 744,313,907	\$ 722,062,115	\$ 698,385,987
Personal property	22,991,700	23,034,670	22,827,600	24,344,600	25,091,000
<b>Total</b>	<b>\$ 861,276,936</b>	<b>\$ 807,097,094</b>	<b>\$ 767,141,507</b>	<b>\$ 746,406,715</b>	<b>\$ 723,476,987</b>

	By Use				
	2023	2022	2021	2020	2019
Residential	\$ 758,306,425	\$ 707,733,272	\$ 671,520,874	\$ 650,171,495	\$ 629,310,713
Commercial	79,861,111	76,210,252	72,674,633	71,772,973	68,959,820
Industrial	117,700	118,900	118,400	117,647	115,454
Personal property	22,991,700	23,034,670	22,827,600	24,344,600	25,091,000
<b>Total</b>	<b>\$ 861,276,936</b>	<b>\$ 807,097,094</b>	<b>\$ 767,141,507</b>	<b>\$ 746,406,715</b>	<b>\$ 723,476,987</b>

Source: Comptroller's office