

CITY OF NOVI, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - General Fund

For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Expenditures (concluded):				
Current (concluded):				
Community and economic development:				
Building	\$ 2,276,356	\$ 2,296,216	\$ 2,144,838	\$ (151,378)
Planning	667,103	1,010,237	845,766	(164,471)
Total community and economic development	2,943,459	3,306,453	2,990,604	(315,849)
Recreation and culture:				
Youth assistance	48,200	39,200	34,407	(4,793)
Historical commission	14,000	14,000	7,781	(6,219)
Total recreation and culture	62,200	53,200	42,188	(11,012)
Total expenditures	39,970,555	44,550,412	41,349,300	(3,201,112)
Revenues under expenditures	(399,850)	(3,811,354)	(1,938,759)	1,872,595
Other financing uses				
Transfers out	(25,000)	(25,000)	(25,000)	-
Net change in fund balance	(424,850)	(3,836,354)	(1,963,759)	1,872,595
Fund balance, beginning of year	12,085,677	16,409,153	16,409,153	-
Fund balance, end of year	\$ 11,660,827	\$ 12,572,799	\$ 14,445,394	\$ 1,872,595

concluded.

The accompanying notes are an integral part of these basic financial statements.

CITY OF NOVI, MICHIGAN

Statement of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - General Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
Revenues				
Taxes:				
Current property taxes	\$ 26,552,963	\$ 26,636,119	\$ 26,646,204	\$ 10,085
Trailer fees	12,250	11,000	10,790	(210)
Penalties and interest	220,000	168,094	172,324	4,230
Licenses, permits, and charges for services	4,413,411	4,274,290	3,349,536	(924,754)
Intergovernmental:				
Federal grants	155,000	270,470	253,278	(17,192)
State grants	6,356,000	7,610,949	7,487,770	(123,179)
Fines and forfeitures	375,000	340,000	251,190	(88,810)
Investment income	706,961	629,646	508,103	(121,543)
Other:				
Local donations	26,000	37,000	34,500	(2,500)
Miscellaneous	753,120	761,490	696,846	(64,644)
Total revenues	39,570,705	40,739,058	39,410,541	(1,328,517)
Expenditures				
Current:				
General government:				
City council	64,889	50,889	49,952	(937)
City manager	672,669	733,950	675,298	(58,652)
Finance	983,466	1,002,112	998,525	(3,587)
Treasury	413,014	443,078	435,986	(7,092)
Integrated solutions	1,674,190	1,769,726	1,637,831	(131,895)
Assessing	927,620	804,068	746,503	(57,565)
City attorney, insurance, and claims	881,800	786,800	740,544	(46,256)
City clerk	1,111,850	1,063,350	1,006,396	(56,954)
Facility management	1,747,804	2,395,894	1,578,513	(817,381)
Park maintenance	1,234,719	1,489,634	1,416,379	(73,255)
Human resources	644,178	760,646	751,532	(9,114)
Community relations	744,891	1,053,090	1,024,532	(28,558)
Studio 6	236,411	280,411	274,959	(5,452)
Economic development	198,883	214,883	214,510	(373)
Total general government	11,536,384	12,848,531	11,551,460	(1,297,071)
Public safety:				
Police	15,317,765	16,533,015	15,632,927	(900,088)
Fire	6,435,115	6,757,056	6,704,085	(52,971)
Total public safety	21,752,880	23,290,071	22,337,012	(953,059)
Public works:				
Administration	517,825	600,041	591,066	(8,975)
Engineering	297,920	373,632	358,487	(15,145)
Field operations	1,606,469	2,532,110	2,280,359	(251,751)
Fleet asset	1,253,418	1,546,374	1,198,124	(348,250)
Total public works	3,675,632	5,052,157	4,428,036	(624,121)

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CITY OF NOVI, MICHIGAN

Balance Sheet

Governmental Funds

June 30, 2023

	General Fund	Local Street Fund	Capital Improvement Program Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	\$ 198,780	\$ 20,913	\$ -	\$ 1,040,370	\$ 1,260,063
Investments	20,089,467	2,355,610	9,943	28,968,282	51,423,302
Receivables:					
Accrued interest	327,614	-	-	-	327,614
Leases	586,431	-	-	-	586,431
Other	520,547	-	-	345,723	866,270
Due from other governments	1,168,894	351,527	-	1,188,200	2,708,621
Advances to other governments	-	-	-	1,323,044	1,323,044
Due from other funds	825,796	-	-	-	825,796
Advances to component units	-	-	-	2,999,077	2,999,077
Prepaid items and other assets	426,373	-	-	51,180	477,553
Total assets	\$ 24,143,902	\$ 2,728,050	\$ 9,943	\$ 35,915,876	\$ 62,797,771
Liabilities					
Accounts payable	\$ 840,617	\$ 1,635,601	\$ 104,700	\$ 1,761,442	\$ 4,342,360
Accrued salaries and wages	655,421	-	-	69,230	724,651
Other accrued liabilities	58,500	-	7,900	350,721	417,121
Refundable deposits	7,515,409	-	-	4,900	7,520,309
Unearned revenue	13,737	-	-	36	13,773
Advances from other funds	-	-	2,800,000	-	2,800,000
Due to other funds	-	-	792,411	33,385	825,796
Total liabilities	9,083,684	1,635,601	3,705,011	2,219,714	16,644,010
Deferred inflows of resources					
Unavailable revenue - grants	-	-	-	15,578	15,578
Unavailable revenue - other	28,393	-	-	342,387	370,780
Deferred lease amounts	586,431	-	-	-	586,431
Total deferred inflows of resources	614,824	-	-	357,965	972,789
Fund balances					
Nonspendable:					
Prepaid items and other assets	426,373	-	-	51,180	477,553
Perpetual drain maintenance	-	-	-	6,987,251	6,987,251
Restricted:					
Roads	-	1,092,449	-	10,450,771	11,543,220
Public safety	6,640	-	-	609,803	616,443
Debt service	-	-	-	330,546	330,546
Infrastructure improvements	-	-	-	5,825,213	5,825,213
Parks, recreation, and cultural services	-	-	-	1,691,724	1,691,724
Library	-	-	-	4,282,726	4,282,726
Stormwater systems	-	-	-	517,657	517,657
Tree replacement and maintenance	-	-	-	2,523,352	2,523,352
Street lighting improvement	-	-	-	83,552	83,552
Assigned -					
Subsequent year's budget	3,134,485	-	-	-	3,134,485
Unassigned (deficit)	10,877,896	-	(3,695,068)	(15,578)	7,167,250
Total fund balances	14,445,394	1,092,449	(3,695,068)	33,338,197	45,180,972
Total liabilities, deferred inflows of resources and fund balances	\$ 24,143,902	\$ 2,728,050	\$ 9,943	\$ 35,915,876	\$ 62,797,771

The accompanying notes are an integral part of these basic financial statements.

CITY OF NOVI, MICHIGAN

Combining Balance Sheet

Nonmajor Governmental Funds
Special Revenue Funds
June 30, 2023

	West Oak Street Lighting	West Lake Drive Street Lighting	Town Center Street Lighting	Opioid Settlement	Total
Assets					
Cash and cash equivalents	\$ 51,975	\$ 4,319	\$ 29,701	\$ 50,610	\$ 559,526
Investments	-	-	-	-	18,904,487
Receivables:					
Other	-	-	-	169,177	260,574
Due from other governments	-	-	-	-	1,188,200
Advances to other governments	-	-	-	-	1,323,044
Prepaid items and other assets	-	-	-	-	40,328
Total assets	<u>\$ 51,975</u>	<u>\$ 4,319</u>	<u>\$ 29,701</u>	<u>\$ 219,787</u>	<u>\$ 22,276,159</u>
Liabilities					
Accounts payable	\$ 429	\$ 263	\$ 1,751	\$ -	\$ 1,748,013
Accrued salaries and wages	-	-	-	-	69,230
Other accrued liabilities	-	-	-	-	347,321
Refundable deposits	-	-	-	-	4,900
Unearned revenue	-	-	-	-	36
Due to other funds	-	-	-	-	33,385
Total liabilities	<u>429</u>	<u>263</u>	<u>1,751</u>	<u>-</u>	<u>2,202,885</u>
Deferred inflows of resources					
Unavailable revenue - grants	-	-	-	-	15,578
Unavailable revenue - other	-	-	-	169,177	342,387
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>169,177</u>	<u>357,965</u>
Fund balances					
Nonspendable for prepaids	-	-	-	-	40,328
Restricted:					
Roads	-	-	-	-	10,450,771
Public safety	-	-	-	50,610	140,777
Parks, recreation, and cultural services	-	-	-	-	1,691,724
Library	-	-	-	-	4,282,726
Stormwater systems	-	-	-	-	517,657
Tree replacement and maintenance	-	-	-	-	2,523,352
Street lighting improvement	51,546	4,056	27,950	-	83,552
Unassigned (deficit)	-	-	-	-	(15,578)
Total fund balances (deficits)	<u>51,546</u>	<u>4,056</u>	<u>27,950</u>	<u>50,610</u>	<u>19,715,309</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 51,975</u>	<u>\$ 4,319</u>	<u>\$ 29,701</u>	<u>\$ 219,787</u>	<u>\$ 22,276,159</u>

concluded.

CITY OF NOVI, MICHIGAN

Notes to Financial Statements

8. CAPITAL ASSETS

Capital asset activity for the year of the City's governmental activities was as follows:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Governmental activities					
Capital assets not being depreciated:					
Land	\$ 31,691,141	\$ 2,100,000	\$ -	\$ -	\$ 33,791,141
Construction in progress	18,560,799	7,633,156	-	(14,362,518)	11,831,437
	<u>50,251,940</u>	<u>9,733,156</u>	<u>-</u>	<u>(14,362,518)</u>	<u>45,622,578</u>
Capital assets being depreciated:					
Roads	145,226,744	5,663,799	(2,940,877)	11,450,113	159,399,779
Nonmotorized pathway improvements	14,386,026	283,271	-	707,409	15,376,706
Bridges	2,256,131	-	-	-	2,256,131
Drains	18,251,520	51,189	(1,975,482)	1,826,314	18,153,541
Buildings and improvements	63,235,129	130,661	-	57,833	63,423,623
Machinery and equipment	24,120,391	1,045,055	(1,224,836)	153,881	24,094,491
Land improvements	9,834,278	195,796	-	166,968	10,197,042
Library books	3,597,631	451,761	(537,977)	-	3,511,415
	<u>280,907,850</u>	<u>7,821,532</u>	<u>(6,679,172)</u>	<u>14,362,518</u>	<u>296,412,728</u>
Less accumulated depreciation for:					
Roads	(78,757,361)	(6,205,070)	2,940,877	-	(82,021,554)
Nonmotorized pathway improvements	(6,622,931)	(669,649)	-	-	(7,292,580)
Bridges	(1,678,473)	(88,275)	-	-	(1,766,748)
Drains	(10,241,353)	(726,140)	1,975,482	-	(8,992,011)
Buildings and improvements	(25,225,449)	(1,456,805)	-	-	(26,682,254)
Machinery and equipment	(16,687,627)	(1,838,972)	1,200,151	-	(17,326,448)
Land improvements	(1,230,656)	(407,882)	-	-	(1,638,538)
Library books	(625,021)	(369,449)	537,977	-	(456,493)
	<u>(141,068,871)</u>	<u>(11,762,242)</u>	<u>6,654,487</u>	<u>-</u>	<u>(146,176,626)</u>
Total capital assets being depreciated, net	<u>139,838,979</u>	<u>(3,940,710)</u>	<u>(24,685)</u>	<u>14,362,518</u>	<u>150,236,102</u>
Governmental activities capital assets, net	<u>\$ 190,090,919</u>	<u>\$ 5,792,446</u>	<u>\$ (24,685)</u>	<u>\$ -</u>	<u>\$ 195,858,680</u>

CITY OF NOVI, MICHIGAN

Notes to Financial Statements

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

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Business-type activities					
Capital assets not being depreciated:					
Land	\$ 2,272,256	\$ -	\$ -	\$ -	\$ 2,272,256
Construction in progress	27,188,786	15,205,326	-	(25,090,455)	17,303,657
	<u>29,461,042</u>	<u>15,205,326</u>	<u>-</u>	<u>(25,090,455)</u>	<u>19,575,913</u>
Capital assets being depreciated:					
Water and sewer distribution systems	198,380,271	2,120,515	(717,340)	24,901,964	224,685,410
Buildings and improvements	31,862,020	856,820	-	-	32,718,840
Machinery and equipment	3,640,721	104,354	(170,605)	66,233	3,640,703
Land improvements	3,115,823	13,259	-	122,258	3,251,340
	<u>236,998,835</u>	<u>3,094,948</u>	<u>(887,945)</u>	<u>25,090,455</u>	<u>264,296,293</u>
Less accumulated depreciation for:					
Water and sewer distribution systems	(89,541,907)	(4,432,598)	717,340	-	(93,257,165)
Buildings and improvements	(14,206,906)	(887,619)	-	-	(15,094,525)
Machinery and equipment	(2,661,412)	(234,642)	170,374	-	(2,725,680)
Land improvements	(492,972)	(140,491)	-	-	(633,463)
	<u>(106,903,197)</u>	<u>(5,695,350)</u>	<u>887,714</u>	<u>-</u>	<u>(111,710,833)</u>
Total capital assets being depreciated, net	<u>130,095,638</u>	<u>(2,600,402)</u>	<u>(231)</u>	<u>25,090,455</u>	<u>152,585,460</u>
Business-type activities					
capital assets, net	<u>\$ 159,556,680</u>	<u>\$ 12,604,924</u>	<u>\$ (231)</u>	<u>\$ -</u>	<u>\$ 172,161,373</u>

CITY OF NOVI, MICHIGAN

Notes to Financial Statements

Construction commitments consisted of the following at June 30, 2023:

Governmental activities

Sidewalks and pathways	\$ 133,902
Street construction	5,394,951
Parks	2,128,209
Buildings	284,882
Drains	61,961

Total governmental activities \$ 8,003,905

Business-type activities

Water and sewer	\$ 9,368,063
Parks	71,026
Buildings	220,241

Total business-type activities \$ 9,659,330

9. BONDS AND OTHER LONG-TERM LIABILITIES

The following is a summary of bonds and other long-term liabilities transactions of the City for the year ended June 30, 2023:

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Governmental activities					
General obligation bonds					
\$8,715,000 2016 Unlimited Tax Library					
Refunding Bonds, installments of \$165,000 to \$1,390,000 through October 1, 2026, interest at 2.0% to 4.0%	\$ 6,460,000	\$ -	\$ (1,195,000)	\$ 5,265,000	\$ 1,240,000
Unamortized premium					
2016 Unlimited Tax Library					
Refunding Bonds	512,121	-	(128,030)	384,091	128,030
Compensated absences	2,434,828	2,661,631	(2,550,493)	2,545,966	2,036,772
Total governmental activities	<u>\$ 9,406,949</u>	<u>\$ 2,661,631</u>	<u>\$ (3,873,523)</u>	<u>\$ 8,195,057</u>	<u>\$ 3,404,802</u>

CITY OF NOVI, MICHIGAN

Notes to Financial Statements

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Business-type activities					
General obligation bonds					
\$4,905,000 2014 Ice Arena Refunding Bonds, installments of \$450,000 to \$520,000 through June 1, 2024, interest at 2.4%	\$ 1,005,000	\$ -	\$ (485,000)	\$ 520,000	\$ 520,000
\$9,075,000 2015 Senior Complex Recreation Facility Refunding Bonds, installments of \$850,000 to \$1,020,000 through October 1, 2025, interest at 2.29%	3,870,000	-	(870,000)	3,000,000	980,000
Total business-type activities general obligation bonds	4,875,000	-	(1,355,000)	3,520,000	1,500,000
Compensated absences	54,333	241,398	(236,526)	59,205	59,205
Total business-type activities	\$ 4,929,333	\$ 241,398	\$ (1,591,526)	\$ 3,579,205	\$ 1,559,205

Annual debt service requirements to maturity for general obligation bonds are as follows:

Year Ended June 30,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2024	\$ 1,240,000	\$ 172,400	\$ 1,500,000	\$ 69,959
2025	1,295,000	121,700	1,000,000	34,808
2026	1,340,000	75,700	1,020,000	11,679
2027	1,390,000	27,800	-	-
	<u>\$ 5,265,000</u>	<u>\$ 397,600</u>	<u>\$ 3,520,000</u>	<u>\$ 116,446</u>

All general obligation bonded debt is supported by the City's full faith and credit. Interest is payable on all obligations semi-annually. Principal is paid on an annual basis.

Compensated absences are generally liquidated by the general fund, parks, recreation, and cultural services special revenue fund, library special revenue fund, and the water and sewer enterprise fund.

CITY OF NOVI, MICHIGAN

Required Supplementary Information

MERS Agent Multiple-Employer Defined Benefit Pension Plan

Schedule of Changes in the City's Net Pension Liability and Related Ratios

	Year Ended June 30,			
	2023	2022	2021	2020
Change in total pension liability				
Service cost	\$ 1,208,770	\$ 1,165,302	\$ 1,177,587	\$ 1,197,540
Interest	8,633,411	8,443,443	7,991,416	7,897,801
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	(1,600,261)	964,642	365,639	617,296
Changes of assumptions	-	4,442,998	3,299,601	3,298,884
Benefit payments, including refunds of member contributions	(7,244,224)	(6,943,708)	(6,738,163)	(6,409,461)
Net change in total pension liability	<u>997,696</u>	<u>8,072,677</u>	<u>6,096,080</u>	<u>6,602,060</u>
Total pension liability, beginning	<u>122,099,274</u>	<u>114,026,597</u>	<u>107,930,517</u>	<u>101,328,457</u>
Total pension liability, ending (a)	<u>123,096,970</u>	<u>122,099,274</u>	<u>114,026,597</u>	<u>107,930,517</u>
Change in plan fiduciary net position				
Contributions - employer	5,464,228	5,661,548	4,245,191	4,359,997
Contributions - member	453,554	487,219	495,015	520,863
Net investment income (loss)	(8,549,268)	10,489,200	8,618,891	8,323,727
Benefit payments, including refunds of member contributions	(7,244,224)	(6,943,708)	(6,738,163)	(6,409,461)
Administrative expense	(154,966)	(120,330)	(136,616)	(143,529)
Net change in plan fiduciary net position	<u>(10,030,676)</u>	<u>9,573,929</u>	<u>6,484,318</u>	<u>6,651,597</u>
Plan fiduciary net position, beginning	<u>84,429,443</u>	<u>74,855,514</u>	<u>68,371,196</u>	<u>61,719,599</u>
Plan fiduciary net position, ending (b)	<u>74,398,767</u>	<u>84,429,443</u>	<u>74,855,514</u>	<u>68,371,196</u>
City's net pension liability, ending (a)-(b)	<u>\$ 48,698,203</u>	<u>\$ 37,669,831</u>	<u>\$ 39,171,083</u>	<u>\$ 39,559,321</u>
Plan fiduciary net position as a percentage of the total pension liability	60.4%	69.1%	65.6%	63.3%
Covered payroll	\$ 10,486,885	\$ 10,865,211	\$ 10,519,199	\$ 10,574,181
City's net pension liability as a percentage of covered payroll	464.4%	346.7%	372.4%	374.1%

See notes to required supplementary information.

CITY OF NOVI, MICHIGAN

Required Supplementary Information

MERS Agent Multiple-Employer Defined Benefit Pension Plan

Schedule of City Contributions

Fiscal Year Ended	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
6/30/2023	\$ 5,494,020	\$ 5,518,963	\$ (24,943)	\$ 11,360,424	48.6%
6/30/2022	5,029,860	5,083,057	(53,197)	11,057,881	46.0%
6/30/2021	4,252,968	4,886,819	(633,851)	12,095,482	40.4%
6/30/2020	4,388,425	4,388,425	-	11,078,798	39.6%
6/30/2019	3,963,525	4,273,525	(310,000)	11,316,209	37.8%
6/30/2018	3,769,303	4,219,303	(450,000)	12,710,865	33.2%
6/30/2017	3,137,158	3,137,158	-	11,360,375	27.6%
6/30/2016	3,054,597	3,054,597	-	12,074,423	25.3%
6/30/2015	2,628,762	2,628,762	-	12,710,865	20.7%

See notes to required supplementary information.

CITY OF NOVI, MICHIGAN

Required Supplementary Information

Retiree Healthcare Benefits Plan

Schedule of Changes in the City's Net Other Postemployment Benefit Liability (Asset) and Related Ratios

	Year Ended June 30,		
	2023	2022	2021
Change in total other postemployment benefit liability			
Service cost	\$ 333,568	\$ 320,367	\$ 360,278
Interest	1,975,959	2,069,304	1,996,301
Differences between expected and actual experience	223,097	(5,422,973)	(217,034)
Changes of assumptions	-	3,011,009	-
Benefit payments, including refunds of member contributions	(1,441,898)	(1,193,717)	(959,652)
Net change in total other postemployment benefit liability	1,090,726	(1,216,010)	1,179,893
Total other postemployment benefit liability, beginning	28,782,154	29,998,164	28,818,271
Total other postemployment benefit liability, ending (a)	29,872,880	28,782,154	29,998,164
Change in plan fiduciary net position			
Contributions - employer	114,329	117,308	73,750
Net investment income (loss)	2,958,462	(6,123,365)	9,140,709
Benefit payments, including refunds of member contributions	(1,441,898)	(1,193,717)	(959,652)
Administrative expense	(17,900)	(6,500)	(9,000)
Other	-	-	-
Net change in plan fiduciary net position	1,612,993	(7,206,274)	8,245,807
Plan fiduciary net position, beginning	32,361,913	39,568,187	31,322,380
Plan fiduciary net position, ending (b)	33,974,906	32,361,913	39,568,187
City's net other postemployment benefit liability (asset), ending (a)-(b)	\$ (4,102,026)	\$ (3,579,759)	\$ (9,570,023)
Plan fiduciary net position as a percentage of the total other postemployment benefit liability	113.73%	112.44%	131.90%
Covered payroll	\$ 9,047,472	\$ 8,862,466	\$ 8,785,682
City's net other postemployment benefit liability (asset) as a percentage of covered payroll	-45.34%	-40.39%	-108.93%

See notes to required supplementary information.