

City of Grosse Pointe Farms, Michigan Annual Comprehensive Financial Report



**For The Year Ended
June 30, 2022**

City of Grosse Pointe Farms, Michigan

Annual Comprehensive Financial Report with Supplemental Information Fiscal Year Ended June 30, 2022

Mayor

Louis Theros, Mayor

City Council

John J. Gillooly, Mayor Pro Tem

Sierra Leone Donaven

Beth Konrad-Wilberding

Joe Ricci

Neil Sroka

Lev Wood

Audit Committee

Lev Wood

John J. Gillooly

Louis Theros

City Manager

Shane L. Reeside

Director of Finance and Operations

Tim Rowland

Prepared by:

City's Finance Department

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City of Grosse Pointe Farms

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November 14, 2022

To The Honorable Mayor and City Council
City of Grosse Pointe Farms
Grosse Pointe Farms, Michigan 48236

With this letter, we transmit the City of Grosse Pointe Farms' Annual Comprehensive Financial Report (ACFR) for the fiscal year which ended June 30, 2022. These statements are in compliance with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards. This transmittal letter is designed to complement the Management's Discussion and Analysis (MD&A) section of this report and should be used in conjunction with it. The MD&A immediately follows the report of the independent auditors.

The financial statements have been prepared by the City Controller's Department for the purpose of disclosing the City's financial condition to its residents, elected officials, and other interested parties. Management assumes full responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures.

The City of Grosse Pointe Farms' financial statements have been audited by Plante & Moran, PLLC. The purpose of an independent audit is to provide reasonable assurance that the financial statements are free of material misstatement. The independent audit involves examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The audit concluded that there was a reasonable basis for rendering an unmodified opinion that the City of Grosse Pointe Farms' financial statements for the year ended June 30, 2022 are fairly presented in conformity with GAAP. Plante & Moran, PLLC's report is presented as the first component of the financial section of this report.

The Annual Comprehensive Financial Report is presented in three sections: introductory, financial, and statistical. The introductory section includes this transmittal letter and the City's organizational chart. The financial section includes the basic financial statements and the combining and individual fund financial statements and schedules, as well as the auditor's report on the financial statements and schedules.

The statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

This report includes all funds of the City. The City provides a full range of services including police and fire protection, sanitation services, recreational activities, parks, construction and maintenance of streets and infrastructures, community planning, zoning and code enforcement and the operation of a water utility system.

ECONOMIC CONDITION & OUTLOOK

The City of Grosse Pointe Farms is an affluent, suburban community located in the northeast corner of Wayne County and nestled among its four Grosse Pointe neighbors between the City of Detroit on its west and Lake St. Clair on its east. Its population of 10,148 (per the 2020 census figures) is distributed among approximately 4,058 households, having a median household income of \$140,647 and an average per capita income of \$75,287. The average value of an owner-occupied residence in the City is \$514,973. The labor force is composed largely of managerial and professional personnel, of which over 77 percent has a bachelor's, graduate or a post graduate degree. The unemployment rate among Farms' residents is considerably lower than the rest of the region.

The City is ideally situated in relation to major transportation routes, including I-94 and I-696. Its location along Lake St. Clair provides a scenic and recreational asset of indeterminable value. The reputation for excellence of the Grosse Pointe Public School System is widely recognized and draws families to the community. But more importantly, the City itself is committed to preserving and enhancing the viability of the community, its history and heritage, the quality of its housing stock, the repair and replacement of its infrastructure, the safety and welfare of its citizens and visitors, the aesthetics of its environs, the provision of cost-efficient services, and the special enhancements that make a city a community.

Approximately 6.5 percent of the City's total revenues come from State shared revenue. In recent years, the distribution stopped declining due to increases in statewide collections of state taxes as well as an increase in population in the 2020 census. The City continues to take a conservative approach in estimating the revenue source. Grosse Pointe Farms' reliance on state-shared revenue is a relatively small portion of the City's budget.

The residential tax base makes up approximately 92 percent of the tax roll or 68 percent of the City's total governmental revenue. The past year and continuing through this fiscal year there has been a marked improvement in residential property values and a corresponding shorter time that homes are on the market. The City is currently at its millage cap and cannot levy any additional operating millage without a Headlee rollback vote.

In conclusion, the economic outlook for the City of Grosse Pointe Farms continues to be better than most cities in the State of Michigan. The City has maintained a strong financial position as a result of cost cutting measures, consolidating services with surrounding communities and management's prudent budgeting practices.

MAJOR INITIATIVES

The City continues to strive to provide excellence in service levels in a cost efficient manner. The following are among the significant initiatives accomplished by the City and in partnerships with the private sector during the past fiscal year:

- The City invested more than a \$1.7 million dollars in capital outlay that includes new vehicles and equipment for Public Safety and Public Works. As part of the Capital Project Fund, the City continues to set aside funds, in separate reserves, for new firefighting equipment, rubbish packer truck replacements, and City Hall building improvements.
- The City has continued to clean and televise critical sewers and is making assessments for long term operations, maintenance and capital improvement needs. Over the past six years, the City has spent over \$3,000,000 in repairs and relining of sewers deemed to need rehabilitation.
- The City repaved approximately 1.06 miles of roadway this year using funds collected from the first year of the five-year road millage. The road millage will collect approximately \$1.7 million each year.

- The City began work on repairing the seawall utilizing grant funds. The City continues to seek grant funds to make additional repairs to the deteriorating seawall that stretches along Lake Saint Clair directly adjacent to Lakeshore Road.

The Kercheval (The Hill) and Mack Avenue Business Districts

The City's two major business districts on Kercheval Avenue and Mack Avenue continue to flourish. Though the districts make up a small part of the community in terms of geography, they are vitally important to the quality of life our residents enjoy.

The enhancements to the Mack Avenue Business District have been dramatic with businesses continuing to update their building facades and sprucing up their properties. Village Market, a major grocery, completed a major expansion with a new exterior facade. The improvements along Mack Ave. have been contagious and have spread to the other side of Mack Ave. with several new buildings and businesses constructed and opened in the City of Detroit.

For the Future

Continuing the investment in the City's infrastructure, the City has conducted a major study of the Inland Sewer District. Unlike the Lakeside Sewer District which was separated in 2001, the Inland Sewer District has combined storm and sanitary sewer lines. The study examined options and the cost-benefit of additional sewer separation. Potential benefits include reducing the potential for basement flooding during significant rain events, reduce the amount of road flooding (particularly in low-lying areas), and reduce the volume of storm water that is being sent to the Great Lakes Water Authority (GLWA) for treatment and associated combined sewage treatment costs. This project moved into the basis of design engineering phase during the fiscal year. Financing options are currently being discussed with construction expected to take place from 2023-2026.

In recent years, the City has also made renovations to City Hall, including replacement of all exterior windows and retrofitting all light fixtures to energy efficient LED. Future renovations will include new Americans with Disabilities Act (ADA) compliant restrooms, redesign of customer service areas, telephone and technology upgrades and other renovations that will meet the needs of City employees and serve our residents.

FINANCIAL INFORMATION

Management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft, or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable assurances that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

Budgeting Controls

The object of budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council. Activities of the General, Special Revenue, Capital Projects, and Debt Service Funds are included in the annual appropriated budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established by function within an individual fund.

As demonstrated by the statements and schedules included in the financial section of this report, the City continues to meet its responsibility for sound financial management.

Long-term Financial Planning

The City's management style integrated long-term considerations into the day-to-day decision-making processes.

Management has been evaluating staffing levels in accordance with departmental needs. Operations have been evaluated and through training and technological advances, efficiency gains have allowed the City to pare back full-time staff, mostly through attrition and, if necessary, replaced with part-time staff. Personnel costs are typically the highest expenditure area of any municipality, and management will continue to evaluate staffing levels annually.

To facilitate planning to meet the City's infrastructure and equipment needs, each year a five-year capital improvement program is developed. This program details all planned projects, improvement and equipment needs. In addition to estimated expenditures, funding sources are also identified.

The City continues to aggressively seek and secure outside resources to match internal sources to finance infrastructure evaluation and construction.

General Fund Balance

The total fund balance of the General Fund decreased \$1,000,851, to \$5,682,880. A total of \$261,866 was nonspendable for inventories, prepaid items, and leases. \$592,740 was committed for parking and harbor, and \$200,000 was assigned for subsequent year's budget, leaving an unassigned fund balance of \$4,627,423.

Enterprise Operations

The City operates its own water supply and sewage pumping system. The operating revenue of the Water and Sewer Fund amounted to \$7,549,908 which is a decrease of \$237,782 from the preceding year. During the same period, operating expenses, excluding depreciation, were \$5,468,199. After providing for depreciation and non-operating revenues and expenses, the system experienced a positive change in net position of \$928,369.

Pension Trust Fund Operations

The City of Grosse Pointe Farms Public Safety Officers (PSRS) and General Employees Retirement Systems (GERS) are single-employer defined-benefit pension plans, which cover eligible full-time employees of the City. Each system is managed by a five-member board, under the provisions of the City's defined-benefit pension ordinance.

The General Employees plan is closed to all new hires of the City. The City and new hires instead make contributions into a defined contribution plan. As a matter of policy, the City fully funds each year's annual required contribution to the pension plan, which for the fiscal year ended June 30, 2022 totaled \$440,240 for the PSRS and \$737,113 for the GERS.

The operations of the Public Safety Officers and General Employees' Retirement Systems posted a return on investments of -12.78 percent for PSRS and -13.04 percent for GERS. The systems' reserves market value decreased \$7,963,581 PSRS and \$5,068,761 GERS, respectively. The annual actuarial valuation funding level for PSRS is approximately 103.7 percent and 80.7 percent for GERS.

The City also provides retiree health-care benefits to qualifying full-time employees. All new hires after July 1, 2007 are not eligible for the post-retirement health-care plan. Instead, new employees and the City are contributing annually to a Health Savings Account (HSA), which will be available for health-care needs upon retirement. The City has been pre-funding for retiree health-care for several years and is currently funded 51 percent for PSRS and 56 percent for GERS.

Debt Administration

At June 30, 2022, the City had \$12,581,847 of general obligation debt outstanding, which is also the net direct tax-supported debt. This is the equivalent of \$1,240 per capita and represents about 1.5 percent of the City's taxable valuation. Under current state statutes, the City's general obligation bonded debt issues are subject to a legal limitation based on 10 percent of total equalized value of real and personal property. As of June 30, 2022, the City's general obligation bonded debt was well below the legal limit of \$105,031,490.

Independent Audit

The City Charter and state statutes require an annual audit of all accounts of the City by certified public accountants. The accounting firm of Plante & Moran, PLLC was selected by the City Council. The auditor's report on the basic financial statements and combining and individual fund financial statements is included in the financial section of this report.

Awards and Acknowledgements

The Government Finance Officer's Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Grosse Pointe Farms for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2021. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement for Excellence in Financial Reporting, the City published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City of Grosse Pointe Farms has received a Certificate for the last 29 consecutive years (fiscal years 1993-2021). We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and are submitting it to the GFOA.

In addition, the City has also received the GFOA's Award for Outstanding Achievement in Popular Annual Financial Reporting for its fiscal year 2021 Financial Summary. This was the eleventh consecutive year that the City has received this award. In order to qualify for the Popular Annual Financial Reporting Award, the government unit must publish a Popular Financial Report, whose contents conform to program standards of creativity, presentation, understandability and reader appeal.

The preparation of this Comprehensive Annual Financial Report was made possible by the dedicated service of the accounting staff as well as various employees throughout the City. Our sincere appreciation is expressed to each of them as well as to the City Council for their consistent support throughout the year in matters pertaining to the financial affairs of the City.

Respectfully submitted,



Shane L. Reeside
City Manager



Tim Rowland
City Controller/Treasurer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Grosse Pointe Farms
Michigan**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

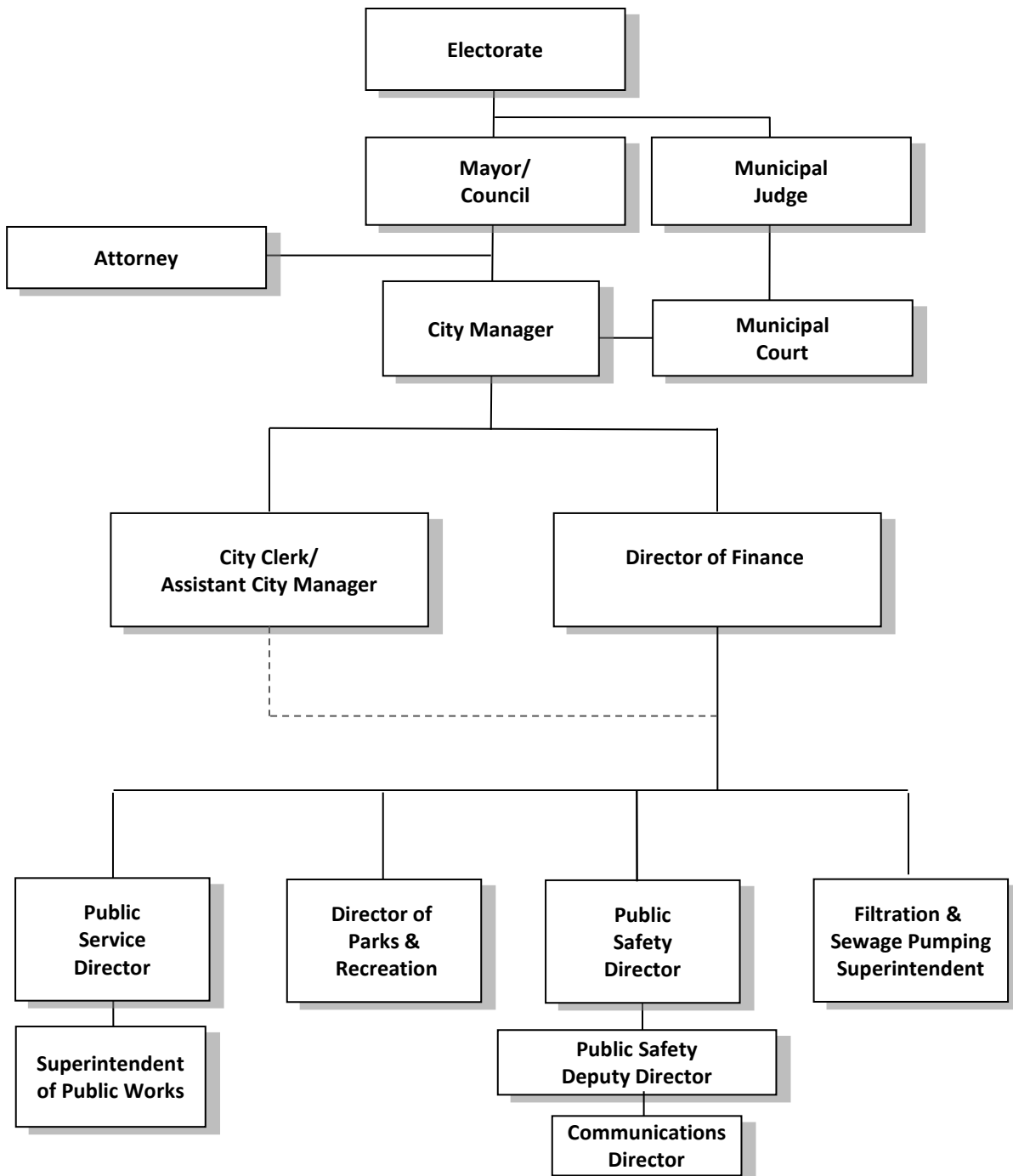
Christopher P. Morill

Executive Director/CEO

City of Grosse Pointe Farms

June 30, 2022

Organizational Chart



Independent Auditor's Report

To the City Council
City of Grosse Pointe Farms, 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 Farms, Michigan (the "City") as of and for the year ended June 30, 2022 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, 2022 and the respective changes in its financial position and, where applicable, 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.

Emphasis of Matter

As described in Note 1 to the financial statements, the City adopted the provisions of Governmental Accounting Standards Board Statement No. 87, *Leases*, which gives guidance on the identification and reporting of lease activities. Our opinion is not modified with respect to this matter.

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 City Council
City of Grosse Pointe Farms, 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 Supplemental Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplemental 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 supplemental information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplemental 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 supplemental 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 supplemental 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 financial report or 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 City Council
City of Grosse Pointe Farms, 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 14, 2022

City of Grosse Pointe Farms, Michigan

Management's Discussion and Analysis

As management of the City of Grosse Pointe Farms, Michigan (the "City"), we offer readers this narrative overview and analysis of the financial activities for the year ended June 30, 2022.

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 of Grosse Pointe Farms, Michigan as a whole and present a longer-term view of the City's finances. This longer-term view uses the accrual basis of accounting so that it can measure the cost of providing services during the current year and whether the taxpayers have funded the full cost of providing government services.

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

The City's Net Position

The following table shows, in a condensed format, the net position as of June 30, 2022 compared to the prior year:

| | Governmental Activities | | Business-type Activities | | Total | |
|---------------------------------------|-------------------------|----------------------|--------------------------|----------------------|----------------------|----------------------|
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| Assets | | | | | | |
| Current and other assets | \$22,270,842 | \$ 24,250,162 | \$ 5,659,830 | \$ 5,912,807 | \$ 27,930,672 | \$ 30,162,969 |
| Capital assets | 21,943,574 | 19,750,881 | 21,164,343 | 20,560,125 | 43,107,917 | 40,311,006 |
| Total assets | 44,214,416 | 44,001,043 | 26,824,173 | 26,472,932 | 71,038,589 | 70,473,975 |
| Deferred Outflows of Resources | 6,486,147 | 1,640,098 | 673,054 | 311,967 | 7,159,201 | 1,952,065 |
| Liabilities | | | | | | |
| Current liabilities | 1,948,694 | 1,006,532 | 627,878 | 298,254 | 2,576,572 | 1,304,786 |
| Noncurrent liabilities | 22,489,136 | 17,525,089 | 9,535,954 | 8,583,020 | 32,025,090 | 26,108,109 |
| Total liabilities | 24,437,830 | 18,531,621 | 10,163,832 | 8,881,274 | 34,601,662 | 27,412,895 |
| Deferred Inflows of Resources | 7,442,864 | 12,525,433 | 106,111 | 1,423,776 | 7,548,975 | 13,949,209 |
| Net Position | | | | | | |
| Net investment in capital assets | 16,180,283 | 13,271,299 | 14,388,574 | 13,423,490 | 30,568,857 | 26,694,789 |
| Restricted | 3,941,499 | 3,517,301 | - | - | 3,941,499 | 3,517,301 |
| Unrestricted | (1,301,913) | (2,204,513) | 2,838,710 | 2,879,459 | 1,536,797 | 674,946 |
| Total net position | \$18,819,869 | \$ 14,584,087 | \$ 17,227,284 | \$ 16,302,949 | \$ 36,047,153 | \$ 30,887,036 |

For governmental activities, the City's net position increased due to bond repayments, capital purchases, decrease in net pension liability, and decrease in net OPEB liability.

For business-type activities, the City's net position increased due to bond repayments, capital purchases, increased deferred outflows, and decreased deferred inflows.

City of Grosse Pointe Farms, Michigan

Management's Discussion and Analysis (Continued)

The City's Changes in Net Position

| | Governmental Activities | | Business-type Activities | | Total | |
|---|-------------------------|----------------------|--------------------------|----------------------|----------------------|----------------------|
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| Revenue | | | | | | |
| Program revenue: | | | | | | |
| Charges for services | \$ 2,455,104 | \$ 2,175,532 | \$ 8,027,439 | \$ 8,266,043 | \$ 10,482,543 | \$ 10,441,575 |
| Operating grants and contributions | 498,895 | 548,714 | - | - | 498,895 | 548,714 |
| Capital grants and contributions | 1,420,766 | 1,160,195 | - | - | 1,420,766 | 1,160,195 |
| General revenue: | | | | | | |
| Property taxes | 14,925,134 | 13,933,374 | 2,681 | 746,213 | 14,927,815 | 14,679,587 |
| State-shared revenue | 1,208,749 | 1,003,200 | - | - | 1,208,749 | 1,003,200 |
| Investment (loss) gain | (298,204) | (125,931) | 2 | 5 | (298,202) | (125,926) |
| Franchise fees and other | 764,802 | 590,488 | - | - | 764,802 | 590,488 |
| Total revenue | 20,975,246 | 19,285,572 | 8,030,122 | 9,012,261 | 29,005,368 | 28,297,833 |
| Expenses | | | | | | |
| General government | 3,594,406 | 3,603,999 | - | - | 3,594,406 | 3,603,999 |
| Municipal court | 390,073 | 376,150 | - | - | 390,073 | 376,150 |
| Public safety | 7,301,532 | 4,748,188 | - | - | 7,301,532 | 4,748,188 |
| Public works | 3,328,586 | 3,137,926 | - | - | 3,328,586 | 3,137,926 |
| Community and economic development | 40,250 | 31,590 | - | - | 40,250 | 31,590 |
| Parks and recreation | 1,912,351 | 1,712,614 | - | - | 1,912,351 | 1,712,614 |
| Debt service | 172,266 | 233,578 | - | - | 172,266 | 233,578 |
| Water and sewer | - | - | 6,624,222 | 6,077,535 | 6,624,222 | 6,077,535 |
| Municipal Radio System | - | - | 230,096 | 376,697 | 230,096 | 376,697 |
| Recycling program | - | - | 251,469 | 199,779 | 251,469 | 199,779 |
| Total expenses | 16,739,464 | 13,844,045 | 7,105,787 | 6,654,011 | 23,845,251 | 20,498,056 |
| Change in Net Position | 4,235,782 | 5,441,527 | 924,335 | 2,358,250 | 5,160,117 | 7,799,777 |
| Net Position - Beginning of year | 14,584,087 | 9,142,560 | 16,302,949 | 13,944,699 | 30,887,036 | 23,087,259 |
| Net Position - End of year | \$ 18,819,869 | \$ 14,584,087 | \$ 17,227,284 | \$ 16,302,949 | \$ 36,047,153 | \$ 30,887,036 |

Governmental Activities

The City's total governmental activities revenue increased from the previous fiscal year. Property tax revenue increased by \$991,760 due to a 2.9 percent increase in taxable value of property. Operating grants and contributions decreased due to COVID-19 funding received in the prior year. State-shared revenue increased due to additional state sales tax collections and an increase in our 2020 census population. Investment earnings were impacted negatively by the fair market value decline at June 30, 2022.

Overall fund balance in the General Fund decreased by \$1,000,851. This decrease was primarily in assigned fund balance. In the prior year, \$720,000 was assigned for postretirement benefits, \$250,000 for health care costs, and \$300,000 for capital improvements. These items were all funded in the current year. Unassigned fund balance in the General Fund increased by \$116,829.

Fund balance in the Capital Projects Fund increased by \$57,134 to \$2,500,974. A nonspendable prepaid fund balance of \$625,114 existed in the prior year for the purchase of a fire truck. The truck was received in the current year. Overall fund balance increased due to additional transfers from the General Fund to save for future projects.

The following represents some of the more significant financial highlights for the year ended June 30, 2022:

- The City's taxable value increased by 2.9 percent compared to a 3.5 percent increase the year before due to uncapping of property values on sales and an overall increase in local real estate market values.

City of Grosse Pointe Farms, Michigan

Management's Discussion and Analysis (Continued)

- The City has assigned the \$2,500,974 fund balance in the Capital Projects Fund for future capital purchases including fire department equipment, road improvements, and city hall improvements.
- The City received \$957,780 in American Rescue Plan Act (ARPA) funding through federal grants.

Business-type Activities

The City's business-type activities consist of the Water and Sewer Fund, Recycling Program Fund, and Municipal Radio System Fund. The City provides water to our residents and the residents of the City of Grosse Pointe, Michigan through our municipal water filtration plant. The City pumps its sewage to the Great Lakes Water Authority for treatment and disposal. The City's expenses for water and sewer increased by \$485,670, or 8.3 percent, mainly attributable to increased expenses for employee insurance, pension, and other postretirement benefit. Water and sewer rates were increased, not only to cover projected operational costs, but also to recover a portion of the subsidy from other city operating funds.

Financial Analysis of Individual Funds

Our analysis of the City's major funds begins 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 creates funds to help manage money for specific purposes and show accountability for certain activities, such as the Healthcare Retention Fund, Insurance Retention Fund, and Recycling Program Fund. The City's major funds are the General Fund, Capital Projects Fund, and Water and Sewer Fund.

The General Fund pays for most of the City's governmental services. The most significant are public safety, which incurred expenses of \$5,568,761 during fiscal year 2022. The General Fund is supported primarily by property taxes and state-shared revenue. The Major Streets Fund maintains the City's major streets (as contrasted with the neighborhood streets, which are maintained by the Local Streets Fund) and is supported by state gas and weight taxes. The Local Streets Fund also receives gas and weight taxes, as well as transfers from the City's General Fund and Major Streets Fund. The Municipal Street Fund receives and tracks the dedicated road improvement millage levy and the related project spending. The Healthcare Retention Fund accounts for expenditures for the City's self-insured employee health insurance. The Insurance Retention Fund accounts for expenditures for the City's self-insured workers' compensation. The Capital Projects Fund is utilized to account for purchases of individual items greater than \$5,000.

General Fund Budgetary Highlights

Approaching the end of the year, the City's administration and City Council amended the budget to account for any increased expenditures. The most significant budget amendments were due tree removals and trimming and increased part time wages due to labor shortages. These increased expenditures were offset by increased revenue from building permits, State revenue sharing, and recreation programming.

A significant variance between the amended budget and the result of operations exists for interest and rent revenue due to rising interests rates and market value of investments decreasing. Intergovernmental revenue was higher due to census population increases and other revenue was higher due to prescription rebates and insurance reimbursements increasing. Expenditures came in slightly under budget for each category.

Capital Assets and Debt Administration

At the end of fiscal year 2022, the City had approximately \$43,108,000 invested in a wide range of capital assets, including land; buildings; fire equipment; vehicles; and water, sewer, and storm sewer lines (see Note 4 to the financial statements for additional information).

City of Grosse Pointe Farms, Michigan

Management's Discussion and Analysis (Continued)

Debt reported in these financial statements is related largely to the sewer separation project during fiscal years 2000, 2001, 2004, and 2012 sewage pumping plant improvements, which are recorded in the Water and Sewer Fund (see Note 6 to the financial statements for additional information). The City also issued two bond issues totaling \$6,800,000 in 2004 and 2005, \$4,300,000 for the refurbishment of Pier Park's Harbor Project, and \$2,500,000 for a new recreation building at Pier Park. During 2014, the City issued refunding bonds to refinance the 2004 recreation building and general obligation sewer bonds. The City also issued \$3,225,000 in water and sewer improvement bonds in 2015 and \$2,780,000 in Harbor Project refunding bonds. During 2018, the City issued \$3,705,000 million in general obligation unlimited tax bonds in order to pay for all settlement claims relating to the 2011 flooding events.

Economic Factors and Next Year's Budgets and Rates

The City's budget for next year reflects a decrease in the City's total millage rate to 16.7155 mills from the 16.834 mills levied in the current year. The overall property tax revenue was higher due to the increase in taxable values. Cost cutting measures undertaken by the city administration and the utilization of \$200,000 of fund balance for capital improvements made a balanced budget possible.

Requests for Further Information

This financial report is intended to provide our citizens, taxpayers, customers, and investors with an overview of the City's finances and to show the City's accountability for the revenue it receives. If you have any questions about this report or need additional information, we invite you to contact the Grosse Pointe Farms city controller's office.

City of Grosse Pointe Farms, Michigan

Statement of Net Position

June 30, 2022

| | Primary Government | | |
|---|----------------------------|-----------------------------|----------------------|
| | Governmental Activities | Business-type Activities | Total |
| Assets | | | |
| Cash and cash equivalents (Note 3) | \$ 10,101,668 | \$ 3,320,400 | \$ 13,422,068 |
| Investments (Note 3) | 4,154,146 | - | 4,154,146 |
| Receivables: | | | |
| Property taxes receivable | 6,398 | 320 | 6,718 |
| Customer receivables | - | 2,137,072 | 2,137,072 |
| Accrued interest receivable | 8,529 | - | 8,529 |
| Leases receivable | 5,702,840 | - | 5,702,840 |
| Other receivables | 54,936 | 69,421 | 124,357 |
| Due from other governmental units | 385,752 | 132,617 | 518,369 |
| Inventory | 24,968 | - | 24,968 |
| Prepays and other assets | 179,664 | - | 179,664 |
| Investment in joint ventures (Note 13) | 47,574 | - | 47,574 |
| Net pension asset (Note 8) | 1,604,367 | - | 1,604,367 |
| Capital assets: | | | |
| Assets not subject to depreciation (Note 4) | 5,968,178 | 495,488 | 6,463,666 |
| Assets subject to depreciation - Net (Note 4) | 15,975,396 | 20,668,855 | 36,644,251 |
| Total assets | 44,214,416 | 26,824,173 | 71,038,589 |
| Deferred Outflows of Resources | | | |
| Deferred charges on bond refunding (Note 6) | 38,464 | 4,323 | 42,787 |
| Deferred pension costs (Note 8) | 5,190,858 | 541,664 | 5,732,522 |
| Deferred OPEB costs (Note 10) | 1,256,825 | 127,067 | 1,383,892 |
| Total deferred outflows of resources | 6,486,147 | 673,054 | 7,159,201 |
| Liabilities | | | |
| Accounts payable | 928,642 | 525,182 | 1,453,824 |
| Refundable deposits, bonds, etc. | 175,330 | 19,777 | 195,107 |
| Accrued liabilities and other | 317,434 | 82,919 | 400,353 |
| Unearned revenue | 527,288 | - | 527,288 |
| Noncurrent liabilities: | | | |
| Due within one year: | | | |
| Compensated absences (Note 6) | 536,733 | 71,447 | 608,180 |
| Provision for uninsured losses (Note 6) | 360,516 | - | 360,516 |
| Other liabilities (Note 6) | 40,000 | - | 40,000 |
| Current portion of long-term debt (Note 6) | 781,926 | 379,902 | 1,161,828 |
| Due in more than one year: | | | |
| Compensated absences (Note 6) | 871,288 | 115,057 | 986,345 |
| Other liabilities (Note 6) | 80,000 | - | 80,000 |
| Net pension liability (Note 8) | 4,400,401 | 1,519,354 | 5,919,755 |
| Net OPEB liability (Note 10) | 10,398,443 | 1,050,004 | 11,448,447 |
| Long-term debt (Note 6) | 5,019,829 | 6,400,190 | 11,420,019 |
| Total liabilities | 24,437,830 | 10,163,832 | 34,601,662 |
| Deferred Inflows of Resources | | | |
| Deferred pension cost reductions (Note 8) | 1,591,203 | 44,508 | 1,635,711 |
| Deferred OPEB cost reductions (Note 10) | 369,469 | 61,603 | 431,072 |
| Deferred inflows from leases (Note 14) | 5,482,192 | - | 5,482,192 |
| Total deferred inflows of resources | 7,442,864 | 106,111 | 7,548,975 |
| Net Position | | | |
| Net investment in capital assets | 16,180,283 | 14,388,574 | 30,568,857 |
| Restricted - Roads | 3,941,499 | - | 3,941,499 |
| Unrestricted | (1,301,913) | 2,838,710 | 1,536,797 |
| Total net position | \$ 18,819,869 | \$ 17,227,284 | \$ 36,047,153 |

City of Grosse Pointe Farms, Michigan

Statement of Activities

Year Ended June 30, 2022

| Functions/Programs | Expenses | Program Revenue | | |
|--|----------------------|----------------------|------------------------------------|----------------------------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions |
| Primary government: | | | | |
| Governmental activities: | | | | |
| General government | \$ 3,594,406 | \$ 403,819 | \$ - | \$ - |
| Municipal court | 390,073 | 133,190 | - | - |
| Public safety | 7,301,532 | 768,732 | 478,895 | - |
| Public works | 3,328,586 | 438,888 | - | 1,320,766 |
| Community and economic development | 40,250 | - | 20,000 | - |
| Parks and recreation | 1,912,351 | 710,475 | - | 100,000 |
| Interest on long-term debt and bond issuance costs | 172,266 | - | - | - |
| Total governmental activities | 16,739,464 | 2,455,104 | 498,895 | 1,420,766 |
| Business-type activities: | | | | |
| Water and sewer | 6,624,222 | 7,549,908 | - | - |
| Municipal Radio System | 230,096 | 260,984 | - | - |
| Recycling program | 251,469 | 216,547 | - | - |
| Total business-type activities | 7,105,787 | 8,027,439 | - | - |
| Total primary government | \$ 23,845,251 | \$ 10,482,543 | \$ 498,895 | \$ 1,420,766 |

General revenue:
 Property taxes
 Unrestricted state-shared revenue
 Investment loss
 Cable franchise fees
 Other miscellaneous income
 Total general revenue

Change in Net Position
Net Position - Beginning of year
Net Position - End of year

City of Grosse Pointe Farms, Michigan

Statement of Activities (Continued)

Year Ended June 30, 2022

| Net (Expense) Revenue and Changes in Net Position | | |
|---|--------------------------|----------------------|
| Primary Government | | |
| Governmental Activities | Business-type Activities | Total |
| \$ (3,190,587) | \$ - | \$ (3,190,587) |
| (256,883) | - | (256,883) |
| (6,053,905) | - | (6,053,905) |
| (1,568,932) | - | (1,568,932) |
| (20,250) | - | (20,250) |
| (1,101,876) | - | (1,101,876) |
| (172,266) | - | (172,266) |
| (12,364,699) | - | (12,364,699) |
| - | 925,686 | 925,686 |
| - | 30,888 | 30,888 |
| - | (34,922) | (34,922) |
| - | 921,652 | 921,652 |
| (12,364,699) | 921,652 | (11,443,047) |
| 14,925,134 | 2,681 | 14,927,815 |
| 1,208,749 | - | 1,208,749 |
| (298,204) | 2 | (298,202) |
| 223,414 | - | 223,414 |
| 541,388 | - | 541,388 |
| 16,600,481 | 2,683 | 16,603,164 |
| 4,235,782 | 924,335 | 5,160,117 |
| 14,584,087 | 16,302,949 | 30,887,036 |
| \$ 18,819,869 | \$ 17,227,284 | \$ 36,047,153 |

City of Grosse Pointe Farms, Michigan

Governmental Funds Balance Sheet

June 30, 2022

| | General Fund | Capital Projects Fund | Nonmajor Funds | Total |
|---|----------------------|--------------------------|---------------------|----------------------|
| Assets | | | | |
| Cash and cash equivalents (Note 3) | \$ 2,811,267 | \$ 2,444,919 | \$ 3,994,690 | \$ 9,250,876 |
| Investments (Note 3) | 3,541,474 | 373,031 | 122,800 | 4,037,305 |
| Receivables: | | | | |
| Property taxes receivable | 5,988 | - | 410 | 6,398 |
| Accrued interest receivable | 7,259 | 569 | 299 | 8,127 |
| Leases receivable | 5,702,840 | - | - | 5,702,840 |
| Other receivables | 54,936 | - | - | 54,936 |
| Due from other governmental units | 204,324 | - | 181,428 | 385,752 |
| Inventory | 24,968 | - | - | 24,968 |
| Prepays and other assets | 16,250 | - | 1,458 | 17,708 |
| | \$ 12,369,306 | \$ 2,818,519 | \$ 4,301,085 | \$ 19,488,910 |
| Liabilities | | | | |
| Accounts payable | \$ 270,593 | \$ 317,545 | \$ 325,449 | \$ 913,587 |
| Refundable deposits, bonds, etc. | 175,330 | - | - | 175,330 |
| Accrued liabilities and other | 247,845 | - | 18,166 | 266,011 |
| Unearned revenue | 511,317 | - | 15,971 | 527,288 |
| | 1,205,085 | 317,545 | 359,586 | 1,882,216 |
| Deferred Inflows of Resources - Deferred inflows from leases | | | | |
| | 5,482,192 | - | - | 5,482,192 |
| | 6,687,277 | 317,545 | 359,586 | 7,364,408 |
| Fund Balances | | | | |
| Nonspendable: | | | | |
| Inventory | 24,968 | - | - | 24,968 |
| Prepays | 16,250 | - | - | 16,250 |
| Leases | 220,648 | - | - | 220,648 |
| Restricted - Roads | - | - | 3,941,499 | 3,941,499 |
| Committed: | | | | |
| Parking | 352,650 | - | - | 352,650 |
| Harbor | 240,090 | - | - | 240,090 |
| Assigned: | | | | |
| Subsequent year's budget | 200,000 | - | - | 200,000 |
| Capital projects | - | 2,500,974 | - | 2,500,974 |
| Unassigned | 4,627,423 | - | - | 4,627,423 |
| | 5,682,029 | 2,500,974 | 3,941,499 | 12,124,502 |
| Total liabilities, deferred inflows of resources, and fund balances | \$ 12,369,306 | \$ 2,818,519 | \$ 4,301,085 | \$ 19,488,910 |

Governmental Funds

Reconciliation of the Balance Sheet to the Statement of Net Position

June 30, 2022

| | |
|---|------------------------------------|
| Fund Balances Reported in Governmental Funds | \$ 12,124,502 |
| Amounts reported for governmental activities in the statement of net position are different because: | |
| Capital assets and lease assets used in governmental activities are not financial resources and are not reported in the funds | 21,943,574 |
| Certain changes in pension plan net position are reported as deferred inflows of resources in the statement of net position but are not reported as revenue in the governmental funds | (1,591,203) |
| Deferred charges on bond refunding associated with long-term debt payable are not reported in the funds | 38,464 |
| Certain pension contributions and changes in pension plan net position are reported as deferred outflows of resources in the statement of net position but are not reported as expenses in the governmental funds | 5,190,858 |
| Accrued interest is not due and payable in the current period and is not reported in the funds | (51,423) |
| 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 | (1,408,021) |
| Pension benefits | (2,796,034) |
| Retiree health care benefits | <u>(10,398,443)</u> |
| Total employee fringe benefits not reported as fund liabilities | (14,602,498) |
| Investments in joint ventures are not financial resources and are not reported in the funds | 47,574 |
| Bonds payable, unamortized premium, and long term due to other governmental unit are not due and payable in the current period and are not reported in the funds | (5,921,755) |
| Internal service funds are included as part of governmental activities | 754,420 |
| Certain changes in OPEB plan net position are reported as deferred inflows of resources in the statement of net position but are not reported as revenue in the governmental funds | (369,469) |
| Certain OPEB contributions and changes in OPEB plan net position are reported as deferred outflows of resources in the statement of net position but are not reported as expenses in the governmental funds | <u>1,256,825</u> |
| Net Position of Governmental Activities | <u><u>\$ 18,819,869</u></u> |

City of Grosse Pointe Farms, Michigan

Governmental Funds

Statement of Revenue, Expenditures, and Changes in Fund Balances

Year Ended June 30, 2022

| | General Fund | Capital Projects Fund | Nonmajor Funds | Total |
|--|---------------|--------------------------|-------------------|---------------|
| Revenue | | | | |
| Property taxes | \$ 13,223,509 | \$ - | \$ 1,701,625 | \$ 14,925,134 |
| Intergovernmental: | | | | |
| Federal grants | 478,895 | - | 20,000 | 498,895 |
| State sources | 1,219,130 | - | 1,183,218 | 2,402,348 |
| Charges for services | 1,389,252 | - | - | 1,389,252 |
| Fines and forfeitures | 325,493 | - | - | 325,493 |
| Licenses and permits | 633,821 | - | - | 633,821 |
| Interest and rentals: | | | | |
| Investment loss | (216,568) | (55,571) | (11,924) | (284,063) |
| Lease revenue | 438,575 | - | - | 438,575 |
| Other revenue | 391,065 | 134,500 | 7,200 | 532,765 |
| Total revenue | 17,883,172 | 78,929 | 2,900,119 | 20,862,220 |
| Expenditures | | | | |
| Current services: | | | | |
| General government | 2,640,009 | - | - | 2,640,009 |
| Municipal court | 332,387 | - | 57,686 | 390,073 |
| Public safety | 5,568,761 | - | - | 5,568,761 |
| Public works | 2,672,544 | - | 2,607,065 | 5,279,609 |
| Other functions - Other services | 3,491,513 | - | 2,871 | 3,494,384 |
| Community and economic development | - | - | 20,000 | 20,000 |
| Parks and recreation | 1,361,519 | - | - | 1,361,519 |
| Capital outlay | - | 1,746,795 | - | 1,746,795 |
| Debt service | - | - | 880,589 | 880,589 |
| Total expenditures | 16,066,733 | 1,746,795 | 3,568,211 | 21,381,739 |
| Excess of Revenue Over (Under) Expenditures | 1,816,439 | (1,667,866) | (668,092) | (519,519) |
| Other Financing Sources (Uses) | | | | |
| Transfers in (Note 5) | - | 1,825,000 | 2,805,407 | 4,630,407 |
| Transfers out (Note 5) | (2,817,290) | (100,000) | (1,713,117) | (4,630,407) |
| Total other financing (uses) sources | (2,817,290) | 1,725,000 | 1,092,290 | - |
| Net Change in Fund Balances | (1,000,851) | 57,134 | 424,198 | (519,519) |
| Fund Balances - Beginning of year | 6,682,880 | 2,443,840 | 3,517,301 | 12,644,021 |
| Fund Balances - End of year | \$ 5,682,029 | \$ 2,500,974 | \$ 3,941,499 | \$ 12,124,502 |

City of Grosse Pointe Farms, Michigan

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

Year Ended June 30, 2022

| | |
|--|-----------------------------------|
| Net Change in Fund Balances Reported in Governmental Funds | \$ (519,519) |
| Amounts reported for governmental activities in the statement of activities are different because: | |
| Governmental funds report capital outlays as expenditures; however, in the statement of activities, these costs are allocated over their estimated useful lives as depreciation: | |
| Depreciation expense | (1,544,636) |
| Loss on sale of capital assets | (42,379) |
| Capital outlay | 3,779,708 |
| Deferred charge on debt refunding is a deferred outflow in the governmental activities but not in the governmental funds | (7,510) |
| Repayment of bond principal is an expenditure in the governmental funds but not in the statement of activities (where it reduces long-term debt) | 723,801 |
| Change in accrued interest and other | 5,824 |
| Decreases in net pension liability/asset and deferred outflows/inflows related to pensions reported in the statement of activities do not require the use of current resources and, therefore, are not reported in the fund statements until they come due for payment | 337,426 |
| Decrease in accumulated employee sick and vacation pay and other similar expenses reported in the statement of activities do not require the use of current resources and, therefore, are not reported in the fund statements until they come due for payment | 127,166 |
| Decreases in net OPEB liability and deferred outflows/inflows related to OPEB reported in the statement of activities reported in the prior year require use of current resources and, therefore, are reported in the fund statements | 694,265 |
| Legal settlement on property annexation is recorded as an expenditure in the governmental funds; it reduces the liability in the governmental activities because the expenditure was previously incurred | 40,000 |
| Change in investment in Grosse Pointes-Clinton Refuse Disposal Authority joint venture is recorded in the governmental funds | 2,508 |
| Internal service funds are included as part of governmental activities | 639,128 |
| Change in Net Position of Governmental Activities | <u><u>\$ 4,235,782</u></u> |

City of Grosse Pointe Farms, Michigan

Proprietary Funds Statement of Net Position

June 30, 2022

| | Enterprise Funds | | | Governmental Activities |
|---|------------------|---------------------|---------------|----------------------------|
| | Water and Sewer | Nonmajor Enterprise | Total | Internal Service Funds |
| Assets | | | | |
| Current assets: | | | | |
| Cash and cash equivalents (Note 3) | \$ 3,081,797 | \$ 238,603 | \$ 3,320,400 | \$ 850,792 |
| Investments (Note 3) | - | - | - | 116,841 |
| Receivables: | | | | |
| Property taxes receivable | 320 | - | 320 | - |
| Customer receivables | 2,137,072 | - | 2,137,072 | - |
| Accrued interest receivable | - | - | - | 402 |
| Other receivables | 41,988 | 27,433 | 69,421 | - |
| Due from other governmental units | - | 132,617 | 132,617 | - |
| Prepays and other assets | - | - | - | 161,956 |
| Total current assets | 5,261,177 | 398,653 | 5,659,830 | 1,129,991 |
| Noncurrent assets: | | | | |
| Capital assets: | | | | |
| Assets not subject to depreciation (Note 4) | 495,488 | - | 495,488 | - |
| Assets subject to depreciation - Net (Note 4) | 20,668,855 | - | 20,668,855 | - |
| Total noncurrent assets | 21,164,343 | - | 21,164,343 | - |
| Total assets | 26,425,520 | 398,653 | 26,824,173 | 1,129,991 |
| Deferred Outflows of Resources | | | | |
| Deferred charges on bond refunding | 4,323 | - | 4,323 | - |
| Deferred pension costs (Note 8) | 448,347 | 93,317 | 541,664 | - |
| Deferred OPEB costs (Note 10) | 105,176 | 21,891 | 127,067 | - |
| Total deferred outflows of resources | 557,846 | 115,208 | 673,054 | - |
| Liabilities | | | | |
| Current liabilities: | | | | |
| Accounts payable | 524,711 | 471 | 525,182 | 15,055 |
| Refundable deposits, bonds, etc. | - | 19,777 | 19,777 | - |
| Accrued liabilities and other | 81,974 | 945 | 82,919 | - |
| Compensated absences (Note 6) | 71,447 | - | 71,447 | - |
| Provision for uninsured losses | - | - | - | 360,516 |
| Current portion of long-term debt (Note 6) | 379,902 | - | 379,902 | - |
| Total current liabilities | 1,058,034 | 21,193 | 1,079,227 | 375,571 |
| Noncurrent liabilities: | | | | |
| Compensated absences (Note 6) | 115,057 | - | 115,057 | - |
| Net pension liability (Note 8) | 1,257,603 | 261,751 | 1,519,354 | - |
| Net OPEB liability (Note 10) | 869,114 | 180,890 | 1,050,004 | - |
| Long-term debt (Note 6) | 6,400,190 | - | 6,400,190 | - |
| Total noncurrent liabilities | 8,641,964 | 442,641 | 9,084,605 | - |
| Total liabilities | 9,699,998 | 463,834 | 10,163,832 | 375,571 |
| Deferred Inflows of Resources | | | | |
| Deferred pension cost reductions (Note 8) | 36,840 | 7,668 | 44,508 | - |
| Deferred OPEB cost reductions (Note 10) | 50,990 | 10,613 | 61,603 | - |
| Total deferred inflows of resources | 87,830 | 18,281 | 106,111 | - |
| Net Position | | | | |
| Net investment in capital assets | 14,388,574 | - | 14,388,574 | - |
| Unrestricted | 2,806,964 | 31,746 | 2,838,710 | 754,420 |
| Total net position | \$ 17,195,538 | \$ 31,746 | \$ 17,227,284 | \$ 754,420 |

City of Grosse Pointe Farms, Michigan

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

Year Ended June 30, 2022

| | Enterprise Funds | | | Governmental Activities |
|---|----------------------|------------------------|------------------------------|----------------------------|
| | Water and Sewer | Nonmajor Enterprise | Total Enterprise Funds | Internal Service Funds |
| Operating Revenue | | | | |
| Sale of water | \$ 4,266,383 | \$ - | \$ 4,266,383 | \$ - |
| Sewage disposal charges | 3,131,980 | - | 3,131,980 | - |
| Interest and penalty charges | - | 3,461 | 3,461 | - |
| Charges for services | - | - | - | 2,947,235 |
| Recycling charges | - | 213,086 | 213,086 | - |
| Radio system charges | - | 260,984 | 260,984 | - |
| Other | 151,545 | - | 151,545 | - |
| Total operating revenue | 7,549,908 | 477,531 | 8,027,439 | 2,947,235 |
| Operating Expenses | | | | |
| Cost of water | 1,456,396 | - | 1,456,396 | - |
| Cost of sewage treatment | 3,440,307 | - | 3,440,307 | - |
| Other operating and maintenance costs | - | 376,553 | 376,553 | - |
| Billing and administrative costs | 437,571 | - | 437,571 | - |
| Pension and OPEB expense | 133,925 | - | 133,925 | - |
| Benefit payments | - | - | - | 2,293,966 |
| Depreciation | 862,562 | 105,012 | 967,574 | - |
| Total operating expenses | 6,330,761 | 481,565 | 6,812,326 | 2,293,966 |
| Operating Income (Loss) | 1,219,147 | (4,034) | 1,215,113 | 653,269 |
| Nonoperating Revenue (Expense) | | | | |
| Property tax revenue | 2,681 | - | 2,681 | - |
| Investment interest and FMV changes | 2 | - | 2 | (14,141) |
| Interest and amortization expense | (203,093) | - | (203,093) | - |
| Other nonoperating expenses | (90,368) | - | (90,368) | - |
| Total nonoperating expense | (290,778) | - | (290,778) | (14,141) |
| Change in Net Position | 928,369 | (4,034) | 924,335 | 639,128 |
| Net Position - Beginning of year | 16,267,169 | 35,780 | 16,302,949 | 115,292 |
| Net Position - End of year | <u>\$ 17,195,538</u> | <u>\$ 31,746</u> | <u>\$ 17,227,284</u> | <u>\$ 754,420</u> |

City of Grosse Pointe Farms, Michigan

Proprietary Funds Statement of Cash Flows

Year Ended June 30, 2022

| | Enterprise Funds | | | Governmental Activities |
|---|---------------------|------------------------|---------------------|----------------------------|
| | Water and Sewer | Nonmajor Enterprise | Total | Internal Service Funds |
| Cash Flows from Operating Activities | | | | |
| Receipts from customers | \$ 7,398,971 | \$ 479,374 | \$ 7,878,345 | \$ 2,947,235 |
| Payments to suppliers | (4,015,662) | (132,578) | (4,148,240) | (233,342) |
| Payments to employees and fringes | (1,513,324) | (393,585) | (1,906,909) | (2,085,252) |
| Net cash and cash equivalents provided by (used in) operating activities | 1,869,985 | (46,789) | 1,823,196 | 628,641 |
| Cash Flows from Capital and Related Financing Activities | | | | |
| Property taxes restricted for capital items | 3,319 | - | 3,319 | - |
| Purchase of capital assets | (1,662,160) | - | (1,662,160) | - |
| Principal and interest paid on capital debt | (567,951) | - | (567,951) | - |
| Net cash and cash equivalents used in capital and related financing activities | (2,226,792) | - | (2,226,792) | - |
| Cash Flows from Investing Activities | | | | |
| Interest on investments | 2 | - | 2 | (14,141) |
| Proceeds from sale and maturities of investment securities | - | - | - | 14,134 |
| Net cash and cash equivalents provided by (used in) investing activities | 2 | - | 2 | (7) |
| Net (Decrease) Increase in Cash and Cash Equivalents | (356,805) | (46,789) | (403,594) | 628,634 |
| Cash and Cash Equivalents - Beginning of year | 3,438,602 | 285,392 | 3,723,994 | 222,158 |
| Cash and Cash Equivalents - End of year | \$ 3,081,797 | \$ 238,603 | \$ 3,320,400 | \$ 850,792 |
| Reconciliation of Operating Income (Loss) to Net Cash and Cash Equivalents from Operating Activities | | | | |
| Operating income (loss) | \$ 1,219,147 | \$ (4,034) | \$ 1,215,113 | \$ 653,269 |
| Adjustments to reconcile operating income (loss) to net cash and cash equivalents from operating activities: | | | | |
| Depreciation and amortization | 862,562 | 105,012 | 967,574 | - |
| Changes in assets and liabilities: | | | | |
| Receivables | (150,937) | 1,843 | (149,094) | - |
| Prepaid and other assets | - | - | - | (14,304) |
| Net pension or OPEB asset | (220,336) | (121,662) | (341,998) | - |
| Accounts payable | 159,549 | (1,294) | 158,255 | (10,324) |
| Accrued and other liabilities | - | (26,654) | (26,654) | - |
| Total adjustments | 650,838 | (42,755) | 608,083 | (24,628) |
| Net cash and cash equivalents provided by operating activities | \$ 1,869,985 | \$ (46,789) | \$ 1,823,196 | \$ 628,641 |
| Significant Noncash Transactions - Fair market value adjustment | \$ - | \$ - | \$ - | \$ 19,359 |

City of Grosse Pointe Farms, Michigan

**Fiduciary Funds
Statement of Fiduciary Net Position**

June 30, 2022

| | Pension and Other Postemployment Benefit Trust Funds | Custodial Fund - Tax Collections |
|--|--|-------------------------------------|
| Assets | | |
| Cash and cash equivalents | \$ 1,201,425 | \$ - |
| Investments: | | |
| Collective investment trust | 54,543,535 | - |
| Mutual funds | 26,983,055 | - |
| Prepays and other assets | 26,880 | - |
| Total assets | 82,754,895 | - |
| Liabilities - Accounts payable | 59,806 | - |
| Net Position | | |
| Pension | 69,800,697 | - |
| Postemployment benefits other than pension | 12,894,392 | - |
| Total net position | \$ 82,695,089 | \$ - |

City of Grosse Pointe Farms, Michigan

Fiduciary Funds
Statement of Changes in Fiduciary Net Position

Year Ended June 30, 2022

| | Pension and Other Postemployment Benefit Trust Funds | Custodial Fund - Tax Collections |
|--|--|-------------------------------------|
| Additions | | |
| Investment income: | | |
| Interest and dividends | \$ 2,087,436 | \$ - |
| Change in fair value of investments | (14,201,497) | - |
| Net investment income | (12,114,061) | - |
| Contributions: | | |
| Employer contributions | 3,097,146 | - |
| Employee contributions | 366,000 | - |
| Total contributions | 3,463,146 | - |
| Property tax collections | - | 29,358,626 |
| Total additions | (8,650,915) | 29,358,626 |
| Deductions | | |
| Benefit payments | 5,472,040 | - |
| Administrative expenses | 215,582 | - |
| Tax disbursements | - | 29,358,626 |
| Total deductions | 5,687,622 | 29,358,626 |
| Net Decrease in Net Position Restricted for Pensions and OPEB | (14,338,537) | - |
| Net Position Restricted for Pensions and OPEB - Beginning of year | 97,033,626 | - |
| Net Position Restricted for Pensions and OPEB - End of year | \$ 82,695,089 | \$ - |

Note 1 - Nature of Business and Significant Accounting Policies

The accounting policies of the City of Grosse Pointe Farms, Michigan (the "City") conform to accounting principles generally accepted in the United States of America (GAAP), as applicable to governmental units. The following is a summary of the significant accounting policies used by the City:

Reporting Entity

The City is governed by an elected seven-member City Council. In accordance with government accounting principles, there are no component units to be included in the City's reporting entity.

The Public Safety Retirement Pension System and Retirement Health Plan are governed by a five-member board that includes two council members, a community member selected by council, and two employees voted on by active members of the system. Although legally separate from the City, they are reported as a fiduciary component unit because the plans impose a financial burden on the City.

The General Employees' Retirement Pension System and Retirement Health Plan are governed by a five-member board that includes two council members, a community member selected by council, and two employees voted on by active members of the system. Although legally separate from the City, they are reported as a fiduciary component unit because the plans impose 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).

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 - Nature of Business and Significant Accounting Policies (Continued)

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 a 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 Capital Projects Fund is used to record bond proceeds or other revenue and the disbursement of invoices specifically designated for acquiring buildings, equipment, and technology upgrades, as well as for remodeling and repairs.

Proprietary Funds

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

- The Water and Sewer Fund provides water to customers and disposes of sanitary sewage in exchange for bimonthly user charges.

The City's internal service funds are used to allocate insurance costs 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.

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 postemployment benefit trust funds account for the activities of the General Employees' and Public Safety Retirement Pension Systems and Retirement Health Plans, which accumulate resources for pension and health care benefit payments to qualified general and public safety employees.
- The custodial fund accounts for assets held by the City in a trustee capacity or as an agent for individuals, organizations, or other governments. Custodial fund activity consists of tax collections activity.

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.

Note 1 - Nature of Business and Significant Accounting Policies (Continued)

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.

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 and interest associated with the current fiscal period.

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.

Specific Balances and Transactions

Cash, Cash Equivalents, 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 upon quoted market prices.

Inventories and Prepaid Items

Inventories are valued at cost on a first-in, first-out basis. Inventories and prepaid items are recorded as expenditures when consumed rather than when purchased. 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.

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.

Note 1 - Nature of Business and Significant Accounting Policies (Continued)

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

| Capital Asset Class | Depreciable Life - Years |
|------------------------------------|-----------------------------|
| Infrastructure | 20-25 |
| Utility systems | 20-80 |
| Building and building improvements | 20-50 |
| Office furnishings | 10-20 |
| Machinery and equipment | 3-20 |
| Vehicles | 5-10 |

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 are generally used to liquidate governmental 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.

The City reports deferred outflows related to deferred charges on bond refunding. The City also reports deferred outflows of resources related to the defined benefit pension and other postemployment benefit (OPEB) plans. The deferred outflows of resources related to these defined benefit plans are reported in the government-wide financial statements, Water and Sewer Fund, and Municipal Radio System Fund. Details of the deferred outflows of resources related to the defined benefit pension and OPEB plans can be found in Notes 8 and 10 respectively.

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 - Nature of Business and Significant Accounting Policies (Continued)

The City has three items that qualify for reporting in this category. Deferred inflows related to unavailable revenue are reported only in the governmental funds balance sheet. The governmental funds report unavailable revenue from grants. The amount is deferred and recognized as an inflow of resources in the period that the amount becomes available. The City also reports a deferred inflow of resources related to the defined benefit pension, other postemployment benefit (OPEB) plans and lease revenue for future lease receipts. The deferred inflow of resources related to the defined benefit plans is reported in the government-wide financial statements, Water and Sewer Fund, and Municipal Radio System Fund. Details of the deferred inflows of resources related to the defined benefit pension and OPEB plans can be found in Notes 8 and 10, respectively.

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 (as applicable), 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 adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Note 1 - Nature of Business and 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 Council has the authority to 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.

Unassigned fund balance is only reported in the General Fund, except for situations where negative unassigned fund balance is reported.

Property Tax Revenue

Properties are assessed as of 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 2021 property tax revenue was levied and collectible on July 1, 2021 and is recognized as revenue in the year ended June 30, 2022, when the proceeds of the levy are budgeted and available for the financing of operations.

The initial 2021 taxable valuation of the City totaled \$860,948,630, on which taxes levied consisted of 11.8198 mills for operating purposes, 2.6024 mills for rubbish removal, 0.03890 mills for debt service, and 1.9800 mills for road improvements. This resulted in \$10,158,116 for operating, \$2,236,525 for rubbish removal, \$334,292 for debt service, and \$1,701,625 for road improvement. The operating and rubbish removal amounts are recognized in the General Fund, and the debt service amount is recognized in the General Fund and Water and Sewer Fund as tax revenue.

Pension

The City offers defined benefit pension plans 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 plans' 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 General Employees' Retirement Pension System and Public Safety Retirement Pension System and additions to/deductions from the pension plans' fiduciary net position have been determined on the same basis as they are reported by the pension plans. 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. The General Fund, the Water and Sewer Fund, and the Municipal Radio System Fund are used primarily to liquidate this obligation.

Other Postemployment Benefit Costs

The City offers defined benefit other postemployment benefits (OPEB) plans to retirees. The City records a net OPEB liability for the difference between the total OPEB liability calculated by the actuary and the OPEB plans' 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 General Employees' Retirement Health Plan and Public Safety Retirement Health Plan and additions to/deductions from the OPEB plans' fiduciary net position have been determined on the same basis as they are reported by the OPEB plans. 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. The General Fund, the Water and Sewer Fund, and the Municipal Radio System Fund are used primarily to liquidate this obligation.

Note 1 - Nature of Business and Significant Accounting Policies (Continued)

Compensated Absences (Vacation and Sick Leave)

It is the City's policy to permit employees to accumulate earned but unused sick and vacation pay benefits. All vacation pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. 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 governmental fund that pays out the vacation and sick time is the General Fund.

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. Operating expenses for these funds include the cost of sales or services, 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 a pump station and use of the land on which it resides. 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 the actual rate charged to lessees 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 is 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.

Adoption of New Accounting Pronouncement

During the current year, the City adopted GASB Statement No. 87, *Leases*. As a result, the General Fund now includes receivables for the present value of payments expected to be received and deferred inflows of resources that will be recognized as revenue over the term of the lease. Lease activity is further described in Note 14.

Note 1 - Nature of Business and Significant Accounting Policies (Continued)

Upcoming Accounting Pronouncements

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

In June 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

The City did not have significant expenditure budget variances.

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 July 1, 2000 is as follows:

| | |
|---------------------------------------|----------------------------|
| Cumulative shortfall at July 1, 2020 | \$ (296,816) |
| Current year permit revenue | 430,336 |
| Related expenses | <u>281,033</u> |
| Current year excess | <u>149,303</u> |
| Cumulative shortfall at June 30, 2021 | <u><u>\$ (147,513)</u></u> |

Note 3 - Deposits and Investments

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

The pension and other postemployment benefit trust funds 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 (if the trust fund's assets exceed \$250 million), debt or equity of certain small businesses, certain state and local government obligations, and certain other specified investment vehicles.

Note 3 - Deposits and Investments (Continued)

The City has designated 11 banks for the deposit of its funds. The investment policy adopted by the board in accordance with Public Act 196 of 1997 has authorized investment in bonds and securities of the United States government and bank accounts and CDs but not the remainder of state statutory authority, as listed above. 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 stated for custodial credit risk. At year end, the City had bank deposits of \$18,180,870 (certificates of deposit and checking and savings accounts) that were uninsured and uncollateralized. The City believes that, due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits. As a result, the City evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

Interest Rate Risk

Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. The City's investment policy does not restrict investment maturities other than commercial paper, which can only be purchased with a 270-day maturity.

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

| Investment | Fair Value | Weighted- average Maturity (Years) |
|-----------------------------------|-----------------------------|--|
| Primary government: | | |
| U.S. government agency securities | \$ 244,146 | 23.84 |
| Asset-backed securities | 1,834,402 | 23.84 |
| Bank investment pool | <u>154,412</u> | 0.10 |
| Total | 2,232,960 | |
| Fiduciary funds - Mutual funds | <u>26,983,055</u> | 5.31 |
| Total | <u><u>\$ 29,216,015</u></u> | |

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, 2022, the credit quality ratings of debt securities (other than the U.S. government) are as follows:

| Investment | Fair Value | Rating | Rating Organization |
|---|-----------------------------|-----------|---------------------|
| Primary government: | | | |
| U.S. government agency securities | \$ 244,146 | AA+ | S&P |
| Asset-backed securities | 1,834,402 | N/A | N/A |
| Bank investment pool | <u>154,412</u> | AAAm | S&P |
| Total primary government | 2,232,960 | | |
| Fiduciary funds - Pension and other postemployment benefit trust funds: | | | |
| Collective investment trust | 21,451,777 | A | S&P |
| Collective investment trust | 33,091,758 | Not rated | N/A |
| Mutual funds | 3,454,686 | A | S&P |
| Mutual funds | 7,304,166 | B | S&P |
| Mutual funds | 2,158,428 | BB | S&P |
| Mutual funds | <u>14,065,775</u> | Not rated | N/A |
| Total fiduciary funds | <u>81,526,590</u> | | |
| Total | <u><u>\$ 83,759,550</u></u> | | |

Concentration of Credit Risk

The City places no limit on the amount it may invest in any one issuer; however, the City's funds are limited by law in that investments in any one issuer (other than the U.S. government) may not exceed 5 percent of total investments. At June 30, 2022, there were no investments in any one issuer (other than the U.S. government) that exceeded 5 percent of total investments for the primary government or fiduciary funds.

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 (NAV) (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.

Note 3 - Deposits and Investments (Continued)

The City has the following recurring fair value measurements as of June 30, 2022:

| | Assets Measured at Fair Value on a Recurring Basis | | | |
|--|--|--|---|-----------------------------|
| | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Observable Inputs (Level 2) | Other Significant Unobservable Inputs (Level 3) | Balance at June 30, 2022 |
| Investments by fair value level: | | | | |
| Money market funds | \$ 1,645,409 | \$ - | \$ - | \$ 1,645,409 |
| U.S. government obligations | - | 2,078,548 | - | 2,078,548 |
| Registered investment companies | 26,983,055 | - | - | 26,983,055 |
| Total investments by fair value level | <u>\$ 28,628,464</u> | <u>\$ 2,078,548</u> | <u>\$ -</u> | 30,707,012 |
| Investments measured at NAV: | | | | |
| Collective trusts | | | | 54,543,535 |
| Michigan CLASS investment pool | | | | <u>154,412</u> |
| Total investments measured at NAV | | | | <u>54,697,947</u> |
| Total investments | | | | <u>\$ 85,404,959</u> |

Registered investment companies and money market funds classified in Level 1 are valued at the daily closing price reported by the fund. Funds held by the plan are open-ended mutual funds and money market funds that are registered with the U.S. Securities and Exchange Commission. The funds are required to publish their daily net asset value and to transact at that price. The funds held by the plan are deemed to be actively traded.

The fair value of debt securities at June 30, 2022 was determined primarily based on Level 2 inputs. The City estimates the fair value of these investments using quoted market prices and other market data for the same or comparable instruments and transactions in establishing prices, discounted cash flow models, and other pricing models.

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.

The Michigan CLASS investment pool invests in U.S. Treasury obligations, federal agency obligations of the U.S. government, high-grade commercial paper (rated "A1" or better), collateralized bank deposits, repurchase agreements (collateralized at 102 percent by treasuries and agencies), and approved money market funds. The program is designed to meet the needs of Michigan public sector investors. It purchases securities that are legally permissible under state statutes and are available for investment by Michigan counties, cities, townships, school districts, authorities, and other public agencies. There are no unfunded commitments or significant redemption restrictions as of June 30, 2022.

Collective trusts are valued at net asset value. Net asset value is used as a practical expedient to estimate fair value. This practical expedient would not be used if it is probable that the investment will be sold for an amount different from the reported net asset value. Transactions may occur daily. The collective investment trusts invest in U.S domestic core fixed-income securities. There are no unfunded commitments or significant redemption restrictions as of June 30, 2022.

June 30, 2022

Note 4 - Capital Assets

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

Governmental Activities

| | Balance July 1, 2021 | Additions | Disposals and Adjustments | Balance June 30, 2022 |
|---|-------------------------|--------------|------------------------------|--------------------------|
| Capital assets not being depreciated - Land | \$ 5,968,178 | \$ - | \$ - | \$ 5,968,178 |
| Capital assets being depreciated: | | | | |
| Infrastructure | 12,788,139 | 2,053,669 | - | 14,841,808 |
| Buildings and improvements | 10,643,615 | 6,875 | - | 10,650,490 |
| Machinery and equipment | 931,152 | 95,886 | (41,385) | 985,653 |
| Vehicles | 3,815,045 | 987,732 | (499,844) | 4,302,933 |
| Office furnishings | 795,219 | 18,025 | - | 813,244 |
| Land improvements | 11,792,645 | 617,521 | - | 12,410,166 |
| Subtotal | 40,765,815 | 3,779,708 | (541,229) | 44,004,294 |
| Accumulated depreciation: | | | | |
| Infrastructure | 7,494,446 | 467,053 | - | 7,961,499 |
| Buildings and improvements | 6,371,147 | 268,127 | - | 6,639,274 |
| Machinery and equipment | 588,205 | 53,246 | (41,385) | 600,066 |
| Vehicles | 3,067,350 | 321,126 | (457,465) | 2,931,011 |
| Office furnishings | 638,544 | 24,413 | - | 662,957 |
| Land improvements | 8,823,420 | 410,671 | - | 9,234,091 |
| Subtotal | 26,983,112 | 1,544,636 | (498,850) | 28,028,898 |
| Net capital assets being depreciated | 13,782,703 | 2,235,072 | (42,379) | 15,975,396 |
| Net governmental activities capital assets | \$ 19,750,881 | \$ 2,235,072 | \$ (42,379) | \$ 21,943,574 |

June 30, 2022

Note 4 - Capital Assets (Continued)

Business-type Activities

| | Balance July 1, 2021 | Additions | Disposals and Adjustments | Balance June 30, 2022 |
|---|-------------------------|-------------------|------------------------------|--------------------------|
| Capital assets not being depreciated: | | | | |
| Land | \$ 441,799 | \$ - | \$ - | \$ 441,799 |
| Construction in progress | - | 508,556 | (454,867) | 53,689 |
| Subtotal | 441,799 | 508,556 | (454,867) | 495,488 |
| Capital assets being depreciated: | | | | |
| Water and sewer lines | 21,961,798 | 24,129 | 454,867 | 22,440,794 |
| Buildings and improvements | 8,144,163 | 833,302 | - | 8,977,465 |
| Machinery and equipment | 3,221,974 | 267,000 | (271,104) | 3,217,870 |
| Vehicles | 328,012 | - | - | 328,012 |
| Office furnishings | 139,800 | 29,173 | - | 168,973 |
| Land improvements | 69,106 | - | - | 69,106 |
| Subtotal | 33,864,853 | 1,153,604 | 183,763 | 35,202,220 |
| Accumulated depreciation: | | | | |
| Water and sewer lines | 6,658,536 | 327,972 | - | 6,986,508 |
| Buildings and improvements | 4,334,277 | 373,173 | - | 4,707,450 |
| Machinery and equipment | 2,325,719 | 232,214 | (180,736) | 2,377,197 |
| Vehicles | 263,036 | 18,930 | - | 281,966 |
| Office furnishings | 113,314 | 11,830 | - | 125,144 |
| Land improvements | 51,645 | 3,455 | - | 55,100 |
| Subtotal | 13,746,527 | 967,574 | (180,736) | 14,533,365 |
| Net capital assets being depreciated | 20,118,326 | 186,030 | 364,499 | 20,668,855 |
| Net business-type activities capital assets | <u>\$ 20,560,125</u> | <u>\$ 694,586</u> | <u>\$ (90,368)</u> | <u>\$ 21,164,343</u> |

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

| | |
|--------------------------------|---------------------|
| Governmental activities: | |
| General government | \$ 108,651 |
| Public safety | 217,596 |
| Public works | 611,061 |
| Recreation and culture | 607,328 |
| Total governmental activities | <u>\$ 1,544,636</u> |
| Business-type activities: | |
| Water and sewer | \$ 862,562 |
| Municipal radio system | 105,012 |
| Total business-type activities | <u>\$ 967,574</u> |

Note 4 - Capital Assets (Continued)

Construction Commitments

The City has active construction projects at year end. At year end, the City's commitments with contractors are as follows:

| | <u>Spent to Date</u> | <u>Remaining Commitment</u> |
|--------------------------------------|----------------------|---------------------------------|
| 2020 Emergency Sewer Repairs Program | \$ 1,137,158 | \$ 479,647 |
| 2021 Road Resurfacing Program | 1,883,431 | 250,396 |
| 2020 High Lift Pump Replacement | 750,788 | 4,845 |
| 2022 Road Resurfacing Program | - | 2,024,350 |
| 2022 Water Main Replacement | - | 901,297 |

Note 5 - Interfund Receivables, Payables, and Transfers

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

| <u>Paying Fund (Transfer Out)</u> | <u>Receiving Fund (Transfer In)</u> | <u>Amount</u> |
|-----------------------------------|-------------------------------------|---------------------|
| General Fund | Capital Projects Fund | \$ 1,825,000 |
| | Nonmajor governmental funds | 992,290 |
| | Total General Fund | 2,817,290 |
| Capital Projects Fund | Nonmajor governmental funds | 100,000 |
| Nonmajor governmental funds | Nonmajor governmental funds | 1,713,117 |
| | Total | <u>\$ 4,630,407</u> |

General Fund and Capital Projects Fund transfers provide funding for capital projects, capital acquisitions, and debt services from unrestricted sources. The nonmajor governmental fund transfer from the Major Streets Fund to the Local Streets Fund represents a redistribution of Act 51 moneys.

Note 6 - Long-term Debt

The City issues bonds to provide for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the City.

Note 6 - Long-term Debt (Continued)

Long-term debt activity for the year ended June 30, 2022 can be summarized as follows:

Governmental Activities

| | Interest Rate Ranges | Principal Maturity Ranges | Beginning Balance | Additions | Reductions | Ending Balance | Due within One Year |
|--|----------------------|---------------------------|---------------------|---------------------|-----------------------|---------------------|---------------------|
| Other debt - General obligation bonds: | | | | | | | |
| 2014 General Obligation Refunding Bond: | | | | | | | |
| Amount of issue - \$1,840,625 | | | | | | | |
| Maturing through 2025 | 2.29% | \$215,625 - \$237,500 | \$ 853,125 | \$ - | \$ (187,500) | \$ 665,625 | \$ 215,625 |
| 2015 Harbor Project Refunding Bond: | | | | | | | |
| Amount of issue - \$2,780,000 | | | | | | | |
| Maturing through 2026 | 3.00% - 5.00% | \$295,000 - \$330,000 | 1,520,000 | - | (285,000) | 1,235,000 | 295,000 |
| Unamortized premium of issuance | | | 144,084 | - | (36,022) | 108,062 | 36,022 |
| 2017 General Obligation Unlimited Tax Bonds: | | | | | | | |
| Amount of issue - \$3,705,000 | | | | | | | |
| Maturing through 2033 | 4.00% | \$210,000 - \$450,000 | 3,705,000 | - | (190,000) | 3,515,000 | 210,000 |
| Unamortized premium of issuance | | | 303,347 | - | (25,279) | 278,068 | 25,279 |
| Total general obligation bonds | | | 6,525,556 | - | (723,801) | 5,801,755 | 781,926 |
| Compensated absences | | | 1,535,187 | 946,051 | (1,073,217) | 1,408,021 | 536,733 |
| Provision for uninsured losses | | | 365,962 | 2,212,506 | (2,217,952) | 360,516 | 360,516 |
| Due to Grosse Pointe Woods, Michigan | | | 160,000 | - | (40,000) | 120,000 | 40,000 |
| Other long-term liabilities | | | 2,061,149 | 3,158,557 | (3,331,169) | 1,888,537 | 937,249 |
| Total governmental activities long-term debt | | | <u>\$ 8,586,705</u> | <u>\$ 3,158,557</u> | <u>\$ (4,054,970)</u> | <u>\$ 7,690,292</u> | <u>\$ 1,719,175</u> |

June 30, 2022

Note 6 - Long-term Debt (Continued)

Business-type Activities

| | Interest Rate Ranges | Principal Maturity Ranges | Beginning Balance | Additions | Reductions | Ending Balance | Due within One Year |
|---|----------------------|---------------------------|-------------------|-----------|--------------|----------------|---------------------|
| Bonds and contracts payable: | | | | | | | |
| Direct borrowings: | | | | | | | |
| 2015 Sewer Relief Fund Bond: | | | | | | | |
| Amount of issue - | | | | | | | |
| \$250,000 | | | | | | | |
| Maturing through 2032 | 2.50% | \$10,000 - \$10,098 | \$ 130,098 | \$ - | \$ (10,000) | \$ 120,098 | \$ 10,000 |
| Other debt: | | | | | | | |
| 2012 Sewer Pumping Plant Improvement Bond: | | | | | | | |
| Amount of issue - | | | | | | | |
| \$4,500,000 | | | | | | | |
| Maturing through 2033 | 2.00% - 3.05% | \$225,000- \$300,000 | 3,075,000 | - | (225,000) | 2,850,000 | 225,000 |
| Unamortized discount of issuance | | | 3,835 | - | (348) | 3,487 | 349 |
| 2014 General Obligation Refunding Bond: | | | | | | | |
| Amount of issue - | | | | | | | |
| \$1,104,375 | | | | | | | |
| Maturing through 2025 | 2.29% | \$129,375 - \$142,500 | 511,875 | - | (112,500) | 399,375 | 129,375 |
| 2015 Water Improvement Bond: | | | | | | | |
| Amount of issue - | | | | | | | |
| \$3,225,000 | | | | | | | |
| Maturing through 2036 | 2.70% - 4.00% | \$275,000 - \$380,000 | 3,225,000 | - | - | 3,225,000 | - |
| Unamortized premium of issuance | | | 197,311 | - | (15,179) | 182,132 | 15,178 |
| Total other debt principal outstanding | | | 7,013,021 | - | (353,027) | 6,659,994 | 369,902 |
| Total bonds and contracts payable | | | 7,143,119 | - | (363,027) | 6,780,092 | 379,902 |
| Compensated absences | | | 224,213 | 98,795 | (136,504) | 186,504 | 71,447 |
| Total business-type activities long-term debt | | | \$ 7,367,332 | \$ 98,795 | \$ (499,531) | \$ 6,966,596 | \$ 451,349 |

The City had deferred outflows of \$42,787 related to deferred charges on bond refundings at June 30, 2022. Total interest expense was approximately \$427,000 for the year ended June 30, 2022.

Other Long-term Liabilities

For the governmental activities, compensated absences are generally liquidated by the General Fund related to employee salaries and fringes. Additionally, for the business-type activities, compensated absences are generally liquidated by the Water and Sewer Fund and Municipal Radio System Fund for respective employee salaries and fringes. Claims and judgments are typically liquidated from the Insurance Retention Fund for workers' compensation and the General Fund, Water and Sewer Fund, and Municipal Radio System Fund for respective employee medical and other claims.

Note 6 - 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 | | | Business-type Activities | | | | |
|-------------------------|-------------------------|---------------------|---------------------|--------------------------|------------------|---------------------|---------------------|---------------------|
| | Other Debt | | | Direct Borrowings | | Other Debt | | |
| | Principal | Interest | Total | Principal | Interest | Principal | Interest | Total |
| 2023 | \$ 781,926 | \$ 194,599 | \$ 976,525 | \$ 10,000 | \$ 2,877 | \$ 369,902 | \$ 206,861 | \$ 589,640 |
| 2024 | 803,801 | 171,972 | 975,773 | 10,000 | 2,627 | 368,027 | 198,577 | 579,231 |
| 2025 | 853,797 | 145,069 | 998,866 | 10,000 | 2,377 | 383,027 | 189,860 | 585,264 |
| 2026 | 620,279 | 116,150 | 736,429 | 10,000 | 2,127 | 265,527 | 181,978 | 459,632 |
| 2027 | 315,279 | 96,800 | 412,079 | 10,000 | 1,877 | 540,527 | 169,603 | 722,007 |
| 2028-2032 | 1,951,395 | 283,100 | 2,234,495 | 50,000 | 5,637 | 2,967,630 | 578,673 | 3,601,940 |
| 2033-2037 | 475,278 | 9,000 | 484,278 | 20,098 | 504 | 1,765,354 | 122,075 | 1,908,031 |
| Total | <u>\$ 5,801,755</u> | <u>\$ 1,016,690</u> | <u>\$ 6,818,445</u> | <u>\$ 120,098</u> | <u>\$ 18,026</u> | <u>\$ 6,659,994</u> | <u>\$ 1,647,627</u> | <u>\$ 8,445,745</u> |

Note 7 - 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 medical claims in excess of \$175,000. The City participates in the Michigan Municipal League risk pool for claims relating to property loss and general liability. The City is uninsured for workers' compensation claims up to \$400,000. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past five fiscal years.

The Michigan Municipal League risk pool program operates as a common risk-sharing management program for local units of government in Michigan; member premiums are used to purchase commercial excess insurance coverage and to pay member claims in excess of deductible amounts.

Medical

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, Grosse Pointe Park, Grosse Pointe Woods, 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 benefit claims 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. 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.

Workers' Compensation

The City is self-insured for workers' compensation claims. Under the program, the City is held liable for the first \$400,000 of any occurrence. The City has purchased excess insurance to cover claims greater than \$400,000.

Note 7 - Risk Management (Continued)

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 internal service Insurance Retention Fund and within the governmental activities columns of the statement of net position.

The City's estimates of the liability for workers' compensation and medical claims at June 30, 2022 and 2021 are as follows:

| | Workers' Compensation | | Medical Claims | |
|---|-----------------------|-------------------|-------------------|-------------------|
| | 2022 | 2021 | 2022 | 2021 |
| Unpaid claims - Beginning of year | \$ 151,320 | \$ 176,453 | \$ 214,642 | \$ 22,447 |
| Incurred claims, including claims incurred but not yet reported | 207,091 | 133,715 | 2,005,415 | 2,072,861 |
| Claim payments | (205,469) | (158,848) | (2,012,483) | (1,880,666) |
| Unpaid claims - End of year | <u>\$ 152,942</u> | <u>\$ 151,320</u> | <u>\$ 207,574</u> | <u>\$ 214,642</u> |

Note 8 - Pension Plans

Plan Description

Public Safety Retirement Pension System

The retirement board administers the Public Safety Retirement Pension System, a single-employer defined benefit pension plan that provides pensions for all full-time police and fire employees of the City. Benefit terms have been established by contractual agreements between the City and the various employee union representation; amendments are subject to the same process. The plan does not issue a separate financial report.

General Employees' Retirement Pension System

The retirement board administers the General Employees' Retirement Pension System, a single-employer defined benefit pension plan that provides pensions for all general employees of the City. Benefit terms have been established by contractual agreements between the City and the various employee union representation; amendments are subject to the same process. The plan does not issue a separate financial report.

Benefits Provided

Public Safety Retirement Pension System

The pension plan provides retirement, disability, and death benefits. In addition to providing pension benefits, the system provides health care benefits for plan members if they reach normal retirement age while working for the City. Benefit terms are established by city ordinances and negotiations with the City's collective bargaining units and may be amended through negotiations with the City's collective bargaining units.

Note 8 - Pension Plans (Continued)

General Employees' Retirement Pension System

The pension plan provides retirement, disability, and death benefits. In addition to providing pension benefits, the system provides health care benefits for plan members if they reach normal retirement age while working for the City. Benefit terms are established by city ordinances and negotiations with the City's collective bargaining units and may be amended through negotiations with the City's collective bargaining units.

The plan is closed to union and department heads and clerical staff hired after July 1, 2007. The plan is closed to dispatchers hired after December 30, 2011.

Employees Covered by Benefit Terms

At the June 30, 2022 measurement date, the following members were covered by the benefit terms:

| | <u>Public Safety Retirement Pension System</u> | <u>General Employees' Retirement Pension System</u> |
|---|--|---|
| Inactive plan members or beneficiaries currently receiving benefits | 38 | 64 |
| Inactive plan members entitled to but not yet receiving benefits | 1 | 3 |
| Active plan members | 35 | 17 |
| Total employees covered by the plan | <u>74</u> | <u>84</u> |

Contributions

Article 9, Section 24 of the State of Michigan constitution requires that financial benefits arising on account of employee service rendered in each year be funded during that year. Accordingly, the retirement board retains an independent actuary to determine the annual contribution. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. Contribution requirements of plan members are established and may be amended by city ordinances and negotiations with the City's collective bargaining units.

Public Safety Retirement Pension System

For the year ended June 30, 2022, the average active employee contribution rate was 7.02 percent of annual pay, and the City's average contribution rate was 17.94 percent of annual payroll.

General Employees' Retirement Pension System

For the year ended June 30, 2022, the average active employee contribution rate was 6.0 percent of annual pay, and the City's average contribution rate was 67.94 percent of annual payroll.

Note 8 - Pension Plans (Continued)

Net Pension Asset/Liability

The City chooses a date for each pension plan to measure its net pension asset/liability (NPA/NPL). 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.

| | <u>Public Safety Retirement Pension System</u> | <u>General Employees' Retirement Pension System</u> |
|--|--|---|
| Measurement date used for the City's NPA/NPL | June 30, 2022 | June 30, 2022 |
| Based on a comprehensive actuarial valuation as of | June 30, 2022 | June 30, 2022 |

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

Public Safety Retirement Pension System

| <u>Changes in Net Pension Asset</u> | <u>Increase (Decrease)</u> | | |
|---|------------------------------------|------------------------------|------------------------------|
| | <u>Total Pension Liability</u> | <u>Plan Net Position</u> | <u>Net Pension Asset</u> |
| Balance at July 1, 2021 | \$ 42,847,801 | \$ 52,981,812 | \$ (10,134,011) |
| Changes for the year: | | | |
| Service cost | 948,789 | - | 948,789 |
| Interest | 3,028,712 | - | 3,028,712 |
| Differences between expected and actual experience | (1,228,318) | - | (1,228,318) |
| Contributions - Employer | - | 640,240 | (640,240) |
| Contributions - Employee | - | 286,010 | (286,010) |
| Net investment income | - | (6,690,247) | 6,690,247 |
| Benefit payments, including refunds | (2,183,120) | (2,183,120) | - |
| Administrative expenses | - | (16,464) | 16,464 |
| Net changes | <u>566,063</u> | <u>(7,963,581)</u> | <u>8,529,644</u> |
| Balance at June 30, 2022 | <u>\$ 43,413,864</u> | <u>\$ 45,018,231</u> | <u>\$ (1,604,367)</u> |

The plan's fiduciary net position represents 103.70 percent of the total pension liability.

Note 8 - Pension Plans (Continued)

General Employees' Retirement Pension System

| Changes in Net Pension Liability | Increase (Decrease) | | |
|--|-------------------------|----------------------|-----------------------|
| | Total Pension Liability | Plan Net Position | Net Pension Liability |
| Balance at July 1, 2021 | \$ 30,804,726 | \$ 29,851,227 | \$ 953,499 |
| Changes for the year: | | | |
| Service cost | 284,679 | - | 284,679 |
| Interest | 2,154,606 | - | 2,154,606 |
| Differences between expected and actual experience | (331,061) | - | (331,061) |
| Contributions - Employer | - | 887,113 | (887,113) |
| Contributions - Employee | - | 79,990 | (79,990) |
| Net investment income | - | (3,810,615) | 3,810,615 |
| Benefit payments, including refunds | (2,210,729) | (2,210,729) | - |
| Administrative expenses | - | (14,520) | 14,520 |
| Net changes | (102,505) | (5,068,761) | 4,966,256 |
| Balance at June 30, 2022 | \$ 30,702,221 | \$ 24,782,466 | \$ 5,919,755 |

The plan's fiduciary net position represents 80.72 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, 2022, the City recognized pension expense of \$1,097,431 from all plans.

At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Public Safety Retirement Pension System | | General Employees' Retirement Pension System | |
|--|---|-------------------------------|--|-------------------------------|
| | Deferred Outflows of Resources | Deferred Inflows of Resources | Deferred Outflows of Resources | Deferred Inflows of Resources |
| Difference between expected and actual experience | \$ - | \$ (1,462,298) | \$ 155,111 | \$ (173,413) |
| Net difference between projected and actual earnings on pension plan investments | 3,622,072 | - | 1,955,339 | - |
| Total | \$ 3,622,072 | \$ (1,462,298) | \$ 2,110,450 | \$ (173,413) |

Note 8 - Pension Plans (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Years Ending June 30 | Public Safety Retirement Pension System | General Employees' Retirement Pension System |
|-------------------------|---|---|
| 2023 | \$ (25,059) | \$ 236,976 |
| 2024 | 157,550 | 250,885 |
| 2025 | 217,429 | 263,173 |
| 2026 | 1,857,097 | 1,186,003 |
| 2027 | (47,243) | - |
| Total | <u>\$ 2,159,774</u> | <u>\$ 1,937,037</u> |

Actuarial Assumptions

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

| | Public Safety Retirement Pension System | General Employees' Retirement Pension System |
|--|--|---|
| Inflation | 2.50% | 2.50% |
| Salary increases (including inflation) | 4.0 - 7.8% | 4.0 - 7.8% |
| Investment rate of return (net of investment expenses) | 7.25% | 7.25% |
| Mortality rates | RP-2014 Healthy Annuitant with MP-2017 | RP-2014 Healthy Annuitant with MP-2017 |

Discount Rate

As shown below, the discount rate used to measure the total pension liability was determined after considering a projection of the cash flows to determine whether the future contributions (made at the current contribution rates) will be sufficient to allow the pension plans' fiduciary net position to make all projected future benefit payments of current active and inactive employees.

The long-term expected rate of return on pension 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 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.

| | Public Safety Retirement Pension System | General Employees' Retirement Pension System |
|-----------------------------------|---|---|
| Assumed investment rate of return | 7.25% | 7.25% |
| Discount rate used to measure TPL | 7.25 | 7.25 |

Note 8 - Pension Plans (Continued)

Investment Rate of Return

The long-term expected rate of return on pension 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 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 adding expected inflation. Best estimates of arithmetic real rates of return as of the June 30, 2022 measurement date for each major asset class included in both pension plans' target asset allocation, as disclosed in the investment footnote, are summarized in the following table:

| Asset Class | Long-term Expected Real Rate of Return |
|--|--|
| Domestic equity | 6.54 % |
| International equity | 7.08 |
| U.S. government or agency fixed income | 1.99 |
| Fixed income | 3.49 |
| Private equity | 9.84 |
| Real estate | 5.98 |
| Cash or cash equivalents | 1.99 |

Note: Based on its current investment strategy, the City did not hold investments in all asset classes noted above. See Note 11 for the City's current investment strategy.

Sensitivity of the Net Pension Asset/Liability to Changes in the Discount Rate

The following presents the net pension asset/liability of the City, calculated using each plan's respective discount rate, as well as what the City's net pension asset/liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

| | 1 Percentage Point Decrease (6.25%) | Current Discount Rate (7.25%) | 1 Percentage Point Increase (8.25%) |
|--|---|-------------------------------------|---|
| Net pension liability (asset) of the Public Safety Retirement Pension System | \$ 4,314,631 | \$ (1,604,367) | \$ (6,471,546) |
| Net pension liability of the General Employees' Retirement Pension System | 9,688,987 | 5,919,755 | 2,766,022 |

Assumption Changes

Public Safety Retirement Pension System

Since the prior measurement date, there were no assumption changes to the benefit terms reflected in the June 30, 2022 valuation.

General Employees' Retirement Pension System

Since the prior measurement date, there were no assumption changes to the benefit terms reflected in the June 30, 2021 valuation.

Note 9 - Pension Plan Reserves

Public Safety Retirement Pension System

In accordance with plan documents, the following reserves are required to be set aside within the pension plan:

The retiree reserve is to be computed annually by the actuary as the present value of estimated benefit payments for all current retirees. The amounts reserved may be used solely to pay monthly retiree benefit payments.

The employee reserve is credited as employee contributions are received throughout the year; the plan maintains a record of the amount contributed by each employee and credits interest annually at a rate earned by the retirement system for that fiscal year. For any employees who terminate before vesting in the pension plan, their balances are returned to them; for those who stay until retirement, they may request the return of their contributions, which will actuarially lower their retirement benefit, or the balance is transferred into the retiree reserve.

The employer reserve account is used to account for the residual net position balance in the pension plan after funding the above two reserves.

The balances of the reserve accounts at June 30, 2022 are as follows:

| | Required Reserve | Amount Funded |
|------------------|---------------------|------------------|
| Retiree reserve | \$ 3,441,116 | \$ 3,441,116 |
| Employee reserve | 5,500,088 | 5,500,088 |
| Employer reserve | 36,077,027 | 36,077,027 |

General Employees' Retirement Pension System

In accordance with the plan, the following reserves are required to be set aside within the pension plan:

The retiree reserve is to be computed annually by the actuary as the present value of estimated benefit payments for all current retirees. The amounts reserved may be used solely to pay monthly retiree benefit payments.

The employee reserve is credited as employee contributions are received throughout the year; the plan maintains a record of the amount contributed by each employee, and credits interest annually at a rate earned by the retirement system for that fiscal year. For any employees who terminate before vesting in the pension plan, their balances are returned to them; for those who stay until retirement, they may request the return of their contributions, which will actuarially lower their retirement benefit, or the balance is transferred into the retiree reserve.

The employer reserve account is used to account for the residual net position balance in the pension plan after funding the above two reserves.

The balances of the reserve accounts at June 30, 2022 are as follows:

| | Required Reserve | Amount Funded |
|------------------|---------------------|------------------|
| Retiree reserve | \$ 4,279,724 | \$ 4,279,724 |
| Employee reserve | 2,204,062 | 2,204,062 |
| Employer reserve | 18,298,680 | 18,298,680 |

Note 10 - Other Postemployment Benefit Plans

Plan Description

Public Safety Retirement Health Plan

The retirement board administers the City of Grosse Pointe Farms Public Safety Retirement Health Plan, a single-employer defined benefit OPEB plan that is used to provide postemployment benefits other than pensions (OPEB) for public safety employees.

Management of the plan is vested with the retirement board. The plan does not issue a stand-alone financial report.

General Employees' Retirement Health Plan

The retirement board administers the City of Grosse Pointe Farms General Employees' Retirement Health Plan, a single-employer defined benefit OPEB plan that is used to provide postemployment benefits other than pensions for general employees.

Management of the plan is vested with the retirement board. The plan does not issue a stand-alone financial report.

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

Benefits Provided

Public Safety Retirement Health Plan

The plan provides health care benefits for retirees and their dependents. Benefits are provided through a third-party insurer, and the full cost of benefits is covered by the plan until age 65.

The plan is closed to new individuals hired after July 1, 2007.

General Employees' Retirement Health Plan

The plan provides health care benefits for retirees and their dependents. Benefits are provided through a third-party insurer, and the full cost of benefits is covered by the plan until age 65.

The plan is closed to union and department heads and clerical staff hired after July 1, 2007. The plan is closed to dispatchers hired after December 30, 2011.

Employees Covered by Benefit Terms

The following members were covered by the benefit terms as of June 30, 2021:

| | Public Safety Retirement Health Plan | General Employees' Retirement Health Plan |
|---|--|--|
| Inactive plan members or beneficiaries currently receiving benefits | 36 | 52 |
| Active plan members | 22 | 19 |
| Total plan members | <u>58</u> | <u>71</u> |

Note 10 - Other Postemployment Benefit Plans (Continued)

Contributions

Public Safety Retirement Health Plan

The plan was established and is being funded under the authority of the City Council. The plan's funding policy is that the employer will make discretionary contributions. Plan members are not required to contribute to the plan. There are no long-term contracts for contributions to the plan. The plan has no legally required reserves.

General Employees' Retirement Health Plan

The plan was established and is being funded under the authority of the City Council. The plan's funding policy is that the employer will make discretionary contributions. Plan members are not required to contribute to the plan. There are no long-term contracts for contributions to the plan. The plan has no legally required reserves.

Net OPEB Liability

The City chooses a date for each OPEB plan to measure its net OPEB liability (NOL). This is based on the measurement date of each OPEB 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.

| | <u>Public Safety Retirement Health Plan</u> | <u>General Employees' Retirement Health Plan</u> |
|--|---|--|
| Measurement date used for the City's NOL | June 30, 2022 | June 30, 2022 |
| Based on a comprehensive actuarial valuation as of | June 30, 2021 | June 30, 2021 |

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

Public Safety Retirement Health Plan

| <u>Changes in Net OPEB Liability</u> | <u>Increase (Decrease)</u> | | |
|--------------------------------------|---------------------------------|------------------------------|-------------------------------|
| | <u>Total OPEB Liability</u> | <u>Plan Net Position</u> | <u>Net OPEB Liability</u> |
| Balance at July 1, 2021 | \$ 14,234,891 | \$ 8,580,271 | \$ 5,654,620 |
| Changes for the year: | | | |
| Service cost | 221,796 | - | 221,796 |
| Interest | 1,031,001 | - | 1,031,001 |
| Contributions - Employer | - | 636,300 | (636,300) |
| Net investment income | - | (1,086,263) | 1,086,263 |
| Benefit payments, including refunds | (480,371) | (480,371) | - |
| Net changes | <u>772,426</u> | <u>(930,334)</u> | <u>1,702,760</u> |
| Balance at June 30, 2022 | <u>\$ 15,007,317</u> | <u>\$ 7,649,937</u> | <u>\$ 7,357,380</u> |

The plan's fiduciary net position represents 50.97 percent of the total OPEB liability.

Note 10 - Other Postemployment Benefit Plans (Continued)

General Employees' Retirement Health Plan

| Changes in Net OPEB Liability | Increase (Decrease) | | |
|-------------------------------------|----------------------|---------------------|---------------------|
| | Total OPEB Liability | Plan Net Position | Net OPEB Liability |
| Balance at July 1, 2021 | \$ 9,166,269 | \$ 5,620,316 | \$ 3,545,953 |
| Changes for the year: | | | |
| Service cost | 115,441 | - | 115,441 |
| Interest | 651,632 | - | 651,632 |
| Contributions - Employer | - | 933,493 | (933,493) |
| Net investment income | - | (711,533) | 711,533 |
| Benefit payments, including refunds | (597,820) | (597,820) | - |
| Administrative expenses | - | (1) | 1 |
| Net changes | 169,253 | (375,861) | 545,114 |
| Balance at June 30, 2022 | \$ 9,335,522 | \$ 5,244,455 | \$ 4,091,067 |

The plan's fiduciary net position represents 56.18 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, 2022, the City recognized OPEB expense of \$530,427 from all plans.

At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | Public Safety Retirement Health Plan | | General Employees' Retirement Health Plan | |
|---|--------------------------------------|-------------------------------|---|-------------------------------|
| | Deferred Outflows of Resources | Deferred Inflows of Resources | Deferred Outflows of Resources | Deferred Inflows of Resources |
| Difference between expected and actual experience | \$ - | \$ (191,051) | \$ - | \$ (240,021) |
| Changes in assumptions | 269,784 | - | 40,369 | - |
| Net difference between projected and actual earnings on OPEB plan investments | 619,027 | - | 454,712 | - |
| Total | \$ 888,811 | \$ (191,051) | \$ 495,081 | \$ (240,021) |

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| Years Ending June 30 | Public Safety Retirement Health Plan | General Employees' Retirement Health Plan |
|----------------------|--------------------------------------|---|
| 2023 | \$ 171,591 | \$ (70,675) |
| 2024 | 92,052 | 28,043 |
| 2025 | 91,341 | 71,499 |
| 2026 | 342,776 | 226,193 |
| Total | \$ 697,760 | \$ 255,060 |

June 30, 2022

Note 10 - Other Postemployment Benefit Plans (Continued)

Actuarial Assumptions

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

| | Public Safety Retirement Health Plan | General Employees' Retirement Health Plan |
|--|--|--|
| Inflation | 2.50% | 2.50% |
| Salary increases (including inflation) | 4.00-7.80% | 4.00-7.80% |
| Investment rate of return (net of investment expenses) | 7.25% | 7.25% |
| Health care cost trend rate | 7.00 - 4.50% (under age 65) and 5.25 - 4.50% (ages 65 and older) | 7.00 - 4.50% (under age 65) and 5.25 - 4.50% (ages 65 and older) |
| Mortality rates | RP-2014 Healthy Annuitant Mortality Table Projected with Scale MP-2017 | RP-2014 Healthy Annuitant Mortality Table Projected with Scale MP-2017 |

Discount Rate

As shown below, the discount rate used to measure the total OPEB liability (TOL) was determined after considering a projection of the cash flows to determine whether the future contributions (made at the current contribution rates) will be sufficient to allow the OPEB plans' fiduciary net position to make all projected future benefit payments of current active and inactive employees.

| | Public Safety Retirement Health Plan | General Employees' Retirement Health Plan |
|-----------------------------------|--|--|
| Assumed investment rate of return | 7.25% | 7.25% |
| Discount rate used to measure TOL | 7.25% | 7.25% |

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, 2022 measurement date for each major asset class included in both OPEB plans' target asset allocation, as disclosed in the investment note, are summarized in the following table:

| Asset Class | Long-term Expected Real Rate of Return |
|--|--|
| Domestic equity | 6.54 % |
| International equity | 7.08 |
| U.S. government or agency fixed income | 1.99 |
| Fixed income | 3.49 |
| Private equity | 9.84 |
| Real estate | 5.98 |
| Cash or cash equivalents | 1.99 |

Note: Based on its current investment strategy, the City did not hold investments in all asset classes noted above. See Note 11 for the City's current investment strategy.

June 30, 2022

Note 10 - Other Postemployment Benefit Plans (Continued)

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

The following presents the net OPEB liability of the City, calculated using the discount rate of 7.25 percent, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

| | 1 Percentage Point Decrease (6.25%) | Current Discount Rate (7.25%) | 1 Percentage Point Increase (8.25%) |
|---|---|-------------------------------------|---|
| Net OPEB liability of the Public Safety Retirement Health Plan | \$ 9,323,016 | \$ 7,357,380 | \$ 5,747,281 |
| Net OPEB liability of the General Employees' Retirement Health Plan | 5,466,257 | 4,091,067 | 2,968,649 |
| Total | <u>\$ 14,789,273</u> | <u>\$ 11,448,447</u> | <u>\$ 8,715,930</u> |

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 7.0 percent decreasing to 4.5 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 (6.0% Decreasing to 3.5%) | Current Health Care Cost Trend Rate (7.0% Decreasing to 4.5%) | 1 Percentage Point Increase (8.0% Decreasing to 5.5%) |
|---|---|---|---|
| Net OPEB liability of the Public Safety Retirement Health Plan | \$ 5,524,930 | \$ 7,357,380 | \$ 9,606,675 |
| Net OPEB liability of the General Employees' Retirement Health Plan | 2,793,212 | 4,091,067 | 5,711,742 |
| Total | <u>\$ 8,318,142</u> | <u>\$ 11,448,447</u> | <u>\$ 15,318,417</u> |

Assumption Changes

Public Safety Retirement Health Plan

Since the prior measurement date, there were changes to the assumed rates of health care inflation used to project per capita costs reflected in the June 30, 2022 valuation.

General Employees' Retirement Health Plan

Since the prior measurement date, there were changes to the assumed rates of health care inflation used to project per capita costs reflected in the June 30, 2022 valuation.

June 30, 2022

Note 11 - Pension and OPEB Plan Investments - Policy and Rate of Return

Public Safety Retirement Pension System and Health Plan

Investment Policy

The policy in regard to the allocation of invested assets is established and may be amended by the retirement board by a majority vote of its members. It is the policy of the retirement 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 board's adopted asset allocation policy as of June 30, 2022:

| Asset Class | Target Allocation |
|----------------------|-------------------|
| Domestic equity | 47.00 % |
| International equity | 13.00 |
| Fixed income | 40.00 |

Rate of Return

For the year ended June 30, 2022, the annual money-weighted rate of return on investments, net of investment expense, was (12.59) percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. The time-weighted rate of return as of June 30, 2022 was (12.66) percent.

General Employees' Retirement Pension System and Health Plan

Investment Policy

The policy in regard to the allocation of invested assets is established and may be amended by the retirement board by a majority vote of its members. It is the policy of the retirement 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 board's adopted asset allocation policy as of June 30, 2022:

| Asset Class | Target Allocation |
|----------------------|-------------------|
| Domestic equity | 47.00 % |
| International equity | 13.00 |
| Fixed income | 40.00 |

Rate of Return

For the year ended June 30, 2022, the annual money-weighted rate of return on investments, net of investment expense, was (12.60) percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. The time-weighted rate of return as of June 30, 2022 was (12.67) percent.

June 30, 2022

Note 12 - Pension and Other Postemployment Benefit Trust Funds

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

| | General Employees' Retirement Pension System | General Employees' Retirement Health Plan | Total General Employees' | Public Safety Retirement Pension System | Public Safety Retirement Health Plan | Total Public Safety | Total |
|--|--|--|-----------------------------|--|--|------------------------|----------------|
| Statement of Net Position | | | | | | | |
| Assets: | | | | | | | |
| Cash and cash equivalents | \$ 81,380 | \$ - | \$ 81,380 | \$ 1,120,045 | \$ - | \$ 1,120,045 | \$ 1,201,425 |
| Investments: | | | | | | | |
| Collective investment trusts | 16,825,063 | 3,215,452 | 20,040,515 | 29,807,948 | 4,695,072 | 34,503,020 | 54,543,535 |
| Mutual funds | 7,888,614 | 2,025,520 | 9,914,134 | 14,111,482 | 2,957,439 | 17,068,921 | 26,983,055 |
| Prepays and other | - | 18,387 | 18,387 | - | 8,493 | 8,493 | 26,880 |
| Total assets | 24,795,057 | 5,259,359 | 30,054,416 | 45,039,475 | 7,661,004 | 52,700,479 | 82,754,895 |
| Liabilities - Accounts payable | 12,591 | 14,904 | 27,495 | 21,245 | 11,066 | 32,311 | 59,806 |
| Net position restricted for pensions and OPEB | \$ 24,782,466 | \$ 5,244,455 | \$ 30,026,921 | \$ 45,018,230 | \$ 7,649,938 | \$ 52,668,168 | \$ 82,695,089 |
| Statement of Changes in Net Position | | | | | | | |
| Additions: | | | | | | | |
| Investment income: | | | | | | | |
| Interest and dividends | \$ 424,775 | \$ 341,813 | \$ 766,588 | \$ 893,802 | \$ 427,046 | \$ 1,320,848 | \$ 2,087,436 |
| Net increase in fair value of investments | (4,158,084) | (1,053,345) | (5,211,429) | (7,476,759) | (1,513,309) | (8,990,068) | (14,201,497) |
| Total investment income | (3,733,309) | (711,532) | (4,444,841) | (6,582,957) | (1,086,263) | (7,669,220) | (12,114,061) |
| Contributions: | | | | | | | |
| Employer | 887,113 | 933,493 | 1,820,606 | 640,240 | 636,300 | 1,276,540 | 3,097,146 |
| Employee | 79,990 | - | 79,990 | 286,010 | - | 286,010 | 366,000 |
| Total contributions | 967,103 | 933,493 | 1,900,596 | 926,250 | 636,300 | 1,562,550 | 3,463,146 |
| Total additions | (2,766,206) | 221,961 | (2,544,245) | (5,656,707) | (449,963) | (6,106,670) | (8,650,915) |
| Deductions: | | | | | | | |
| Benefit payments | 2,210,729 | 597,820 | 2,808,549 | 2,183,120 | 480,371 | 2,663,491 | 5,472,040 |
| Administrative and other | 91,287 | - | 91,827 | 123,755 | - | 123,755 | 215,582 |
| Total deductions | 2,302,016 | 597,820 | 2,900,376 | 2,306,875 | 480,371 | 2,787,246 | 5,687,622 |
| Net (decrease) increase in net position restricted for pensions and OPEB | \$ (464,190) | \$ 819,781 | \$ 356,131 | \$ (3,349,832) | \$ 30,408 | \$ (3,319,424) | \$ (2,963,293) |

Note 13 - 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 Park, Grosse Pointe, Harper Woods, and Grosse Pointe Woods, Michigan and the Village of Grosse Pointe Shores, Michigan. 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 \$47,574 at June 30, 2022 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 14 - Leases

The City leases certain assets to third parties. The assets leased include a pump station owned by the City and the right to use the land. Payments are generally fixed annually with a 4 percent increase of the annual rent in effect for the year immediately preceding the adjustment date.

During the year ended June 30, 2022, the City recognized the following related to its lessor agreements:

| | | |
|---------------------------------------|----|---------|
| Lease revenue | \$ | 438,575 |
| Interest income related to its leases | | 197,943 |

Required Supplemental Information

City of Grosse Pointe Farms, Michigan

Required Supplemental Information Budgetary Comparison Schedule General Fund

Year Ended June 30, 2022

| | Original Budget | Amended Budget | Actual | Variance with Amended Budget |
|---|---------------------|---------------------|---------------------|------------------------------|
| Revenue | | | | |
| Property taxes | \$ 13,233,700 | \$ 13,222,700 | \$ 13,223,509 | \$ 809 |
| Fund balance appropriation | 300,000 | 1,785,630 | - | (1,785,630) |
| Intergovernmental | 921,000 | 1,602,970 | 1,698,025 | 95,055 |
| Charges for services | 1,299,500 | 1,312,500 | 1,389,252 | 76,752 |
| Fines and forfeitures | 302,500 | 302,500 | 325,493 | 22,993 |
| Licenses and permits | 467,350 | 621,850 | 633,821 | 11,971 |
| Interest and rentals | 440,800 | 440,800 | 222,007 | (218,793) |
| Other revenue | 183,100 | 275,600 | 391,065 | 115,465 |
| Total revenue | 17,147,950 | 19,564,550 | 17,883,172 | (1,681,378) |
| Expenditures | | | | |
| Current services: | | | | |
| General government | 1,802,200 | 1,920,200 | 1,795,009 | 125,191 |
| Municipal court | 363,600 | 363,600 | 332,387 | 31,213 |
| Public safety | 5,630,130 | 5,720,130 | 5,568,761 | 151,369 |
| Public works | 2,302,400 | 2,788,400 | 2,672,544 | 115,856 |
| Other functions | 3,025,000 | 3,525,000 | 3,491,513 | 33,487 |
| Parks and recreation | 1,527,520 | 1,580,120 | 1,361,519 | 218,601 |
| Total expenditures | 14,650,850 | 15,897,450 | 15,221,733 | 675,717 |
| Excess of Revenue Over Expenditures | 2,497,100 | 3,667,100 | 2,661,439 | (1,005,661) |
| Other Financing Uses - Transfers out | (2,497,100) | (3,667,100) | (3,662,290) | 4,810 |
| Net Change in Fund Balances | - | - | (1,000,851) | (1,000,851) |
| Fund Balances - Beginning of year | 6,682,880 | 6,682,880 | 6,682,880 | - |
| Fund Balances - End of year | <u>\$ 6,682,880</u> | <u>\$ 6,682,880</u> | <u>\$ 5,682,029</u> | <u>\$ (1,000,851)</u> |

City of Grosse Pointe Farms, Michigan

Required Supplemental Information Schedule of Changes in the Net Pension Liability (Asset) and Related Ratios General Employees' Retirement Pension System

Last Nine Fiscal Years

| | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|
| Total Pension Liability | | | | | | | | | |
| Service cost | \$ 284,679 | \$ 328,124 | \$ 302,758 | \$ 318,019 | \$ 306,053 | \$ 311,248 | \$ 351,487 | \$ 375,514 | \$ 385,337 |
| Interest | 2,154,606 | 2,079,194 | 1,948,848 | 1,955,180 | 1,797,406 | 1,712,769 | 1,661,508 | 1,590,046 | 1,567,981 |
| Differences between expected and actual experience | (331,061) | 930,663 | 1,559,411 | (508,859) | (486,405) | 891,728 | 485,951 | 84,157 | (192,339) |
| Changes in assumptions | - | - | - | - | 2,456,534 | 698,409 | - | 611,778 | - |
| Benefit payments, including refunds | (2,210,729) | (2,381,923) | (1,657,022) | (2,039,636) | (1,484,805) | (1,828,517) | (1,762,184) | (1,631,139) | (1,292,593) |
| Net Change in Total Pension Liability | (102,505) | 956,058 | 2,153,995 | (275,296) | 2,588,783 | 1,785,637 | 736,762 | 1,030,356 | 468,386 |
| Total Pension Liability - Beginning of year | 30,804,726 | 29,848,668 | 27,694,673 | 27,969,969 | 25,381,186 | 23,595,549 | 22,858,787 | 21,828,431 | 21,360,045 |
| Total Pension Liability - End of year | \$ 30,702,221 | \$ 30,804,726 | \$ 29,848,668 | \$ 27,694,673 | \$ 27,969,969 | \$ 25,381,186 | \$ 23,595,549 | \$ 22,858,787 | \$ 21,828,431 |
| Plan Fiduciary Net Position | | | | | | | | | |
| Contributions - Employer | \$ 887,113 | \$ 721,511 | \$ 338,785 | \$ 350,877 | \$ 272,241 | \$ 392,241 | \$ 723,451 | \$ 471,990 | \$ 560,101 |
| Contributions - Member | 79,990 | 85,276 | 92,629 | 98,339 | 107,481 | 117,597 | 115,134 | 129,831 | 133,633 |
| Net investment income | (3,810,615) | 6,375,301 | 1,722,353 | 1,846,664 | 1,798,509 | 2,938,504 | 60,919 | 1,146,469 | 3,439,299 |
| Administrative expenses | (14,520) | (28,492) | (30,510) | (46,928) | (43,621) | (10,813) | (10,005) | (32,593) | (10,800) |
| Benefit payments, including refunds | (2,210,729) | (2,381,923) | (1,657,022) | (2,039,636) | (1,484,805) | (1,828,517) | (1,762,184) | (1,631,139) | (1,292,593) |
| Other | - | - | - | - | - | - | - | - | (460) |
| Net Change in Plan Fiduciary Net Position | (5,068,761) | 4,771,673 | 466,235 | 209,316 | 649,805 | 1,609,012 | (872,685) | 84,558 | 2,829,180 |
| Plan Fiduciary Net Position - Beginning of year | 29,851,227 | 25,079,554 | 24,613,319 | 24,404,003 | 23,754,198 | 22,145,186 | 23,017,871 | 22,933,313 | 20,104,133 |
| Plan Fiduciary Net Position - End of year | \$ 24,782,466 | \$ 29,851,227 | \$ 25,079,554 | \$ 24,613,319 | \$ 24,404,003 | \$ 23,754,198 | \$ 22,145,186 | \$ 23,017,871 | \$ 22,933,313 |
| City's Net Pension Liability (Asset) - Ending | \$ 5,919,755 | \$ 953,499 | \$ 4,769,114 | \$ 3,081,354 | \$ 3,565,966 | \$ 1,626,988 | \$ 1,450,363 | \$ (159,084) | \$ (1,104,882) |
| Plan Fiduciary Net Position as a Percentage of Total Pension Liability | 80.72 % | 96.90 % | 84.02 % | 88.87 % | 87.25 % | 93.59 % | 93.85 % | 100.70 % | 105.06 % |
| Covered Payroll | \$ 1,305,732 | \$ 1,384,268 | \$ 1,651,685 | \$ 1,850,189 | \$ 1,758,022 | \$ 1,743,966 | \$ 1,885,061 | \$ 1,965,685 | \$ 2,221,109 |
| City's Net Pension Liability (Asset) as a Percentage of Covered Payroll | 453.37 % | 68.88 % | 288.74 % | 166.54 % | 202.84 % | 93.29 % | 76.94 % | (8.09)% | (49.74)% |

Currently, nine years of information are available; additional years of information will be displayed in future years as it becomes available.

City of Grosse Pointe Farms, Michigan

Required Supplemental Information Schedule of Pension Contributions General Employees' Retirement Pension System

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

| | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Actuarially determined contribution | \$ 737,113 | \$ 621,511 | \$ 338,785 | \$ 350,877 | \$ 272,241 | \$ 299,240 | \$ 305,388 | \$ 471,990 | \$ 560,101 | \$ 565,261 |
| Contributions in relation to the actuarially determined contribution | 887,113 | 721,511 | 338,785 | 350,877 | 272,241 | 392,241 | 723,451 | 471,990 | 560,101 | 565,261 |
| Contribution Excess | \$ 150,000 | \$ 100,000 | \$ - | \$ - | \$ - | \$ 93,001 | \$ 418,063 | \$ - | \$ - | \$ - |
| Covered Payroll | \$ 1,305,732 | \$ 1,384,268 | \$ 1,651,685 | \$ 1,850,189 | \$ 1,758,022 | \$ 1,743,966 | \$ 1,885,061 | \$ 1,965,685 | \$ 2,221,109 | \$ 2,285,740 |
| Contributions as a Percentage of Covered Payroll | 67.94 % | 52.12 % | 20.51 % | 18.96 % | 15.49 % | 22.49 % | 38.38 % | 24.01 % | 25.22 % | 24.73 % |

Notes to Schedule of Pension Contributions

Actuarial valuation information relative to the determination of contributions:

Valuation date June 30, 2022

Methods and assumptions used to determine contribution rates:

| | |
|-------------------------------|--|
| Actuarial cost method | Entry age normal |
| Amortization method | N/A |
| Remaining amortization period | N/A |
| Asset valuation method | Four-year smoothed market |
| Inflation | 2.50 percent |
| Salary increase | 4.0 to 7.8 percent, including inflation |
| Investment rate of return | 7.25 percent |
| Mortality | RP-2014 Healthy Annuitant Table Projected with Scale MP-2017 |
| Cost of living adjustment | 2.50 percent per year |

City of Grosse Pointe Farms, Michigan

Required Supplemental Information Schedule of Pension Investment Returns General Employees' Retirement Pension System

| | Last Nine Fiscal Years Years Ended June 30 | | | | | | | | |
|---|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | <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 | (12.60)% | 26.20 % | 7.16 % | 7.38 % | 7.38 % | 13.41 % | 0.46 % | 5.10 % | 17.30 % |

Currently, nine years of information are available; additional years of information will be displayed in future years as it becomes available.

City of Grosse Pointe Farms, Michigan

Required Supplemental Information Schedule of Changes in the Net Pension Asset and Related Ratios Public Safety Retirement Pension System

Last Nine Fiscal Years

| | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|---|-----------------------|------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Total Pension Liability | | | | | | | | | |
| Service cost | \$ 948,789 | \$ 914,522 | \$ 959,176 | \$ 866,141 | \$ 871,552 | \$ 802,228 | \$ 876,157 | \$ 772,205 | \$ 561,426 |
| Interest | 3,028,712 | 2,912,861 | 2,818,521 | 2,776,903 | 2,531,448 | 2,419,720 | 2,352,453 | 2,171,426 | 2,089,965 |
| Differences between expected and actual experience | (1,228,318) | (199,053) | (423,671) | (873,746) | (54,106) | 533,902 | (308,162) | 48,670 | (112,068) |
| Changes in assumptions | - | - | - | - | 2,437,129 | 809,914 | 151,084 | 1,314,167 | - |
| Benefit payments, including refunds | (2,183,120) | (1,882,889) | (2,216,850) | (2,174,403) | (2,277,904) | (2,002,811) | (1,906,462) | (1,477,115) | (1,640,042) |
| Net Change in Total Pension Liability | 566,063 | 1,745,441 | 1,137,176 | 594,895 | 3,508,119 | 2,562,953 | 1,165,070 | 2,829,353 | 899,281 |
| Total Pension Liability - Beginning of year | 42,847,801 | 41,102,360 | 39,965,184 | 39,370,289 | 35,862,170 | 33,299,217 | 32,134,147 | 29,304,794 | 28,405,513 |
| Total Pension Liability - End of year | \$ 43,413,864 | \$ 42,847,801 | \$ 41,102,360 | \$ 39,965,184 | \$ 39,370,289 | \$ 35,862,170 | \$ 33,299,217 | \$ 32,134,147 | \$ 29,304,794 |
| Plan Fiduciary Net Position | | | | | | | | | |
| Contributions - Employer | \$ 640,240 | \$ 566,175 | \$ 274,342 | \$ 117,124 | \$ 100,000 | \$ 300,000 | \$ 200,000 | \$ 293,345 | \$ 513,890 |
| Contributions - Member | 286,010 | 259,230 | 244,754 | 241,551 | 237,722 | 217,988 | 247,649 | 209,381 | 200,591 |
| Net investment income | (6,690,247) | 11,060,948 | 2,898,513 | 2,930,695 | 3,033,557 | 4,693,456 | 97,742 | 1,791,311 | 5,527,172 |
| Administrative expenses | (16,464) | (40,922) | (42,596) | (53,419) | (52,936) | (5,868) | (13,475) | (20,533) | (12,709) |
| Benefit payments, including refunds | (2,183,120) | (1,882,889) | (2,216,850) | (2,174,403) | (2,277,904) | (2,002,811) | (1,906,462) | (1,477,115) | (1,640,042) |
| Net Change in Plan Fiduciary Net Position | (7,963,581) | 9,962,542 | 1,158,163 | 1,061,548 | 1,040,439 | 3,202,765 | (1,374,546) | 796,389 | 4,588,902 |
| Plan Fiduciary Net Position - Beginning of year | 52,981,812 | 43,019,270 | 41,861,107 | 40,799,559 | 39,759,120 | 36,556,355 | 37,930,901 | 37,134,512 | 32,545,610 |
| Plan Fiduciary Net Position - End of year | \$ 45,018,231 | \$ 52,981,812 | \$ 43,019,270 | \$ 41,861,107 | \$ 40,799,559 | \$ 39,759,120 | \$ 36,556,355 | \$ 37,930,901 | \$ 37,134,512 |
| City's Net Pension Asset - Ending | \$ (1,604,367) | \$ (10,134,011) | \$ (1,916,910) | \$ (1,895,923) | \$ (1,429,270) | \$ (3,896,950) | \$ (3,257,138) | \$ (5,796,754) | \$ (7,829,718) |
| Plan Fiduciary Net Position as a Percentage of Total Pension Liability | 103.70 % | 123.65 % | 104.66 % | 104.74 % | 103.63 % | 110.77 % | 109.68 % | 118.04 % | 126.72 % |
| Covered Payroll | \$ 3,568,526 | \$ 3,536,549 | \$ 3,312,270 | \$ 3,165,095 | \$ 2,992,371 | \$ 3,062,647 | \$ 2,639,683 | \$ 2,825,365 | \$ 2,740,880 |
| City's Net Pension Asset as a Percentage of Covered Payroll | (44.96)% | (286.55)% | (57.87)% | (59.90)% | (47.76)% | (126.26)% | (122.25)% | (204.11)% | (285.66)% |

Currently, nine years of information are available; additional years of information will be displayed in future years as it becomes available.

City of Grosse Pointe Farms, Michigan

**Required Supplemental Information
Schedule of Pension Contributions
Public Safety Retirement Pension System**

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

| | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Actuarially determined contribution | \$ 440,240 | \$ 566,175 | \$ 274,342 | \$ 117,124 | \$ - | \$ - | \$ 1,401 | \$ 293,345 | \$ 513,890 | \$ 350,856 |
| Contributions in relation to the actuarially determined contribution | 640,240 | 566,175 | 274,342 | 117,124 | 100,000 | 300,000 | 200,000 | 293,345 | 513,890 | 350,856 |
| Contribution Excess | \$ 200,000 | \$ - | \$ - | \$ - | \$ 100,000 | \$ 300,000 | \$ 198,599 | \$ - | \$ - | \$ - |
| Covered Payroll | \$ 3,568,526 | \$ 3,536,549 | \$ 3,312,270 | \$ 3,165,095 | \$ 2,992,371 | \$ 3,062,647 | \$ 2,639,683 | \$ 2,825,365 | \$ 2,740,880 | \$ 2,746,023 |
| Contributions as a Percentage of Covered Payroll | 17.94 % | 16.01 % | 8.28 % | 3.70 % | 3.34 % | 9.80 % | 7.58 % | 10.38 % | 18.75 % | 12.78 % |

Notes to Schedule of Pension Contributions

Actuarial valuation information relative to the determination of contributions:

Valuation date June 30, 2022

Methods and assumptions used to determine contribution rates:

| | |
|-------------------------------|---|
| Actuarial cost method | Entry age normal |
| Amortization method | Level percentage of payroll, open |
| Remaining amortization period | 10 years |
| Asset valuation method | Four years smoothed market |
| Inflation | 2.50 percent |
| Salary increase | 4.0 to 7.8 percent, including inflation |
| Investment rate of return | 7.25 percent |
| Mortality | RP-2014 Healthy Annuitant Table Projected with Scale MP-2017 |
| Cost of living adjustment | For members that retired on or after January 1, 1992 and before July 1, 1998, pensions are increased by 2.5 percent, noncompounded, starting 5 years after retirement. The maximum number of increases is 10. For members that retired on or after July 1, 1998 and before July 1, 2000, pensions are increased by 2.5 percent, noncompounded, each January 1st after the member has been retired for six months. The maximum number of increases is 15. For members that retired on or after July 1, 2000, pensions are increased by 2.5 percent, compounded, each January 1 after the member has been retired for six months. Members hired on or after July 1, 2012 are not eligible for the COLA but can purchase the COLA benefit based on the actuarial determined cost of the benefit. |

City of Grosse Pointe Farms, Michigan

Required Supplemental Information Schedule of Pension Investment Returns Public Safety Retirement Pension System

| | Last Nine Fiscal Years Years Ended June 30 | | | | | | | | |
|---|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | <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 | (12.59)% | 26.29 % | 7.07 % | 7.64 % | 7.78 % | 13.51 % | 0.48 % | 5.14 % | 17.30 % |

Currently, nine years of information are available; additional years of information will be displayed in future years as it becomes available.

City of Grosse Pointe Farms, Michigan

Required Supplemental Information Schedule of Changes in the Net OPEB Liability and Related Ratios General Employees' Retirement Health Plan

| | Last Six Fiscal Years | | | | | |
|--|------------------------------|----------------------------|----------------------------|----------------------------|-----------------------------|----------------------------|
| | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> |
| Total OPEB Liability | | | | | | |
| Service cost | \$ 115,441 | \$ 112,982 | \$ 111,917 | \$ 195,115 | \$ 163,968 | \$ 350,197 |
| Interest | 651,632 | 672,740 | 656,582 | 788,532 | 674,750 | 673,198 |
| Differences between expected and actual experience | - | (600,956) | - | (1,658,628) | (145,387) | (1,336,948) |
| Changes in assumptions | - | 101,075 | - | (535,225) | 1,269,133 | (4,009,288) |
| Benefit payments, including refunds | (597,820) | (561,705) | (532,185) | (521,213) | (500,279) | (399,215) |
| Net Change in Total OPEB Liability | 169,253 | (275,864) | 236,314 | (1,731,419) | 1,462,185 | (4,722,056) |
| Total OPEB Liability - Beginning of year | 9,166,269 | 9,442,133 | 9,205,819 | 10,937,238 | 9,475,053 | 14,197,109 |
| Total OPEB Liability - End of year | <u>\$ 9,335,522</u> | <u>\$ 9,166,269</u> | <u>\$ 9,442,133</u> | <u>\$ 9,205,819</u> | <u>\$ 10,937,238</u> | <u>\$ 9,475,053</u> |
| Plan Fiduciary Net Position | | | | | | |
| Contributions - Employer | \$ 933,493 | \$ 958,062 | \$ 1,351,307 | \$ 929,528 | \$ 899,613 | \$ 812,496 |
| Net investment income | (711,533) | 1,087,481 | 223,096 | 186,461 | 152,320 | 181,570 |
| Administrative expenses | (1) | - | - | - | - | - |
| Benefit payments, including refunds | (597,820) | (561,705) | (532,185) | (521,213) | (500,279) | (399,215) |
| Net Change in Plan Fiduciary Net Position | (375,861) | 1,483,838 | 1,042,218 | 594,776 | 551,654 | 594,851 |
| Plan Fiduciary Net Position - Beginning of year | 5,620,316 | 4,136,478 | 3,094,260 | 2,499,484 | 1,947,830 | 1,352,979 |
| Plan Fiduciary Net Position - End of year | <u>\$ 5,244,455</u> | <u>\$ 5,620,316</u> | <u>\$ 4,136,478</u> | <u>\$ 3,094,260</u> | <u>\$ 2,499,484</u> | <u>\$ 1,947,830</u> |
| Net OPEB Liability - Ending | <u>\$ 4,091,067</u> | <u>\$ 3,545,953</u> | <u>\$ 5,305,655</u> | <u>\$ 6,111,559</u> | <u>\$ 8,437,754</u> | <u>\$ 7,527,223</u> |
| Plan Fiduciary Net Position as a Percentage of Total OPEB Liability | 56.18 % | 61.32 % | 43.81 % | 33.61 % | 22.85 % | 20.56 % |
| Covered-employee Payroll | \$ 1,439,639 | \$ 1,384,268 | \$ 1,924,197 | \$ 1,850,189 | \$ 1,758,022 | \$ 1,685,541 |
| Net OPEB Liability as a Percentage of Covered-employee Payroll | 284.17 % | 256.16 % | 275.73 % | 330.32 % | 479.96 % | 446.58 % |

Currently, six years of information are available; additional years of information will be displayed in future years as it becomes available.

City of Grosse Pointe Farms, Michigan

Required Supplemental Information Schedule of OPEB Contributions General Employees' Retirement Health Plan

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

| | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Actuarially determined contribution | \$ 415,803 | \$ 554,552 | \$ 652,570 | \$ 875,213 | \$ 1,095,412 | \$ 1,144,288 | \$ 1,095,012 | \$ 1,281,678 | \$ 1,226,486 | \$ 1,214,408 |
| Contributions in relation to the actuarially determined contribution | 933,493 | 958,062 | 1,351,307 | 929,528 | 899,613 | 812,496 | 610,018 | 812,584 | 565,410 | 554,985 |
| Contribution Excess (Deficiency) | \$ 517,690 | \$ 403,510 | \$ 698,737 | \$ 54,315 | \$ (195,799) | \$ (331,792) | \$ (484,994) | \$ (469,094) | \$ (661,076) | \$ (659,423) |
| Covered-employee Payroll | \$ 1,439,639 | \$ 1,384,268 | \$ 1,680,089 | \$ 1,850,189 | \$ 1,758,022 | \$ 1,685,541 | \$ 1,865,319 | \$ 1,865,319 | \$ 2,285,740 | \$ 2,285,740 |
| Contributions as a Percentage of Covered-employee Payroll | 64.84 % | 69.21 % | 80.43 % | 50.24 % | 51.17 % | 48.20 % | 32.70 % | 43.56 % | 24.74 % | 24.28 % |

Notes to Schedule of Contributions

Actuarial valuation information relative to the determination of contributions:

Valuation date June 30, 2022

Methods and assumptions used to determine contribution rates:

| | |
|-------------------------------|--|
| Actuarial cost method | Entry age normal |
| Amortization method | Level dollar, closed |
| Remaining amortization period | 26 years |
| Asset valuation method | Market value of assets |
| Health care cost trend rates | 7.00 - 4.50 percent for under age 65 and 5.25 - 4.50 percent for ages 65 and older |
| Salary increase | 4.0 to 7.8 percent, including inflation |
| Investment rate of return | 7.25 percent |
| Retirement age | Age 60 with 10 or more years of service |
| Mortality | RP-2014 Healthy Annuitant Table Projected with Scale MP-2017 |

City of Grosse Pointe Farms, Michigan

Required Supplemental Information Schedule of OPEB Investment Returns General Employees' Retirement Health Plan

| | Last Six Fiscal Years Years Ended June 30 | | | | | |
|--|--|-------------|-------------|-------------|-------------|-------------|
| | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> |
| Annual money-weighted rate of return - Net of investment expense | (12.60)% | 26.29 % | 7.07 % | 7.64 % | 7.78 % | 13.51 % |

Currently, six years of information are available; additional years of information will be displayed in future years as it becomes available.

City of Grosse Pointe Farms, Michigan

Required Supplemental Information Schedule of Changes in the Net OPEB Liability and Related Ratios Public Safety Retirement Health Plan

| | Last Six Fiscal Years | | | | | |
|---|------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> |
| Total OPEB Liability | | | | | | |
| Service cost | \$ 221,796 | \$ 252,632 | \$ 266,585 | \$ 392,619 | \$ 327,101 | \$ 547,435 |
| Interest | 1,031,001 | 981,187 | 928,274 | 932,788 | 819,385 | 780,761 |
| Differences between expected and actual experience | - | (310,000) | - | (14,288) | (548,454) | (27,426) |
| Changes in assumptions | - | 274,243 | - | (821,583) | 1,145,805 | (5,968,277) |
| Benefit payments, including refunds | (480,371) | (479,904) | (423,243) | (428,194) | (396,739) | (318,344) |
| Net Change in Total OPEB Liability | 772,426 | 718,158 | 771,616 | 61,342 | 1,347,098 | (4,985,851) |
| Total OPEB Liability - Beginning of year | 14,234,891 | 13,516,733 | 12,745,117 | 12,683,775 | 11,336,677 | 16,322,528 |
| Total OPEB Liability - End of year | \$ 15,007,317 | \$ 14,234,891 | \$ 13,516,733 | \$ 12,745,117 | \$ 12,683,775 | \$ 11,336,677 |
| Plan Fiduciary Net Position | | | | | | |
| Contributions - Employer | \$ 636,300 | \$ 638,800 | \$ 535,564 | \$ 486,876 | \$ 481,250 | \$ 307,730 |
| Contributions - Active and inactive plan members not yet receiving benefits | - | - | - | - | 2,889 | 2,804 |
| Net investment income | (1,086,263) | 1,746,749 | 440,752 | 414,585 | 394,217 | 610,641 |
| Benefit payments, including refunds | (480,371) | (479,904) | (423,243) | (428,194) | (396,739) | (318,344) |
| Other | - | - | - | - | - | 92 |
| Net Change in Plan Fiduciary Net Position | (930,334) | 1,905,645 | 553,073 | 473,267 | 481,617 | 602,923 |
| Plan Fiduciary Net Position - Beginning of year | 8,580,271 | 6,674,626 | 6,121,553 | 5,648,286 | 5,166,669 | 4,563,746 |
| Plan Fiduciary Net Position - End of year | \$ 7,649,937 | \$ 8,580,271 | \$ 6,674,626 | \$ 6,121,553 | \$ 5,648,286 | \$ 5,166,669 |
| Net OPEB Liability - Ending | \$ 7,357,380 | \$ 5,654,620 | \$ 6,842,107 | \$ 6,623,564 | \$ 7,035,489 | \$ 6,170,008 |
| Plan Fiduciary Net Position as a Percentage of Total OPEB Liability | 50.97 % | 60.28 % | 49.38 % | 48.03 % | 44.53 % | 45.57 % |
| Covered-employee Payroll | \$ 2,274,655 | \$ 2,187,168 | \$ 2,520,982 | \$ 2,424,021 | \$ 2,992,371 | \$ 2,872,219 |
| Net OPEB Liability as a Percentage of Covered-employee Payroll | 323.45 % | 258.54 % | 271.41 % | 273.25 % | 235.11 % | 214.82 % |

Currently, six years of information are available; additional years of information will be displayed in future years as it becomes available.

City of Grosse Pointe Farms, Michigan

Required Supplemental Information Schedule of OPEB Contributions Public Safety Retirement Health Plan

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

| | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Actuarially determined contribution | \$ 702,116 | \$ 825,883 | \$ 868,616 | \$ 967,881 | \$ 1,127,802 | \$ 986,558 | \$ 944,075 | \$ 1,075,857 | \$ 1,029,528 | \$ 901,417 |
| Contributions in relation to the actuarially determined contribution | 636,300 | 638,800 | 535,564 | 486,876 | 481,250 | 307,730 | 213,316 | 408,826 | 381,955 | 369,581 |
| Contribution Deficiency | \$ (65,816) | \$ (187,083) | \$ (333,052) | \$ (481,005) | \$ (646,552) | \$ (678,828) | \$ (730,759) | \$ (667,031) | \$ (647,573) | \$ (531,836) |
| Covered-employee Payroll | \$ 2,274,655 | \$ 2,187,168 | \$ 2,520,982 | \$ 2,424,021 | \$ 2,992,371 | \$ 2,872,219 | \$ 2,677,371 | \$ 2,677,371 | \$ 2,746,023 | \$ 2,746,023 |
| Contributions as a Percentage of Covered-employee Payroll | 27.97 % | 29.21 % | 21.24 % | 20.09 % | 16.08 % | 10.71 % | 7.97 % | 15.27 % | 13.91 % | 13.46 % |

Notes to Schedule of Contributions

Actuarial valuation information relative to the determination of contributions:

Valuation date June 30, 2022

Methods and assumptions used to determine contribution rates:

| | |
|-------------------------------|--|
| Actuarial cost method | Entry age normal |
| Amortization method | Level dollar, closed |
| Remaining amortization period | 26 years |
| Asset valuation method | Market value of assets |
| Inflation | 2.50 percent |
| Salary increase | 7.00 - 4.50 percent for under age 65 and 5.25 - 4.50 percent for ages 65 and older |
| Investment rate of return | 7.25 percent |
| Retirement age | Age 50 with 25 years of service or age 60 with 10 years of service |
| Mortality | RP-2014 Healthy Annuitant Table projected with scale MP-2017 |

City of Grosse Pointe Farms, Michigan

Required Supplemental Information Schedule of OPEB Investment Returns Public Safety Retirement Health Plan

| | Last Six Fiscal Years Years Ended June 30 | | | | | |
|--|--|-------------|-------------|-------------|-------------|-------------|
| | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> |
| Annual money-weighted rate of return - Net of investment expense | (12.59)% | 26.20 % | 7.16 % | 7.38 % | 7.89 % | 13.41 % |

Currently, six years of information are available; additional years of information will be displayed in future years as it becomes available.

Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund and all governmental funds.

The City did not have significant expenditure budget variances.

A reconciliation of the budgetary comparison schedules to the fund-based statement of revenue, expenses, and changes in fund balance is as follows:

| | <u>Total Expenditures</u> | <u>Other Financing Uses</u> |
|--|---------------------------|---------------------------------|
| Amounts per operating statement | \$ 16,066,733 | \$ 2,817,290 |
| Expenditures budgeted as operating transfers | <u>(845,000)</u> | <u>845,000</u> |
| Amounts per budget statement | <u>\$ 15,221,733</u> | <u>\$ 3,662,290</u> |

Pension Information

Changes in Assumptions

Public Safety Retirement Pension Plan

In 2015, assumption changes impacting the calculation of the total pension liability (TPL) were as follows: mortality tables were updated to be based on the RP-2000 Combined Mortality Table (projected to 2014).

In 2016, assumption changes impacting the calculation of the total pension liability were as follows: (1) price inflation was increased from 4.00 to 4.50 percent and (2) discount rate used decreased from 7.44 to 7.40 percent.

In 2017, assumption changes impacting the calculation of the total pension liability were as follows: (1) price inflation was decreased from 4.50 to 4.00 percent and (2) discount rate used decreased from 7.40 to 7.20 percent.

In 2018, assumption changes impacting the calculation of the total pension liability were as follows: (1) increase in the discount rate from 7.20 percent to 7.25 percent and (2) updating the mortality tables from the RP-2000 Combined Mortality Table (projected to 2014) to the RP-2014 Healthy Annuitant Mortality Table (with MP-2017).

General Employees' Retirement Pension Plan

In 2015, assumption changes impacting the calculation of the total pension liability were as follows: mortality tables were updated to be based on the RP-2000 Combined Mortality Table (projected to 2014).

In 2016, assumption changes impacting the calculation of the total pension liability were as follows: price inflation was increased from 4.00 to 4.50 percent.

In 2017, assumption changes impacting the calculation of the total pension liability were as follows: (1) price inflation was decreased from 4.50 to 4.00 percent and (2) discount rate used decreased from 7.40 to 7.20 percent.

In 2018, assumption changes impacting the calculation of the total pension liability were as follows: (1) increase in the discount rate from 7.20 percent to 7.25 percent and (2) updating the mortality tables from the RP-2000 Combined Mortality Table (projected to 2014) to the RP-2014 Healthy Annuitant Mortality Table (with MP-2017).

OPEB Information

Changes in Assumptions

Public Safety Retirement Health Plan

In 2017, assumption changes impacting the calculation of the total OPEB liability (TOL) were due to the following: (1) increase in assumed investment rate of return from 4.75 to 5.0 percent and (2) decrease in annual health care cost trend rate from 8.5 to 6.0 percent.

June 30, 2022

In 2018, assumption changes impacting the calculation of the total OPEB liability were due to updating the mortality tables from the RP-2000 Combined Mortality Table (projected to 2014) to the RP-2014 Healthy Annuitant Mortality Table (with MP-2017).

In 2019, the City modified significant assumptions that affect the calculation of the total OPEB liability. The modification included changes to the assumed initial per capita health care costs and the rates of health care inflation used to project per capita costs.

In 2020, the City modified significant assumptions that affect the calculation of the total OPEB liability. The modification included changes to the assumed rates of health care inflation used to project per capita costs.

In 2021, the assumed rates of health care inflation used to project per capita costs were updated in the June 30, 2021 valuation.

General Employees' Retirement Health Plan

In 2017, assumption changes impacting the calculation of the total OPEB liability were due to the following: (1) increase in assumed investment rate of return from 4.75 to 5.0 percent and (2) decrease in annual health care cost trend rate from 8.5 to 6.0 percent.

In 2018, assumption changes impacting the calculation of the total OPEB liability were due to updating the mortality tables from the RP-2000 Combined Mortality Table (projected to 2014) to the RP-2014 Healthy Annuitant Mortality Table (with MP-2017).

In 2019, the City modified significant assumptions that affect the calculation of the total OPEB liability. The modification included changes to the assumed initial per capita health care costs and the rates of health care inflation used to project per capita costs.

In 2020, the City modified significant assumptions that affect the calculation of the total OPEB liability. The modification included changes to the assumed rates of health care inflation used to project per capita costs.

In 2021, the assumed rates of health care inflation used to project per capita costs were updated in the June 30, 2021 valuation.

Other Supplemental Information

City of Grosse Pointe Farms, Michigan

Other Supplemental Information
Combining Balance Sheet
Nonmajor Governmental Funds

June 30, 2022

| | Special Revenue Funds | | | | | Debt Service Fund | | Total |
|---|----------------------------|----------------------------|----------------------------|-------------------------|-----------------------------------|----------------------|----------------------------|-------|
| | Major Streets | Local Streets | Municipal Street | MIDC Grant | Community Development Block Grant | General Debt Service | | |
| Assets | | | | | | | | |
| Cash and cash equivalents | \$ 1,163,237 | \$ 1,084,058 | \$ 1,732,009 | \$ 14,886 | \$ - | \$ 500 | \$ 3,994,690 | |
| Investments | - | 122,800 | - | - | - | - | 122,800 | |
| Receivables: | | | | | | | | |
| Property taxes receivable | - | - | 410 | - | - | - | 410 | |
| Accrued interest receivable | - | 299 | - | - | - | - | 299 | |
| Due from other governmental units | 129,465 | 50,163 | - | 1,800 | - | - | 181,428 | |
| Prepays and other assets | - | 1,458 | - | - | - | - | 1,458 | |
| Total assets | <u>\$ 1,292,702</u> | <u>\$ 1,258,778</u> | <u>\$ 1,732,419</u> | <u>\$ 16,686</u> | <u>\$ -</u> | <u>\$ 500</u> | <u>\$ 4,301,085</u> | |
| Liabilities | | | | | | | | |
| Accounts payable | \$ 324,234 | \$ - | \$ - | \$ 715 | \$ - | \$ 500 | \$ 325,449 | |
| Accrued liabilities and wages | 7,714 | 10,452 | - | - | - | - | 18,166 | |
| Unearned revenue | - | - | - | 15,971 | - | - | 15,971 | |
| Total liabilities | 331,948 | 10,452 | - | 16,686 | - | 500 | 359,586 | |
| Fund Balances - Restricted - Roads | 960,754 | 1,248,326 | 1,732,419 | - | - | - | 3,941,499 | |
| Total liabilities and fund balances | <u>\$ 1,292,702</u> | <u>\$ 1,258,778</u> | <u>\$ 1,732,419</u> | <u>\$ 16,686</u> | <u>\$ -</u> | <u>\$ 500</u> | <u>\$ 4,301,085</u> | |

City of Grosse Pointe Farms, Michigan

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

Year Ended June 30, 2022

| | Special Revenue Funds | | | | Debt Service Fund | | Total |
|--|-----------------------|---------------------|---------------------|-----------------|-----------------------------------|----------------------|---------------------|
| | Major Streets | Local Streets | Municipal Street | MIDC Grant | Community Development Block Grant | General Debt Service | |
| Revenue | | | | | | | |
| Property taxes | \$ - | \$ - | \$ 1,701,625 | \$ - | \$ - | \$ - | \$ 1,701,625 |
| Intergovernmental: | | | | | | | |
| Federal grants | - | - | - | - | 20,000 | - | 20,000 |
| State sources | 822,946 | 321,487 | - | 38,785 | - | - | 1,183,218 |
| Interest and rentals | - | (11,924) | - | - | - | - | (11,924) |
| Other revenue | - | - | - | 7,200 | - | - | 7,200 |
| Total revenue | 822,946 | 309,563 | 1,701,625 | 45,985 | 20,000 | - | 2,900,119 |
| Expenditures | | | | | | | |
| Current services: | | | | | | | |
| Municipal court | - | - | - | 57,686 | - | - | 57,686 |
| Public works - Street construction | 2,096,926 | 510,139 | - | - | - | - | 2,607,065 |
| Other functions | - | - | 2,871 | - | - | - | 2,871 |
| Community and economic development | - | - | - | - | 20,000 | - | 20,000 |
| Debt service | - | - | - | - | - | 880,589 | 880,589 |
| Total expenditures | 2,096,926 | 510,139 | 2,871 | 57,686 | 20,000 | 880,589 | 3,568,211 |
| Excess of Revenue (Under) Over Expenditures | (1,273,980) | (200,576) | 1,698,754 | (11,701) | - | (880,589) | (668,092) |
| Other Financing Sources (Uses) | | | | | | | |
| Transfers in | 1,482,716 | 430,401 | - | 11,701 | - | 880,589 | 2,805,407 |
| Transfers out | (75,000) | - | (1,638,117) | - | - | - | (1,713,117) |
| Total other financing sources (uses) | 1,407,716 | 430,401 | (1,638,117) | 11,701 | - | 880,589 | 1,092,290 |
| Net Change in Fund Balances | 133,736 | 229,825 | 60,637 | - | - | - | 424,198 |
| Fund Balances - Beginning of year | 827,018 | 1,018,501 | 1,671,782 | - | - | - | 3,517,301 |
| Fund Balances - End of year | \$ 960,754 | \$ 1,248,326 | \$ 1,732,419 | \$ - | \$ - | \$ - | \$ 3,941,499 |

City of Grosse Pointe Farms, Michigan

Other Supplemental Information
Combining Statement of Net Position
Internal Service Funds

June 30, 2022

| | Insurance Retention Fund | Healthcare Retention Fund | Total Internal Service Funds |
|---|-----------------------------|------------------------------|---------------------------------|
| Assets | | | |
| Current assets: | | | |
| Cash and cash equivalents | \$ 203,651 | \$ 647,141 | \$ 850,792 |
| Investments | 116,841 | - | 116,841 |
| Receivables | 402 | - | 402 |
| Prepays and other assets | - | 161,956 | 161,956 |
| Total current assets | 320,894 | 809,097 | 1,129,991 |
| Liabilities - Current liabilities - Accounts payable | 158,467 | 217,104 | 375,571 |
| Net Position - Unrestricted | \$ 162,427 | \$ 591,993 | \$ 754,420 |

City of Grosse Pointe Farms, Michigan

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

Year Ended June 30, 2022

| | <u>Insurance Retention Fund</u> | <u>Healthcare Retention Fund</u> | <u>Total Internal Service Funds</u> |
|---|-------------------------------------|--------------------------------------|---|
| Operating Revenue - Charges for services | \$ 275,000 | \$ 2,672,235 | \$ 2,947,235 |
| Operating Expenses - Benefit payments | <u>208,714</u> | <u>2,085,252</u> | <u>2,293,966</u> |
| Operating Income | 66,286 | 586,983 | 653,269 |
| Nonoperating Expense - Investment interest and FMV changes | <u>(14,141)</u> | <u>-</u> | <u>(14,141)</u> |
| Change in Net Position | 52,145 | 586,983 | 639,128 |
| Net Position - Beginning of year | <u>110,282</u> | <u>5,010</u> | <u>115,292</u> |
| Net Position - End of year | <u><u>\$ 162,427</u></u> | <u><u>\$ 591,993</u></u> | <u><u>\$ 754,420</u></u> |

City of Grosse Pointe Farms, Michigan

Other Supplemental Information Combining Statement of Cash Flows Internal Service Funds

Year Ended June 30, 2022

| | Insurance Retention | Healthcare Retention Fund | Total Internal Service Funds |
|---|------------------------|------------------------------|---------------------------------|
| Cash Flows from Operating Activities | | | |
| Receipts from customers | \$ 275,000 | \$ 2,672,235 | \$ 2,947,235 |
| Payments to suppliers | (203,560) | (29,782) | (233,342) |
| Payments to employees and fringes | - | (2,085,252) | (2,085,252) |
| Net cash and cash equivalents provided by operating activities | 71,440 | 557,201 | 628,641 |
| Cash Flows from Investing Activities | | | |
| Interest received on investments | 5,218 | - | 5,218 |
| Purchase of investment securities | (5,225) | - | (5,225) |
| Net cash and cash equivalents used in investing activities | (7) | - | (7) |
| Net Increase in Cash and Cash Equivalents | 71,433 | 557,201 | 628,634 |
| Cash and Cash Equivalents - Beginning of year | 132,218 | 89,940 | 222,158 |
| Cash and Cash Equivalents - End of year | \$ 203,651 | \$ 647,141 | \$ 850,792 |
| Classification of Cash and Cash Equivalents | | | |
| Cash and investments | \$ 203,651 | \$ 647,141 | \$ 850,792 |
| Total cash and cash equivalents | \$ 203,651 | \$ 647,141 | \$ 850,792 |
| Reconciliation of Operating Income to Net Cash and Cash Equivalents from Operating Activities | | | |
| Operating income | \$ 66,286 | \$ 586,983 | \$ 653,269 |
| Adjustments to reconcile operating income to net cash and cash equivalents from operating activities - Changes in assets and liabilities: | | | |
| Prepaid and other assets | - | (14,304) | (14,304) |
| Accounts payable | 5,154 | (15,478) | (10,324) |
| Total adjustments | 5,154 | (29,782) | (24,628) |
| Net cash and cash equivalents provided by operating activities | \$ 71,440 | \$ 557,201 | \$ 628,641 |
| Significant Noncash Transactions - Fair market value adjustment | | | |
| | \$ 19,359 | \$ - | \$ 19,359 |

City of Grosse Pointe Farms, Michigan

Other Supplemental Information
Budgetary Comparison Schedule - Capital Projects Fund

Year Ended June 30, 2022

| | Original Budget (Unaudited) | Amended Budget (Unaudited) | Actual | Variance with Amended Budget |
|--|--------------------------------|----------------------------------|----------------------------|------------------------------------|
| Revenue | | | | |
| Investment income (loss) | \$ 2,500 | \$ 2,500 | \$ (55,571) | \$ (58,071) |
| Other revenue | 10,550 | 134,500 | 134,500 | - |
| Total revenue | 13,050 | 137,000 | 78,929 | (58,071) |
| Expenditures - Capital Outlay | 1,113,050 | 2,053,165 | 1,746,795 | 306,370 |
| Excess of Expenditures Over Revenue | (1,100,000) | (1,916,165) | (1,667,866) | 248,299 |
| Other Financing Sources (Uses) | | | | |
| Transfers in | 1,125,000 | 1,825,000 | 1,825,000 | - |
| Transfers out | (100,000) | (100,000) | (100,000) | - |
| Fund balance appropriation | 75,000 | 191,165 | - | (191,165) |
| Total other financing sources | 1,100,000 | 1,916,165 | 1,725,000 | (191,165) |
| Net Change in Fund Balance | - | - | 57,134 | 57,134 |
| Fund Balance - Beginning of year | 2,443,840 | 2,443,840 | 2,443,840 | - |
| Fund Balance - End of year | <u>\$ 2,443,840</u> | <u>\$ 2,443,840</u> | <u>\$ 2,500,974</u> | <u>\$ 57,134</u> |

City of Grosse Pointe Farms, Michigan

Other Supplemental Information
 Budgetary Comparison Schedules - Nonmajor Governmental Funds
 Major Streets Fund

Year Ended June 30, 2022

| | Original Budget (Unaudited) | Amended Budget (Unaudited) | Actual | Variance with Amended Budget (Unaudited) |
|--|--------------------------------|----------------------------------|-------------------|---|
| Revenue - State-shared revenue and grants | \$ 713,800 | \$ 810,000 | \$ 822,946 | \$ 12,946 |
| Expenditures - Public works and streets | 1,638,800 | 2,062,000 | 2,096,926 | (34,926) |
| Excess of Expenditures Over Revenue | (925,000) | (1,252,000) | (1,273,980) | (21,980) |
| Other Financing Sources (Uses) | | | | |
| Transfers in | 1,000,000 | 1,327,000 | 1,482,716 | 155,716 |
| Transfers out | (75,000) | (75,000) | (75,000) | - |
| Total other financing sources | 925,000 | 1,252,000 | 1,407,716 | 155,716 |
| Net Change in Fund Balance | - | - | 133,736 | 133,736 |
| Fund Balance - Beginning of year | 827,018 | 827,018 | 827,018 | - |
| Fund Balance - End of year | <u>\$ 827,018</u> | <u>\$ 827,018</u> | <u>\$ 960,754</u> | <u>\$ 133,736</u> |

City of Grosse Pointe Farms, Michigan

Other Supplemental Information
 Budgetary Comparison Schedules - Nonmajor Governmental Funds
 (Continued)
 Local Streets Fund

Year Ended June 30, 2022

| | Original Budget (Unaudited) | Amended Budget (Unaudited) | Actual | Variance with Amended Budget (Unaudited) |
|---|--------------------------------|----------------------------------|---------------------|---|
| Revenue | | | | |
| Intergovernmental | \$ 285,600 | \$ 310,000 | \$ 321,487 | \$ 11,487 |
| Investment income | 1,000 | 1,000 | (11,924) | (12,924) |
| Total revenue | 286,600 | 311,000 | 309,563 | (1,437) |
| Expenditures - Current services - Public works - Streets | 1,264,600 | 786,000 | 510,139 | 275,861 |
| Excess of Expenditures Over Revenue | (978,000) | (475,000) | (200,576) | 274,424 |
| Other Financing Sources - Transfers in | 978,000 | 475,000 | 430,401 | (44,599) |
| Net Change in Fund Balance | - | - | 229,825 | 229,825 |
| Fund Balance - Beginning of year | 1,018,501 | 1,018,501 | 1,018,501 | - |
| Fund Balance - End of year | <u>\$ 1,018,501</u> | <u>\$ 1,018,501</u> | <u>\$ 1,248,326</u> | <u>\$ 229,825</u> |

City of Grosse Pointe Farms, Michigan

Other Supplemental Information
 Budgetary Comparison Schedules - Nonmajor Governmental Funds
 (Continued)
 Municipal Street Fund

Year Ended June 30, 2022

| | Original Budget (Unaudited) | Amended Budget (Unaudited) | Actual | Variance with Amended Budget (Unaudited) |
|---|--------------------------------|----------------------------------|---------------------|---|
| Revenue - Property taxes | \$ 1,703,000 | \$ 1,703,000 | \$ 1,701,625 | \$ (1,375) |
| Expenditures - Other functions | - | - | 2,871 | (2,871) |
| Excess of Revenue Over Expenditures | 1,703,000 | 1,703,000 | 1,698,754 | (4,246) |
| Other Financing Uses - Transfers out | (1,703,000) | (1,703,000) | (1,638,117) | 64,883 |
| Net Change in Fund Balance | - | - | 60,637 | 60,637 |
| Fund Balance - Beginning of year | 1,671,782 | 1,671,782 | 1,671,782 | - |
| Fund Balance - End of year | <u>\$ 1,671,782</u> | <u>\$ 1,671,782</u> | <u>\$ 1,732,419</u> | <u>\$ 60,637</u> |

City of Grosse Pointe Farms, Michigan

Other Supplemental Information
 Budgetary Comparison Schedules - Nonmajor Governmental Funds
 (Continued)
 Community Development Block Grant Fund

Year Ended June 30, 2022

| | Original Budget (Unaudited) | Amended Budget (Unaudited) | Actual | Variance with Amended Budget (Unaudited) |
|---|--------------------------------|----------------------------------|-------------|---|
| Revenue - Federal grants | \$ 20,000 | \$ 20,000 | \$ 20,000 | \$ - |
| Expenditures - Community and economic development | 20,000 | 20,000 | 20,000 | - |
| Net Change in Fund Balance | - | - | - | - |
| Fund Balance - Beginning of year | - | - | - | - |
| Fund Balance - End of year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

City of Grosse Pointe Farms, Michigan

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

Year Ended June 30, 2022

| | Original Budget (Unaudited) | Amended Budget (Unaudited) | Actual | Variance with Amended Budget (Unaudited) |
|---|--------------------------------|----------------------------------|-------------|---|
| Revenue - State grant | \$ 58,170 | \$ 58,170 | \$ 45,985 | \$ (12,185) |
| Expenditures - Indigent defense costs and administration | 74,170 | 74,170 | 57,686 | 16,484 |
| Excess of Expenditures Over Revenue | (16,000) | (16,000) | (11,701) | 4,299 |
| Other Financing Sources - Transfers in | 16,000 | 16,000 | 11,701 | (4,299) |
| Net Change in Fund Balance | - | - | - | - |
| Fund Balance - Beginning of year | - | - | - | - |
| Fund Balance - End of year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

City of Grosse Pointe Farms, Michigan

Other Supplemental Information
 Budgetary Comparison Schedules - Nonmajor Governmental Funds
 (Continued)
 General Debt Service Fund

Year Ended June 30, 2022

| | Original Budget (Unaudited) | Amended Budget (Unaudited) | Actual | Variance with Amended Budget (Unaudited) |
|---|--------------------------------|----------------------------------|-------------|---|
| Revenue | \$ - | \$ - | \$ - | \$ - |
| Expenditures - Debt service | 881,100 | 881,100 | 880,589 | 511 |
| Excess of Expenditures Over Revenue | (881,100) | (881,100) | (880,589) | 511 |
| Other Financing Sources - Transfers in | 881,100 | 881,100 | 880,589 | (511) |
| Net Change in Fund Balance | - | - | - | - |
| Fund Balance - Beginning of year | - | - | - | - |
| Fund Balance - End of year | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

City of Grosse Pointe Farms, Michigan

Other Supplemental Information Combining Statement of Net Position Nonmajor Enterprise Funds

June 30, 2022

| | Recycling Program Fund | Municipal Radio System Fund | Total Nonmajor Enterprise Funds |
|--|---------------------------|--------------------------------|---------------------------------------|
| Assets | | | |
| Current assets: | | | |
| Cash and cash equivalents | \$ 55,834 | \$ 182,769 | \$ 238,603 |
| Receivables: | | | |
| Other receivables | 27,433 | - | 27,433 |
| Due from other governmental units | - | 132,617 | 132,617 |
| Total assets | 83,267 | 315,386 | 398,653 |
| Deferred Outflows of Resources | | | |
| Deferred pension costs | - | 93,317 | 93,317 |
| Deferred OPEB costs | - | 21,891 | 21,891 |
| Total deferred outflows of resources | - | 115,208 | 115,208 |
| Liabilities | | | |
| Current liabilities: | | | |
| Accounts payable | - | 471 | 471 |
| Refundable deposits, bonds, etc. | - | 19,777 | 19,777 |
| Accrued salaries and wages | - | 945 | 945 |
| Total current liabilities | - | 21,193 | 21,193 |
| Noncurrent liabilities: | | | |
| Net pension liability | - | 261,751 | 261,751 |
| Net OPEB liability | - | 180,890 | 180,890 |
| Total noncurrent liabilities | - | 442,641 | 442,641 |
| Total liabilities | - | 463,834 | 463,834 |
| Deferred Inflows of Resources | | | |
| Deferred pension cost reductions | - | 7,668 | 7,668 |
| Deferred OPEB cost reductions | - | 10,613 | 10,613 |
| Total deferred inflows of resources | - | 18,281 | 18,281 |
| Net Position (Deficit) - Unrestricted | \$ 83,267 | \$ (51,521) | \$ 31,746 |

City of Grosse Pointe Farms, Michigan

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

Year Ended June 30, 2022

| | <u>Recycling Program Fund</u> | <u>Municipal Radio System Fund</u> | <u>Total Nonmajor Enterprise Funds</u> |
|---|-----------------------------------|--|--|
| Operating Revenue | | | |
| Interest and penalty charges | \$ 3,461 | \$ - | \$ 3,461 |
| Recycling charges | 213,086 | - | 213,086 |
| Radio system charges | - | 260,984 | 260,984 |
| Total operating revenue | <u>216,547</u> | <u>260,984</u> | <u>477,531</u> |
| Operating Expenses | | | |
| Other operating and maintenance costs | 251,469 | 125,084 | 376,553 |
| Depreciation | - | 105,012 | 105,012 |
| Total operating expenses | <u>251,469</u> | <u>230,096</u> | <u>481,565</u> |
| Change in Net Position - Operating (loss) income | (34,922) | 30,888 | (4,034) |
| Net Position (Deficit) - Beginning of year | <u>118,189</u> | <u>(82,409)</u> | <u>35,780</u> |
| Net Position (Deficit) - End of year | <u><u>\$ 83,267</u></u> | <u><u>\$ (51,521)</u></u> | <u><u>\$ 31,746</u></u> |

City of Grosse Pointe Farms, Michigan

Other Supplemental Information Combining Statement of Cash Flows Nonmajor Enterprise Funds

Year Ended June 30, 2022

| | Recycling Program Fund | Municipal Radio System Fund | Total Nonmajor Enterprise Funds |
|---|---------------------------|--------------------------------|---------------------------------------|
| Cash Flows from Operating Activities | | | |
| Receipts from customers | \$ 216,234 | \$ 263,140 | \$ 479,374 |
| Payments to suppliers | (10,100) | (122,478) | (132,578) |
| Payments to employees and fringes | (241,369) | (152,216) | (393,585) |
| Net Decrease in Cash and Cash Equivalents - Net cash and cash equivalents used in operating activities | (35,235) | (11,554) | (46,789) |
| Cash and Cash Equivalents - Beginning of year | 91,069 | 194,323 | 285,392 |
| Cash and Cash Equivalents - End of year | \$ 55,834 | \$ 182,769 | \$ 238,603 |
| Reconciliation of Operating (Loss) Income to Net Cash and Cash Equivalents from Operating Activities | | | |
| Operating (loss) income | \$ (34,922) | \$ 30,888 | \$ (4,034) |
| Adjustments to reconcile operating (loss) income to net cash and cash equivalents from operating activities: | | | |
| Depreciation and amortization | - | 105,012 | 105,012 |
| Changes in assets and liabilities: | | | |
| Receivables | (313) | 2,156 | 1,843 |
| Net pension or OPEB asset | - | (121,662) | (121,662) |
| Accounts payable | - | (1,294) | (1,294) |
| Accrued and other liabilities | - | (26,654) | (26,654) |
| Total adjustments | (313) | (42,442) | (42,755) |
| Net cash and cash equivalents used in operating activities | \$ (35,235) | \$ (11,554) | \$ (46,789) |

City of Grosse Pointe Farms, Michigan

**Other Supplemental Information
Combining Statement of Fiduciary Net Position
Fiduciary Funds**

June 30, 2022

| | General Employees' Pension and Other Postemployment Benefit Trust Fund | Public Safety Pension and Other Postemployment Benefit Trust Fund | Total Pension and Other Employee Benefit Trust Funds |
|--|--|--|--|
| Assets | | | |
| Cash and cash equivalents | \$ 81,380 | \$ 1,120,045 | \$ 1,201,425 |
| Investments: | | | 81,526,590 |
| Collective investment trust | 20,040,515 | 34,503,020 | 54,543,535 |
| Mutual funds | 9,914,134 | 17,068,921 | 26,983,055 |
| Prepays and other assets | 18,387 | 8,493 | 26,880 |
| Total assets | 30,054,416 | 52,700,479 | 82,754,895 |
| Liabilities - Accounts payable | 27,495 | 32,311 | 59,806 |
| Net Position | | | |
| Restricted: | | | |
| Pension | 24,782,466 | 45,018,231 | 69,800,697 |
| Postemployment benefits other than pension | 5,244,455 | 7,649,937 | 12,894,392 |
| Total net position | \$ 30,026,921 | \$ 52,668,168 | \$ 82,695,089 |

City of Grosse Pointe Farms, Michigan

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

Year Ended June 30, 2022

| | General Employees' Pension and Other Postemployment Benefit Trust Fund | Public Safety Pension and Other Postemployment Benefit Trust Fund | Total Pension and Other Employee Benefit Trust Funds |
|---|--|--|--|
| Additions | | | |
| Investment income (loss): | | | |
| Interest and dividends | \$ 766,588 | \$ 1,320,848 | \$ 2,087,436 |
| Change in fair value of investments | (5,211,429) | (8,990,068) | (14,201,497) |
| Net investment loss | (4,444,841) | (7,669,220) | (12,114,061) |
| Contributions: | | | |
| Employer contributions | 1,820,606 | 1,276,540 | 3,097,146 |
| Employee contributions | 79,990 | 286,010 | 366,000 |
| Total contributions | 1,900,596 | 1,562,550 | 3,463,146 |
| Total additions | (2,544,245) | (6,106,670) | (8,650,915) |
| Deductions | | | |
| Benefit payments | 2,808,549 | 2,663,491 | 5,472,040 |
| Administrative expenses | 91,827 | 123,755 | 215,582 |
| Total deductions | 2,900,376 | 2,787,246 | 5,687,622 |
| Net Decrease in Fiduciary Net Position | (5,444,621) | (8,893,916) | (14,338,537) |
| Net Position - Beginning of year | 35,471,542 | 61,562,084 | 97,033,626 |
| Net Position - End of year | <u>\$ 30,026,921</u> | <u>\$ 52,668,168</u> | <u>\$ 82,695,089</u> |

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
- Revenue capacity
- Debt capacity
- Demographic and economic information
- Operating information

Sources - Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive Financial Reports for the relevant year.

Financial Trends

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

City of Grosse Pointe Farms, Michigan

Net Position by Component

Last Ten Fiscal Years
(Accrual Basis of Accounting, Rounded to the Nearest Thousand)

| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|------------------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Governmental Activities | | | | | | | | | | |
| Net investment in capital assets | \$ 14,668,000 | \$ 14,931,000 | \$ 14,723,000 | \$ 14,678,000 | \$ 15,088,000 | \$ 14,993,000 | \$ 15,728,000 | \$ 16,815,000 | \$ 13,272,000 | \$ 16,180,000 |
| Restricted | 754,000 | 651,000 | 660,000 | 784,000 | 1,016,000 | 1,045,000 | 1,415,000 | 1,804,000 | 3,517,000 | 3,942,000 |
| Unrestricted | <u>(457,000)</u> | <u>(2,623,000)</u> | <u>4,568,000</u> | <u>2,823,000</u> | <u>(4,125,000)</u> | <u>(6,826,000)</u> | <u>(8,576,000)</u> | <u>(9,476,000)</u> | <u>(2,205,000)</u> | <u>(1,302,000)</u> |
| Total net position | <u>14,965,000</u> | <u>12,959,000</u> | <u>19,951,000</u> | <u>18,285,000</u> | <u>11,979,000</u> | <u>9,212,000</u> | <u>8,567,000</u> | <u>9,143,000</u> | <u>14,584,000</u> | <u>18,820,000</u> |
| Business-type Activities | | | | | | | | | | |
| Net investment in capital assets | 11,466,000 | 11,595,000 | 11,646,000 | 11,371,000 | 11,424,000 | 12,246,000 | 12,357,000 | 12,884,000 | 13,424,000 | 14,389,000 |
| Restricted | - | - | - | - | - | - | - | - | - | - |
| Unrestricted | <u>(945,000)</u> | <u>(839,000)</u> | <u>210,000</u> | <u>1,459,000</u> | <u>2,335,000</u> | <u>276,000</u> | <u>755,000</u> | <u>1,061,000</u> | <u>2,879,000</u> | <u>2,839,000</u> |
| Total net position | <u>10,521,000</u> | <u>10,756,000</u> | <u>11,856,000</u> | <u>12,830,000</u> | <u>13,759,000</u> | <u>12,522,000</u> | <u>13,112,000</u> | <u>13,945,000</u> | <u>16,303,000</u> | <u>17,228,000</u> |
| Primary Government in Total | | | | | | | | | | |
| Net investment in capital assets | 26,134,000 | 26,526,000 | 26,369,000 | 26,049,000 | 26,512,000 | 27,239,000 | 28,085,000 | 29,699,000 | 26,695,000 | 30,569,000 |
| Restricted | 754,000 | 651,000 | 660,000 | 784,000 | 1,016,000 | 1,045,000 | 1,415,000 | 1,804,000 | 3,517,000 | 3,942,000 |
| Unrestricted | <u>(1,402,000)</u> | <u>(3,462,000)</u> | <u>4,778,000</u> | <u>4,282,000</u> | <u>(1,790,000)</u> | <u>(6,550,000)</u> | <u>(7,821,000)</u> | <u>(8,415,000)</u> | <u>675,000</u> | <u>1,537,000</u> |
| Total net position | <u>\$ 25,486,000</u> | <u>\$ 23,715,000</u> | <u>\$ 31,807,000</u> | <u>\$ 31,115,000</u> | <u>\$ 25,738,000</u> | <u>\$ 21,734,000</u> | <u>\$ 21,679,000</u> | <u>\$ 23,088,000</u> | <u>\$ 30,887,000</u> | <u>\$ 36,048,000</u> |

Source: City annual financial statements

Note: 2017 and prior amounts shown above have not been restated for GASB 75.

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

Last Ten Fiscal Years

Accrual Basis of Accounting, (Unaudited)

| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|--------------|--------------|--------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Expenses | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| General government | \$ 3,138,683 | \$ 3,265,673 | \$ 3,032,601 | \$ 3,315,769 | \$ 7,506,479 | \$ 2,957,085 | \$ 3,075,705 | \$ 3,232,837 | \$ 3,603,999 | \$ 3,594,406 |
| Municipal court | 246,021 | 244,844 | 286,567 | 301,031 | 291,358 | 307,338 | 311,149 | 341,440 | 376,150 | 390,073 |
| Public safety | 5,665,301 | 6,708,322 | 6,663,743 | 7,053,906 | 7,308,744 | 7,970,795 | 7,791,797 | 7,289,638 | 4,748,188 | 7,301,532 |
| Public works | 3,485,847 | 3,492,491 | 3,367,523 | 3,333,672 | 3,836,009 | 4,110,672 | 3,770,692 | 3,501,450 | 3,137,926 | 3,328,586 |
| Community and economic development | - | 49,899 | 58,599 | 29,179 | 22,709 | 83,098 | 552,251 | 643,699 | 31,590 | 40,250 |
| Recreation and culture | 1,746,363 | 1,898,214 | 1,836,693 | 1,910,629 | 1,911,506 | 1,855,731 | 1,342,758 | 1,098,192 | 1,712,614 | 1,912,351 |
| Capital Outlay | - | - | - | - | - | - | - | 39,650 | - | - |
| Interest on long-term debt | 241,268 | 206,508 | 229,576 | 139,273 | 133,405 | 276,162 | 259,968 | 248,020 | 233,578 | 172,266 |
| Total governmental activities expenses | 14,523,483 | 15,865,951 | 15,475,302 | 16,083,459 | 21,010,210 | 17,560,881 | 17,104,320 | 16,394,926 | 13,844,045 | 16,739,464 |
| Business-type activities: | | | | | | | | | | |
| Water and sewer | 5,758,985 | 6,082,756 | 5,935,425 | 6,502,844 | 7,250,838 | 7,835,510 | 7,313,848 | 7,409,278 | 6,077,535 | 6,533,854 |
| Radio system charges | 869,354 | 344,900 | 340,222 | 343,392 | 364,399 | 396,541 | 408,789 | 427,685 | 376,697 | 230,096 |
| Recycling program | 107,076 | 109,769 | 109,071 | 128,898 | 126,320 | 158,534 | 117,543 | 186,764 | 199,779 | 251,469 |
| Interest on long-term debt | 333,332 | 322,444 | 308,010 | 358,657 | - | - | - | - | - | - |
| Total business-type activities expenses | 7,068,747 | 6,859,869 | 6,692,728 | 7,333,791 | 7,741,557 | 8,390,585 | 7,840,180 | 8,023,727 | 6,654,011 | 7,015,419 |
| Total primary government expenses | 21,592,230 | 22,725,820 | 22,168,030 | 23,417,250 | 28,751,767 | 25,951,466 | 24,944,500 | 24,418,653 | 20,498,056 | 23,754,883 |
| Program Revenue | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Charges for services | | | | | | | | | | |
| Municipal court | 142,312 | 135,506 | 169,279 | 214,867 | 222,719 | 174,840 | 140,141 | 174,138 | 133,883 | 133,190 |
| Public safety | 634,925 | 846,095 | 725,872 | 764,491 | 670,530 | 806,030 | 773,780 | 576,557 | 634,191 | 768,732 |
| Public works | - | - | - | - | - | 355,488 | 369,707 | 384,496 | 399,875 | 438,888 |
| General government | 271,606 | 251,162 | 322,618 | 369,342 | 379,206 | 377,455 | 416,198 | 321,958 | 319,276 | 403,819 |
| Recreation and culture | 522,090 | 531,975 | 561,476 | 578,301 | 628,292 | 647,809 | 649,907 | 978,930 | 688,307 | 710,475 |
| Operating and capital grants and contributions | 565,925 | 631,411 | 698,129 | 776,072 | 760,191 | 1,008,591 | 1,046,255 | 1,002,808 | 1,708,909 | 1,919,661 |
| Total governmental activities program revenue | 2,136,858 | 2,396,149 | 2,477,374 | 2,703,073 | 2,660,938 | 3,370,213 | 3,395,988 | 3,438,887 | 3,884,441 | 4,374,765 |
| Business-type Activities | | | | | | | | | | |
| Charges for services: | | | | | | | | | | |
| Water and sewer | 5,272,212 | 5,546,862 | 5,870,229 | 6,425,211 | 6,803,190 | 6,880,347 | 7,255,468 | 7,519,127 | 7,787,693 | 7,549,908 |
| Other charges for services - Grosse Pointe City | 411,862 | 458,196 | 458,195 | 554,562 | 527,205 | 482,444 | - | - | - | - |
| Radio system charges | 189,555 | 229,042 | 245,223 | 233,692 | 230,446 | 265,099 | 302,482 | 375,875 | 257,126 | 260,984 |
| Recycling program | 103,573 | 108,248 | 111,973 | 120,464 | 122,019 | 117,356 | 121,429 | 202,484 | 221,224 | 216,547 |
| Operating and capital grants and contributions | 313,200 | - | 86,537 | 183,359 | 196,843 | 148,217 | 1,379 | - | - | - |
| Total business-type program revenue | 6,290,402 | 6,342,348 | 6,772,157 | 7,517,288 | 7,879,703 | 7,893,463 | 7,680,758 | 8,097,486 | 8,266,043 | 8,027,439 |
| Total primary government program revenue | \$ 8,427,260 | \$ 8,738,497 | \$ 9,249,531 | \$ 10,220,361 | \$ 10,540,641 | \$ 11,263,676 | \$ 11,076,746 | \$ 11,536,373 | \$ 12,150,484 | \$ 12,402,204 |

Source: City annual financial statements

Note: 2017 and prior amounts shown above have not been restated for GASB 75.

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

Last Ten Fiscal Years
(Unaudited)

| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|--|-----------------------|-----------------------|---------------------|---------------------|-----------------------|-----------------------|---------------------|---------------------|---------------------|---------------------|
| Net (Expense) Revenue | | | | | | | | | | |
| Governmental activities | \$ (12,386,625) | \$ (13,469,802) | \$ (12,997,928) | \$ (13,380,386) | \$ (18,349,272) | \$ (14,190,668) | \$ (13,708,332) | \$ (12,956,039) | \$ (9,959,604) | \$ (12,364,699) |
| Business-type activities | (778,345) | (517,521) | 79,429 | 183,497 | 138,146 | (497,122) | (159,422) | 73,759 | 1,612,032 | 1,012,020 |
| Total primary government net expense | (13,164,970) | (13,987,323) | (12,918,499) | (13,196,889) | (18,211,126) | (14,687,790) | (13,867,754) | (12,882,280) | (8,347,572) | (11,352,679) |
| General Revenue | | | | | | | | | | |
| Governmental activities: | | | | | | | | | | |
| Property taxes | 9,238,242 | 9,344,347 | 9,491,475 | 9,731,424 | 10,197,228 | 10,364,217 | 11,248,390 | 11,746,322 | 13,933,374 | 14,925,134 |
| State-shared revenue | 744,993 | 763,817 | 777,345 | 814,680 | 835,548 | 869,649 | 901,192 | 892,638 | 1,003,200 | 1,208,749 |
| Interest | 58,346 | 117,712 | 159,015 | 188,142 | 11,245 | 24,525 | 245,071 | 183,439 | (125,931) | (298,204) |
| Franchise fees and other | 773,625 | 1,238,006 | 893,165 | 979,732 | 999,612 | 608,460 | 668,308 | 708,909 | 590,488 | 764,802 |
| Transfers | - | - | - | - | - | - | - | - | - | - |
| Total governmental activities | 10,815,206 | 11,463,882 | 11,321,000 | 11,713,978 | 12,043,633 | 11,866,851 | 13,062,961 | 13,531,308 | 15,401,131 | 16,600,481 |
| Business-type activities: | | | | | | | | | | |
| Property taxes | 735,296 | 750,556 | 753,976 | 787,937 | 790,264 | 729,465 | 749,836 | 758,702 | 746,213 | 2,681 |
| Unrestricted investment earnings | 1,139 | 1,503 | 1,438 | 2,977 | 8 | 14 | 38 | 32 | 5 | 2 |
| Loss on sale of capital assets | - | - | - | - | - | - | - | - | - | (90,368) |
| Transfers | - | - | - | - | - | - | - | - | - | - |
| Total business-type activities | 736,435 | 752,059 | 755,414 | 790,914 | 790,272 | 729,479 | 749,874 | 758,734 | 746,218 | (87,685) |
| Total primary government general revenue | 11,551,641 | 12,215,941 | 12,076,414 | 12,504,892 | 12,833,905 | 12,596,330 | 13,812,835 | 14,290,042 | 16,147,349 | 16,512,796 |
| Change in Net Position | | | | | | | | | | |
| Governmental activities | (1,571,419) | (2,005,920) | (1,676,928) | (1,666,408) | (6,305,639) | (2,323,817) | (645,371) | 575,269 | 5,441,527 | 4,235,782 |
| Business-type activities | (41,910) | 234,538 | 834,843 | 974,411 | 928,418 | 232,357 | 590,452 | 832,493 | 2,358,250 | 924,335 |
| Total primary government | \$ (1,613,329) | \$ (1,771,382) | \$ (842,085) | \$ (691,997) | \$ (5,377,221) | \$ (2,091,460) | \$ (54,919) | \$ 1,407,762 | \$ 7,799,777 | \$ 5,160,117 |

Source: City annual financial statements

Note: 2017 and prior amounts shown above have not been restated for GASB 75.

City of Grosse Pointe Farms, Michigan

Fund Balances of Governmental Funds

Last Ten Fiscal Years
(Modified Accrual Basis of Accounting (Unaudited))

| | As of June 30, | | | | | | | | | |
|-------------------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|----------------------------|----------------------------|----------------------------|
| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
| General Fund | | | | | | | | | | |
| Nonspendable | \$ 312,451 | \$ 213,574 | \$ 121,137 | \$ 120,099 | \$ 84,063 | \$ 135,987 | \$ 128,626 | \$ 43,369 | \$ 42,221 | \$ 261,866 |
| Restricted | | | | | | | | | | |
| Committed | 880,168 | 845,990 | 846,307 | 873,834 | 927,418 | 1,031,954 | 1,023,914 | 1,073,831 | 560,065 | 592,740 |
| Assigned | 376,550 | 300,000 | 300,000 | 300,000 | 200,000 | 200,000 | 700,000 | 1,100,000 | 1,570,000 | 200,000 |
| Unassigned | 3,368,335 | 3,692,523 | 3,869,208 | 3,845,625 | 3,997,695 | 3,991,910 | 4,124,274 | 4,269,142 | 4,510,594 | 4,627,423 |
| Total general fund | <u>4,937,504</u> | <u>5,052,087</u> | <u>5,136,652</u> | <u>5,139,558</u> | <u>5,209,176</u> | <u>5,359,851</u> | <u>5,976,814</u> | <u>6,486,342</u> | <u>6,682,880</u> | <u>5,682,029</u> |
| All Other Governmental Funds | | | | | | | | | | |
| Nonspendable | 748,278 | - | - | - | - | - | - | 625,114 | 625,114 | - |
| Restricted | 754,022 | 651,531 | 659,973 | 783,456 | 1,004,627 | 1,045,418 | 1,416,121 | 1,803,729 | 3,517,301 | 3,941,499 |
| Committed | - | - | (39,260) | - | - | - | - | - | - | - |
| Assigned | 549,658 | 1,115,992 | 1,023,667 | 1,477,310 | 1,678,750 | 2,651,420 | 2,418,940 | 1,249,105 | 1,818,726 | 2,500,974 |
| Unassigned | - | - | - | - | - | - | - | - | - | - |
| Total all other governmental funds | <u>2,051,958</u> | <u>1,767,523</u> | <u>1,644,380</u> | <u>2,260,766</u> | <u>2,683,377</u> | <u>3,696,838</u> | <u>3,835,061</u> | <u>3,677,948</u> | <u>5,961,141</u> | <u>6,442,473</u> |
| Total of all governmental funds | <u>\$6,989,462</u> | <u>\$6,819,610</u> | <u>\$6,781,032</u> | <u>\$7,400,324</u> | <u>\$7,892,553</u> | <u>\$9,056,689</u> | <u>\$9,811,875</u> | <u>\$10,164,290</u> | <u>\$12,644,021</u> | <u>\$12,124,502</u> |

Source: City annual financial statements

City of Grosse Pointe Farms, Michigan

Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting (Unaudited))

| | As of June 30, | | | | | | | | | |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|----------------------|----------------------|
| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
| Revenue | | | | | | | | | | |
| Property taxes | \$ 9,238,242 | \$ 9,344,347 | \$ 9,491,475 | \$ 9,731,424 | \$ 10,197,228 | \$ 10,364,217 | \$ 11,248,390 | \$ 11,746,322 | \$ 13,933,374 | \$ 14,925,134 |
| Licenses and permits | 399,410 | 602,308 | 492,425 | 524,660 | 465,172 | 600,860 | 575,216 | 422,889 | 558,273 | 633,821 |
| Federal sources | 9,682 | 57,847 | 19,339 | 88,597 | 23,048 | 61,248 | 26,756 | 20,000 | 548,714 | 498,895 |
| State sources | 1,301,236 | 1,337,381 | 1,416,869 | 1,529,587 | 1,550,499 | 1,784,473 | 1,920,691 | 1,875,446 | 2,108,696 | 2,402,348 |
| Charges for services | 1,417,111 | 1,427,017 | 1,558,602 | 1,657,022 | 1,739,435 | 1,757,741 | 1,826,181 | 1,752,292 | 1,674,177 | 1,389,252 |
| Fines and forfeitures | 353,995 | 354,391 | 382,237 | 414,544 | 387,632 | 345,648 | 299,776 | 327,838 | 269,124 | 325,493 |
| Interest and rentals | 56,457 | 114,280 | 153,658 | 183,089 | 10,622 | 24,571 | 241,173 | 181,287 | (122,905) | 154,512 |
| Other | 161,717 | 563,198 | 211,074 | 291,316 | 273,017 | 237,293 | 297,073 | 612,658 | 305,704 | 532,765 |
| Total revenue | 12,937,850 | 13,800,769 | 13,725,679 | 14,420,239 | 14,646,653 | 15,176,051 | 16,435,256 | 16,938,732 | 19,275,157 | 20,862,220 |
| Expenditures | | | | | | | | | | |
| Current: | | | | | | | | | | |
| General government | 1,368,999 | 1,337,510 | 1,461,908 | 1,583,140 | 1,564,902 | 1,572,391 | 1,749,266 | 1,798,251 | 1,874,223 | 2,640,009 |
| Municipal court | 246,021 | 244,844 | 286,567 | 301,031 | 291,358 | 307,338 | 311,149 | 341,440 | 376,150 | 390,073 |
| Public safety: | | | | | | | | | | |
| Police, fire, and EMS | 4,369,616 | 4,410,846 | 4,576,012 | 4,658,059 | 4,615,621 | 4,928,474 | 5,058,104 | 5,086,614 | 5,217,117 | 5,568,761 |
| Public works and streets | | | | | | | | | | |
| Streets | 685,120 | 726,816 | 710,690 | 679,676 | 573,506 | 1,023,726 | 1,738,763 | 1,988,907 | 1,769,930 | 3,198,364 |
| Rubbish disposal and recycling | 1,529,207 | 1,524,611 | 1,531,322 | 1,531,871 | 1,831,265 | 1,908,192 | 1,516,710 | 1,594,402 | 1,511,833 | 2,081,245 |
| Community and economic development | - | 49,899 | 58,599 | 29,179 | 22,709 | 61,110 | 25,517 | 20,000 | 20,000 | 20,000 |
| Recreation and culture | 1,138,274 | 1,164,964 | 1,205,872 | 1,260,231 | 1,290,409 | 1,230,091 | 1,268,699 | 1,117,270 | 1,150,665 | 1,361,519 |
| Other functions | 2,554,176 | 2,639,316 | 2,589,322 | 2,317,056 | 2,214,406 | 6,143,193 | 2,172,478 | 2,672,145 | 3,230,287 | 3,494,384 |
| Capital outlay | 1,189,933 | 1,305,809 | 814,475 | 962,592 | 1,261,943 | 301,714 | 1,115,097 | 1,288,850 | 942,177 | 1,746,795 |
| Debt service principal | 243,750 | 293,750 | 346,875 | 340,625 | 352,500 | 494,922 | 421,375 | 428,250 | 466,375 | 663,250 |
| Debt service interest | 234,575 | 245,608 | 239,218 | 137,487 | 135,805 | 124,948 | 302,912 | 250,188 | 236,669 | 217,339 |
| Total expenditures | 13,559,671 | 13,943,973 | 13,820,860 | 13,800,947 | 14,154,424 | 18,096,099 | 15,680,070 | 16,586,317 | 16,795,426 | 21,381,739 |
| Excess of Revenue (Under) Over Expenditures | (621,821) | (143,204) | (95,181) | 619,292 | 492,229 | (2,920,048) | 755,186 | 352,415 | 2,479,731 | (519,519) |
| Other Financing Sources (Uses) | | | | | | | | | | |
| Debt issuance/refinanced | - | 23,352 | (303,613) | - | - | 3,705,000 | - | - | - | - |
| Refinanced notes | - | - | - | - | - | - | - | - | - | - |
| Debt premiums or discount | - | - | 360,216 | - | - | 379,184 | - | - | - | - |
| Payment to bond refunding escrow agent | - | - | - | - | - | - | (14,700) | - | - | - |
| Transfers in | 1,119,909 | 1,590,476 | 1,475,955 | 1,933,112 | 2,096,305 | 2,595,971 | 2,393,987 | 2,257,113 | 2,505,544 | 4,630,407 |
| Transfers out | (1,144,909) | (1,640,476) | (1,475,955) | (1,933,112) | (2,096,305) | (2,595,971) | (2,379,287) | (2,257,113) | (2,505,544) | (4,630,407) |
| Total other financing (uses) sources | (25,000) | (26,648) | 56,603 | - | - | 4,084,184 | - | - | - | - |
| Net Change in Fund Balances | (646,821) | (169,852) | (38,578) | 619,292 | 492,229 | 1,164,136 | 755,186 | 352,415 | 2,479,731 | (519,519) |
| Fund Balances - Beginning of year | 7,636,283 | 6,989,462 | 6,819,610 | 6,781,032 | 7,400,324 | 7,892,553 | 9,056,689 | 9,811,875 | 10,164,290 | 12,644,021 |
| Fund Balances - End of year | \$ 6,989,462 | \$ 6,819,610 | \$ 6,781,032 | \$ 7,400,324 | \$ 7,892,553 | \$ 9,056,689 | \$ 9,811,875 | \$ 10,164,290 | \$ 12,644,021 | \$ 12,124,502 |
| Debt service as a percentage of noncapital expenditures | 3.87% | 4.27% | 4.51% | 3.72% | 3.79% | 3.48% | 4.97% | 4.66% | 4.54% | 5.00% |

Source: City Annual Financial Statements

Revenue Capacity

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

City of Grosse Pointe Farms, Michigan

Property Tax Levies and Collections

Last Ten Fiscal Years
(Unaudited)

| Tax year | Fiscal Year Ended June 30 | Total Levy | Current Collections | Percent Collected | Delinquent Collections | Total Tax Collections | Percent of Levy Collected |
|----------|---------------------------|------------|---------------------|-------------------|------------------------|-----------------------|---------------------------|
| 2012 | 2013 | 9,767,873 | 9,627,480 | 98.563% | 140,315 | 9,767,795 | 99.999% |
| 2013 | 2014 | 10,024,210 | 9,890,783 | 98.669% | 133,427 | 10,024,210 | 100.000% |
| 2014 | 2015 | 10,220,965 | 10,046,933 | 98.297% | 141,150 | 10,188,083 | 99.678% |
| 2015 | 2016 | 10,451,191 | 10,252,294 | 98.097% | 176,834 | 10,429,128 | 99.789% |
| 2016 | 2017 | 10,559,446 | 10,422,145 | 98.700% | 136,808 | 10,558,953 | 99.995% |
| 2017 | 2018 | 10,675,554 | 10,553,167 | 98.854% | 121,906 | 10,675,072 | 99.995% |
| 2018 | 2019 | 11,551,076 | 11,363,058 | 98.372% | 186,472 | 11,549,530 | 99.987% |
| 2019 | 2020 | 12,033,990 | 11,895,247 | 98.847% | 136,988 | 12,032,235 | 99.985% |
| 2020 | 2021 | 14,178,132 | 13,982,218 | 98.618% | 194,477 | 14,176,695 | 99.990% |
| 2021 | 2022 | 14,430,559 | 14,215,700 | 98.511% | 213,360 | 14,429,060 | 99.990% |

Source: City Controller/Treasurer's office

City of Grosse Pointe Farms, Michigan

Property Tax Rates – Direct and Overlapping Governments

Last Ten Fiscal years
(Unaudited)

| Tax Year | Millage Rates - Direct City Taxes | | | | Overlapping Taxes | | | | | | | | Total Tax Rate | |
|----------|-----------------------------------|--------|-----------------|--------------------|-------------------|-------------|--------------------|-----------------------|-------------------|------------------------------|------------------|----------------------|----------------|---------------|
| | General Operating | Debt | Special Purpose | Total Direct Taxes | County | Detroit Zoo | Detroit Inst. Arts | Grosse Pointe Library | Community College | Intermediate School District | School Homestead | School Non-homestead | Non-homestead | Non-homestead |
| 2012 | 11.5000 | 1.0834 | 1.4166 | 14.0000 | 8.6266 | 0.1000 | 0.2000 | 2.0012 | 2.2408 | 3.4643 | 16.0882 | 26.7587 | 46.7211 | 57.3916 |
| 2013 | 11.5000 | 1.0834 | 1.4166 | 14.0000 | 8.6266 | 0.1000 | 0.2000 | 2.0412 | 3.2408 | 3.4643 | 16.0890 | 26.7852 | 47.7619 | 58.4581 |
| 2014 | 11.5000 | 1.0834 | 1.4166 | 14.0000 | 9.0366 | 0.1000 | 0.2000 | 2.0512 | 3.2408 | 3.4643 | 15.9166 | 26.7550 | 48.0095 | 58.8479 |
| 2015 | 11.5000 | 1.0834 | 1.4166 | 14.0000 | 10.0127 | 0.1000 | 0.2000 | 2.0712 | 3.2408 | 3.4643 | 15.3956 | 26.6421 | 48.4846 | 59.7311 |
| 2016 | 11.5000 | 1.0834 | 1.8666 | 14.4500 | 11.0366 | 0.1000 | 0.2000 | 2.0613 | 3.2408 | 3.4643 | 15.2850 | 26.6158 | 49.8380 | 61.1688 |
| 2017 | 11.5000 | 0.9834 | 1.8666 | 14.3500 | 11.0360 | 0.1000 | 0.2000 | 2.2186 | 3.2408 | 3.4643 | 14.9483 | 26.6308 | 49.5580 | 61.2405 |
| 2018 | 11.5000 | 1.0834 | 2.3666 | 14.9500 | 11.0349 | 0.1000 | 0.2000 | 2.1925 | 3.2408 | 3.4643 | 14.7127 | 26.6184 | 49.8952 | 61.8009 |
| 2019 | 11.5000 | 1.0834 | 2.3666 | 14.9500 | 11.0328 | 0.1000 | 0.2000 | 2.1707 | 3.2408 | 3.4643 | 15.5975 | 28.1087 | 50.7561 | 63.2673 |
| 2020 | 11.5000 | 1.0834 | 4.3666 | 16.9500 | 11.0315 | 0.1000 | 0.2000 | 2.1504 | 3.2408 | 3.4643 | 15.9353 | 28.1307 | 53.0723 | 65.2677 |
| 2021 | 11.8198 | 0.3890 | 4.5824 | 16.7912 | 11.0031 | 0.0997 | 0.1995 | 2.1235 | 3.2378 | 3.4558 | 13.0458 | 28.1183 | 49.9564 | 65.0289 |

Note: Michigan law restricts the maximum millage that may be levied by the city without a vote of residents, as follows:

| | General Operating | Debt | Special Purpose |
|------|-------------------|----------|-----------------|
| 2021 | 11.852 | no limit | 4.5949 |

Source: Wayne County, Michigan Apportionment Report

City of Grosse Pointe Farms, Michigan

Assessed Taxable Values (History of Property Values)

Last Ten Fiscal years
(Unaudited)

Taxable Value by Property Type

| Tax Year | Fiscal Year | Residential | Commercial | Personal Property | Total Value | Tax Rate (mills) | Estimated Actual Value | Taxable Value as a Percentage of Actual |
|----------|-------------|-------------|------------|-------------------|-------------|------------------|------------------------|---|
| 2012 | 2013 | 643,115,192 | 35,486,972 | 9,799,700 | 688,401,864 | 14.0000 | 1,401,376,290 | 49.12% |
| 2013 | 2014 | 649,919,090 | 35,579,801 | 9,597,200 | 695,096,091 | 14.0000 | 1,412,976,200 | 49.19% |
| 2014 | 2015 | 659,605,098 | 36,039,379 | 10,755,200 | 706,399,677 | 14.0000 | 1,455,379,156 | 48.54% |
| 2015 | 2016 | 675,239,291 | 35,913,319 | 11,831,300 | 722,983,910 | 14.0000 | 1,573,803,800 | 45.94% |
| 2016 | 2017 | 680,008,073 | 40,769,819 | 11,708,800 | 732,486,692 | 14.4500 | 1,687,843,896 | 43.40% |
| 2017 | 2018 | 692,031,608 | 41,507,789 | 12,109,700 | 745,649,097 | 14.3500 | 1,799,942,800 | 41.43% |
| 2018 | 2019 | 716,434,050 | 41,934,374 | 15,041,900 | 773,410,324 | 14.9500 | 1,848,092,262 | 41.85% |
| 2019 | 2020 | 743,822,574 | 43,299,107 | 20,961,500 | 808,083,181 | 14.9500 | 1,985,795,620 | 40.69% |
| 2020 | 2021 | 769,858,961 | 42,968,308 | 23,981,500 | 836,808,769 | 16.9500 | 2,083,060,000 | 40.17% |
| 2021 | 2022 | 792,711,290 | 43,359,240 | 24,878,100 | 860,948,630 | 16.7912 | 2,100,629,800 | 40.99% |

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

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

Source: Wayne County Department of Accessing and Equalization.

City of Grosse Pointe Farms, Michigan

Principal Property Tax Payers (Major Taxpayers)

Current and Nine Years Ago
(Unaudited)

| | Taxpayer | 2021 Taxable Value | Percentage of Total | 2012 | | 2012 Rank |
|----|----------------------------------|-----------------------|------------------------|------------------|------------------------|--------------|
| | | | | Taxable Value | Percentage of Total | |
| 1 | DTE Gas | \$ 12,387,000 | 1.44% | 2,525,900 | 0.37% | 3 |
| 2 | Kercheval Pierson LLC | 5,301,217 | 0.62% | 4,676,071 | 0.53% | 1 |
| 3 | American House Grosse Pointe LLC | 5,185,360 | 0.60% | | 0.00% | |
| 4 | Country Club of Detroit | 3,752,035 | 0.44% | 4,513,200 | 0.66% | 2 |
| 5 | DTE Electric Company | 3,618,100 | 0.42% | | 0.00% | |
| 6 | Premier Equities GP, LLC | 2,915,975 | 0.34% | 2,523,291 | 0.37% | 4 |
| 7 | Private Residence Lake Shore | 2,742,268 | 0.32% | 2,101,800 | 0.31% | 5 |
| 8 | Huntington Technology Finance | 2,343,000 | 0.27% | | 0.00% | |
| 9 | Private Residence Lake Shore | 1,938,000 | 0.23% | | 0.00% | |
| 10 | Private Residence Lake Shore | 1,864,643 | 0.22% | 1,850,100 | 0.27% | 7 |
| | Ford, Elena | - | 0.00% | 1,900,275 | 0.28% | 6 |
| | Ford, Mr. and Mrs. Edsel | - | 0.00% | 1,607,100 | 0.23% | 8 |
| | 50/60 Lakeshore, LLC | - | 0.00% | 1,528,000 | 0.22% | 9 |
| | Grosse Pointe Club | - | 0.00% | 1,515,834 | 0.22% | 10 |

Source: City Assessing Department Records

Debt Capacity

These schedules contain information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

City of Grosse Pointe Farms, Michigan

Ratios of General Bonded Debt Outstanding

Last Ten Fiscal Years
(Unaudited)

| Fiscal Year | General Obligation Bonds | Less: Pledged Debt Service Funds | Net General Bonded Debt | Taxable Value | Debt as a Percentage of | | Debt Per Capita | Debt per Total Personal Income |
|-------------|--------------------------|----------------------------------|-------------------------|---------------|-------------------------|------------|-----------------|--------------------------------|
| | | | | | Taxable Value | Population | | |
| 2013 | 16,519,574 | - | 16,519,574 | 688,401,864 | 2.40% | 9,479 | 1,742.75 | * |
| 2014 | 15,588,734 | - | 15,588,734 | 695,096,091 | 2.24% | 9,479 | 1,644.55 | * |
| 2015 | 18,145,406 | - | 18,145,406 | 706,399,677 | 2.57% | 9,479 | 1,914.27 | * |
| 2016 | 16,853,859 | - | 16,853,859 | 722,983,910 | 2.33% | 9,479 | 1,778.02 | * |
| 2017 | 15,566,522 | - | 15,566,522 | 732,486,692 | 2.13% | 9,479 | 1,642.21 | * |
| 2018 | 18,249,157 | - | 18,249,157 | 745,649,097 | 2.45% | 9,479 | 1,925.22 | * |
| 2019 | 16,787,330 | - | 16,787,330 | 773,410,324 | 2.17% | 9,479 | 1,771.00 | * |
| 2020 | 15,260,502 | - | 15,260,502 | 808,083,181 | 1.89% | 10,148 | 1,503.79 | * |
| 2021 | 13,668,675 | - | 13,668,675 | 836,808,769 | 1.63% | 10,148 | 1,346.93 | * |
| 2022 | 12,581,847 | - | 12,581,847 | 860,948,630 | 1.46% | 10,148 | 1,239.84 | * |

*Information not available

Source: City Controller/Treasurer's office

City of Grosse Pointe Farms, Michigan

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years
(Unaudited)

| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Governmental Activities | | | | | | | | | | |
| General obligation bonds | \$ 5,645,265 | \$ 5,413,082 | \$ 5,158,966 | \$ 4,782,319 | \$ 4,393,797 | \$ 8,023,209 | \$ 7,541,283 | \$ 7,052,482 | \$ 6,525,556 | \$ 5,801,755 |
| Installment purchase agreements | - | - | - | - | - | - | - | - | - | - |
| Total | 5,645,265 | 5,413,082 | 5,158,966 | 4,782,319 | 4,393,797 | 8,023,209 | 7,541,283 | 7,052,482 | 6,525,556 | 5,801,755 |
| Business-type Activities | | | | | | | | | | |
| General obligation bonds | 10,874,657 | 10,175,652 | 12,986,440 | 12,071,540 | 11,172,725 | 10,225,948 | 9,246,047 | 8,208,020 | 7,143,119 | 6,780,092 |
| Installment purchase agreements | - | - | - | - | - | - | - | - | - | - |
| Revenue bonds | - | - | - | - | - | - | - | - | - | - |
| Capital leases | - | - | - | - | - | - | - | - | - | - |
| Total | 10,874,657 | 10,175,652 | 12,986,440 | 12,071,540 | 11,172,725 | 10,225,948 | 9,246,047 | 8,208,020 | 7,143,119 | 6,780,092 |
| Total debt of the government | \$ 16,519,922 | \$ 15,588,734 | \$ 18,145,406 | \$ 16,853,859 | \$ 15,566,522 | \$ 18,249,157 | \$ 16,787,330 | \$ 15,260,502 | \$ 13,668,675 | \$ 12,581,847 |
| Taxable Value | \$ 688,401,864 | \$ 695,096,091 | \$ 706,399,677 | \$ 722,983,910 | \$ 732,486,692 | \$ 745,649,097 | \$ 773,410,324 | \$ 808,083,181 | \$ 836,808,768 | \$ 860,948,630 |
| Ratio of Taxable Value to Total Debt | 2.40% | 2.24% | 2.57% | 2.33% | 2.13% | 2.45% | 2.17% | 1.89% | 1.63% | 1.46% |
| Total Population | 9,479 | 9,479 | 9,479 | 9,479 | 9,479 | 9,479 | 9,479 | 10,148 | 10,148 | 10,148 |
| Total Debt Per Capita | \$ 1,743 | \$ 1,645 | \$ 1,914 | \$ 1,778 | \$ 1,642 | \$ 1,925 | \$ 1,771 | \$ 1,504 | \$ 1,347 | \$ 1,240 |
| Percentage - Total Debt to Total Personal Income | * | * | * | * | * | * | * | * | * | * |

*Information not available
Source: City Controller/Treasurer's office

City of Grosse Pointe Farms, Michigan

Legal Debt Margin

Last Ten Fiscal Years
(Unaudited)

| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|------------------|------------------|
| Calculation of debt limit | | | | | | | | | | |
| State Equalized Value | \$ 700,688,145 | \$ 706,488,100 | \$ 727,689,578 | \$ 786,901,900 | \$ 843,921,948 | \$ 899,971,400 | \$ 924,046,131 | \$ 992,897,810 | \$ 1,041,530,000 | \$ 1,050,314,900 |
| 10 percent of equalized value | \$ 70,068,815 | \$ 70,648,810 | \$ 72,768,958 | \$ 78,690,190 | \$ 84,392,195 | \$ 89,997,140 | \$ 92,404,613 | \$ 99,289,781 | \$ 104,153,000 | \$ 105,031,490 |
| Calculation of debt subject to limit: | | | | | | | | | | |
| Total debt | \$ 16,519,574 | \$ 15,588,734 | \$ 18,145,406 | \$ 16,853,859 | \$ 15,566,522 | \$ 18,249,157 | \$ 16,787,330 | \$ 15,260,501 | \$ 13,668,675 | \$ 12,581,847 |
| Less debt not subject to limit: | | | | | | | | | | |
| Revenue bonds | - | - | - | - | - | - | - | - | - | - |
| Water resources commission or court-ordered bonds | 6,367,682 | 4,662,849 | 4,000,576 | 3,415,000 | 2,775,000 | 2,125,000 | 1,440,000 | 725,000 | - | - |
| Net debt subject to limit | \$ 10,151,892 | \$ 10,925,885 | \$ 14,144,830 | \$ 13,438,859 | \$ 12,791,522 | \$ 16,124,157 | \$ 15,347,330 | \$ 14,535,501 | \$ 13,668,675 | \$ 12,581,847 |
| Legal debt margin | \$ 59,916,923 | \$ 59,722,925 | \$ 58,624,128 | \$ 65,251,331 | \$ 71,600,673 | \$ 73,872,983 | \$ 77,057,283 | \$ 84,754,280 | \$ 90,484,325 | \$ 92,449,643 |
| Net debt subject to limit as percentage of debt limit | 14.49% | 15.47% | 19.44% | 17.08% | 15.16% | 17.92% | 16.61% | 14.64% | 13.12% | 11.98% |

Source: City Controller/Treasurer's office

City of Grosse Pointe Farms, Michigan

Direct and Overlapping – Governmental Activities Debt

**June 30, 2021
(Unaudited)**

| Governmental Unit | Debt Outstanding | Estimated Percent Applicable | Estimated Share of Overlapping Debt |
|-----------------------------------|---------------------|------------------------------------|---|
| Wayne County | \$ 206,434,551 | 1.90% | \$ 3,922,256 |
| Grosse Pointe School District | 107,105,000 | 27.86% | 29,839,453 |
| Grosse Pointe Library | 17,795,000 | 27.86% | 4,957,687 |
| Wayne County Community College | - | 0.00% | - |
| Intermediate School District | - | 0.00% | - |
| Total overlapping debt | 331,334,551 | | 38,719,396 |
| Direct city debt | | | 5,801,755 |
| Total direct and overlapping debt | | | <u>\$ 44,521,151</u> |

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

Source: Municipal Advisory Council of Michigan

Demographics and Economic Information

These schedules offer demographics and economic indicators to help the reader understand the environment within which the City's financial activities take place.

City of Grosse Pointe Farms, Michigan

Demographic and Economic Statistics

June 30, 2021

(Unaudited)

| Fiscal Year | Population | Personal Income | Per Capita Personal Income | Unemployment Rate (1) |
|-------------|------------|-----------------|----------------------------|-----------------------|
| 2013 | 9,479 | * | * | * |
| 2014 | 9,479 | 543,042 | 57,289 | * |
| 2015 | 9,479 | * | * | * |
| 2016 | 9,479 | * | * | * |
| 2017 | 9,479 | * | * | * |
| 2018 | 9,479 | * | * | * |
| 2019 | 9,479 | * | * | * |
| 2020 | 10,148 | * | * | * |
| 2021 | 10,148 | * | * | * |
| 2022 | 10,148 | * | * | * |

Source: City-Data.com, U.S. Census Bureau

(1) For population over 25 years old and over.

* Information not available

City of Grosse Pointe Farms, Michigan

Principal Employers

Last Fiscal Year and Nine Years Ago
(Unaudited)

| | Employer | 2022 Employees | Percentage of Total City Employment |
|----|-----------------------------|---------------------|-------------------------------------|
| 1 | Grosse Pointe Schools | 338 | 8% |
| 2 | Country Club of Detroit | 280 | 7% |
| 3 | City of Grosse Pointe Farms | 120 | 3% |
| 4 | Grosse Pointe War Memorial | 120 | 3% |
| 5 | Grosse Pointe Academy | 80 | 2% |
| 6 | Dirty Dog Jazz Café | 50 | 1% |
| 7 | St. Paul's Church/School | 45 | 1% |
| 8 | Wendy's | 44 | 1% |
| 9 | American House | 40 | 1% |
| 10 | Village Market | 36 | 1% |
| | Total | <u><u>1,153</u></u> | |

Note:

Current year total employment data and data from nine years earlier is not readily available

Source: Reference USA

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

City of Grosse Pointe Farms, Michigan

Operating Indicators

Last Ten Fiscal Years

(Unaudited)

| Function/ Program | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|-----------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Election data: | | | | | | | | | | |
| Registered voters | 8,307 | 8,279 | 8,221 | 8,190 | 8,593 | 8,386 | 8,639 | 8,764 | 9,280 | 9,166 |
| Voters (at the polls or absentee) | 6,604 | 1,813 | 5,166 | 875 | 6,680 | 2,979 | 6,197 | 3,536 | 7,530 | 2,492 |
| Percent voting | 79% | 22% | 63% | 11% | 78% | 36% | 72% | 40% | 81% | 27% |
| Municipal court - Court caseload | 5,307 | 5,163 | 4,810 | 4,745 | 4,862 | 4,668 | 4,885 | 5,118 | 3,484 | 3,904 |
| Police: | | | | | | | | | | |
| Physical arrests | 322 | 474 | 462 | 497 | 505 | 441 | 424 | 321 | 218 | 158 |
| Investigations | 4,654 | 4,997 | 5,380 | 5,413 | 5,631 | 5,196 | 4,917 | 4,680 | 4,497 | 6,890 |
| Fire: | | | | | | | | | | |
| Fire runs | 93 | 103 | 103 | 91 | 146 | 146 | 166 | 153 | 241 | 362 |
| Emergency medical runs | 400 | 474 | 511 | 551 | 582 | 532 | 711 | 651 | 660 | 753 |
| Inspections | 62 | 86 | 43 | 39 | 65 | 55 | 62 | 30 | 54 | 103 |
| Public works: | | | | | | | | | | |
| Miles of street resurfaced | 1.88 | 1.86 | 1.00 | 1.70 | 1.33 | 2.03 | 1.36 | 1.39 | 0.41 | 1.06 |
| Refuse collected (tons) | 6,750 | 6,517 | 6,625 | 6,430 | 6,972 | 6,759 | 7,344 | 6,799 | 7,236 | 6,903 |
| Parks and recreation: | | | | | | | | | | |
| Recreation program attendance | 1,829 | 2,632 | 2,370 | 2,037 | 1,669 | 2,277 | 2,645 | 756 | 1,072 | 678 |
| Individuals entering Pier Park | 114,313 | 113,082 | 104,883 | 113,213 | 146,970 | 145,358 | 141,467 | 117,609 | 120,399 | 129,935 |
| Water: | | | | | | | | | | |
| Number of customers billed | 4,085 | 4,089 | 4,082 | 4,043 | 4,048 | 4,050 | 4,044 | 4,062 | 4,059 | 4,050 |
| Total consumption (bthous.cu.ft.) | 65,257 | 58,498 | 55,834 | 58,049 | 62,690 | 56,207 | 54,704 | 51,366 | 54,518 | 50,667 |
| Avg. consumption per user | 15.97 | 14.31 | 13.68 | 14.36 | 15.49 | 13.88 | 13.53 | 12.65 | 13.43 | 12.51 |

Source : Various City of Grosse Pointe Farms departments

City of Grosse Pointe Farms, Michigan

Capital Asset Statistics by Function

Last Ten Fiscal Years
(Unaudited)

| Function/Program | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Police: | | | | | | | | | | |
| Stations | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Patrol units | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 |
| Fire: | | | | | | | | | | |
| Stations | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Fire response vehicles | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Public works: | | | | | | | | | | |
| Streets (miles): | | | | | | | | | | |
| Major streets | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 11 |
| Local streets | 27 | 27 | 27 | 27 | 27 | 27 | 27 | 27 | 27 | 27 |
| Sidewalks | 75 | 75 | 75 | 75 | 75 | 75 | 75 | 75 | 75 | 75 |
| Streetlights | 959 | 959 | 959 | 959 | 959 | 959 | 959 | 959 | 959 | 959 |
| Traffic signals | 23 | 23 | 23 | 23 | 23 | 23 | 23 | 23 | 23 | 23 |
| Refuse collection trucks | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 |
| Parks and recreation: | | | | | | | | | | |
| Acreage | 23 | 23 | 23 | 23 | 23 | 23 | 23 | 23 | 23 | 23 |
| Developed parks/playgrounds | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Developed fields (soccer, baseball, etc.) | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| Harbor boat wells | 333 | 333 | 333 | 333 | 333 | 333 | 333 | 333 | 333 | 333 |
| Water: | | | | | | | | | | |
| Mains (miles) * | 51.75 | 51.75 | 51.75 | 51.75 | 51.89 | 51.89 | 51.89 | 51.89 | 53.10 | 53.10 |
| Fire hydrants | 502 | 502 | 502 | 502 | 503 | 503 | 503 | 503 | 499 | 499 |
| Storage capacity - Millions of gallons | 2.50 | 2.50 | 2.50 | 2.50 | 2.50 | 2.50 | 2.50 | 2.50 | 2.50 | 2.50 |
| Sewer: | | | | | | | | | | |
| Miles of sanitary sewers | 18 | 18 | 18 | 18 | 18 | 18 | 18 | 18 | 18 | 18 |
| Miles of storm sewers | 18 | 18 | 18 | 18 | 18 | 18 | 18 | 18 | 18 | 18 |
| Miles of combined sanitary and storm | 21 | 21 | 21 | 21 | 21 | 21 | 21 | 21 | 21 | 21 |

* Note: During the fiscal years ended June 30, 2018 and 2021, engineering inventories were taken of the City's water mains and fire hydrants. The miles of water mains and number of fire hydrants has been restated here to reflect the data gathered in that inventory. The prior years shown have also been restated accordingly.

Source: Departmental annual reports

City of Grosse Pointe Farms, Michigan

Full-Time Equivalent Government Employees by Function

| Function/Program | Last Ten Fiscal Years (Unaudited) | | | | | | | | | |
|---------------------|--------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
| General Government | 10.00 | 10.00 | 9.00 | 9.00 | 9.00 | 9.00 | 9.00 | 9.00 | 9.00 | 8.00 |
| Public safety: | | | | | | | | | | |
| Police | 40.34 | 40.34 | 40.34 | 39.00 | 37.00 | 37.00 | 37.00 | 37.00 | 37.00 | 37.00 |
| Fire and EMS | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 |
| Public service | 3.00 | 3.00 | 3.00 | 3.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 | 2.00 |
| Radio system | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 1.00 | 0.38 |
| Municipal court | 2.50 | 2.50 | 2.50 | 3.00 | 2.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 |
| Public works: | | | | | | | | | | |
| DPW | 25.50 | 25.50 | 25.00 | 25.00 | 22.00 | 22.00 | 23.00 | 22.00 | 22.00 | 22.00 |
| Water and sewer | 8.25 | 8.25 | 9.00 | 9.00 | 9.00 | 9.00 | 9.00 | 9.00 | 9.00 | 9.00 |
| Park and recreation | 28.75 | 28.75 | 28.75 | 29.00 | 29.00 | 29.00 | 29.00 | 29.00 | 29.00 | 29.00 |
| Total | 123.34 | 123.34 | 122.59 | 122.00 | 115.00 | 116.00 | 117.00 | 116.00 | 116.00 | 114.38 |

Source : Various City of Grosse Pointe Farms departments