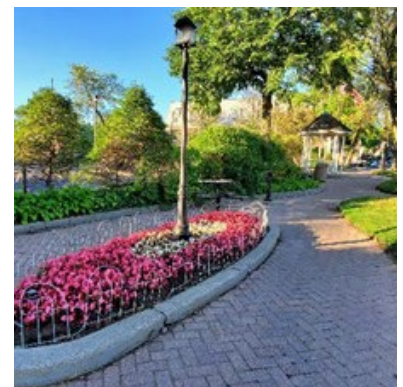
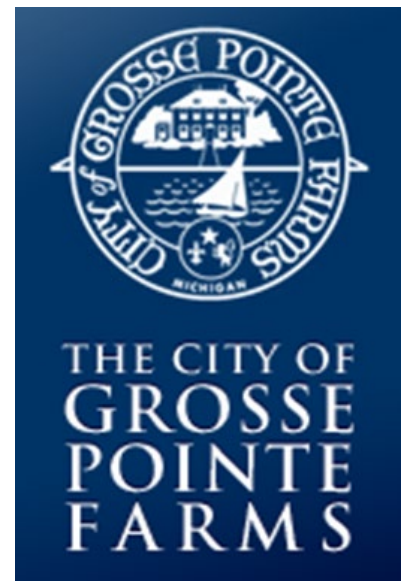




FINANCIAL SUMMARY

FOR THE YEAR ENDED JUNE 30, 2023

CITY OF GROSSE POINTE FARMS, MICHIGAN



<https://twitter.com/gpfarmstweets>

City of Grosse Pointe Farms, Michigan

Popular Annual Financial Report
Fiscal Year Ended June 30, 2023

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

Finance Director

Tim Rowland

Prepared by:

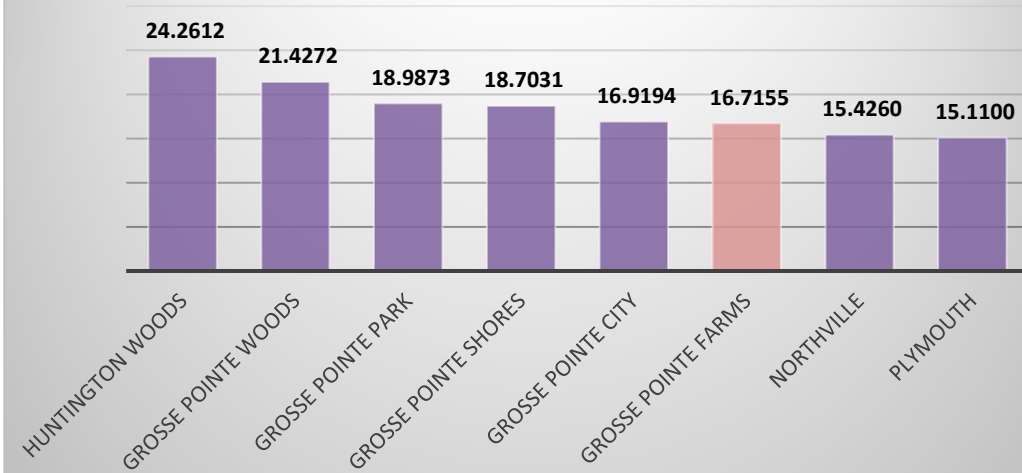
City's Finance Department

Table of Contents

Millage Rates & Property Values5
Population and Census Data7
General Government8
Other Funds.....9
General Fund.....10
Fund Balance Reserves11
General Fund Revenue12
General Fund Expenditures.....14
Road Millage.....14
Performance Data15
Operating Indicators16
Certificate of Achievement.....19

CITY OF GROSSE POINTE FARMS ECONOMY

2022 CITY MILLAGE RATES



Property Values:

The state equalized value (SEV) of \$1.1 billion represents approximately 50% of estimated current market value of all properties in the City.

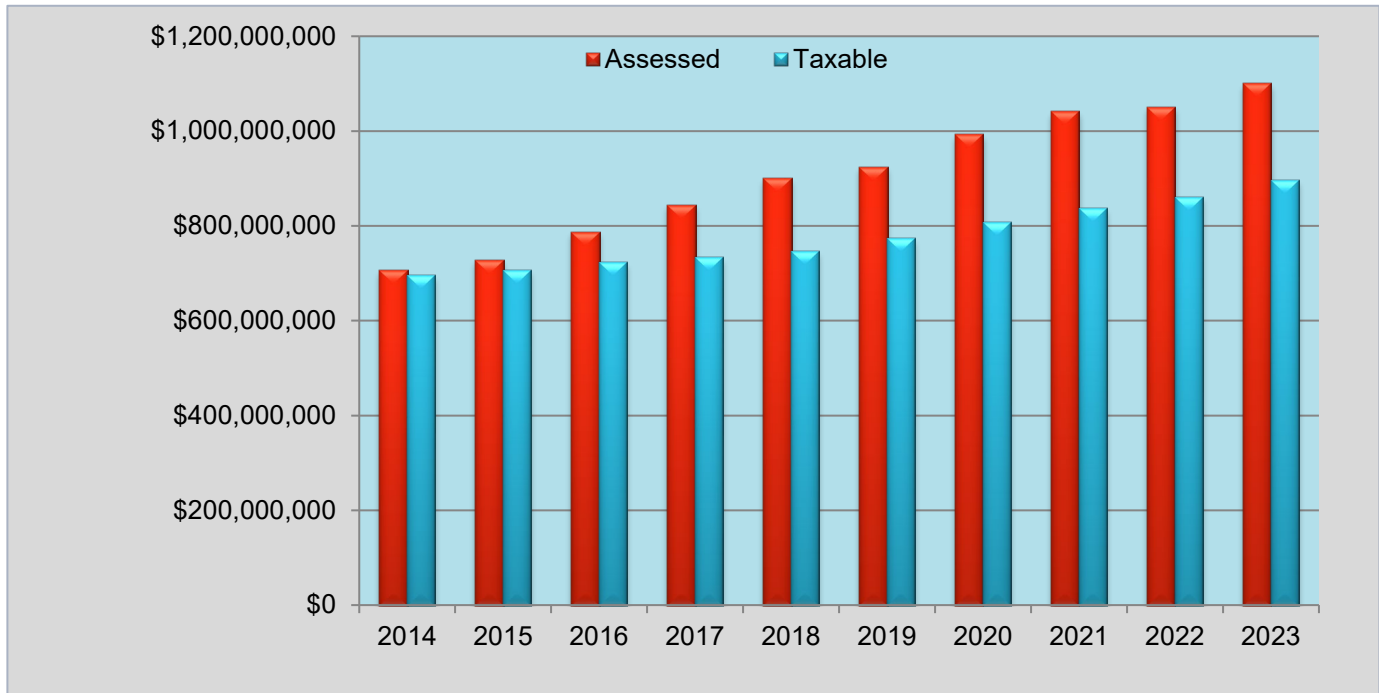
The City's taxable valuation (TV) has increased for the past 10 years, halting the declines during the great recession beginning in 2008.

Unless a property is sold or constructed, taxable value is determined by the prior year's taxable value adjusted by the consumer price index (CPI). However, if in times of high inflation, the CPI increases by more than 5%, the increase in TV is limited to 5%.

The taxable value is multiplied by the millage rate to determine the total property tax.

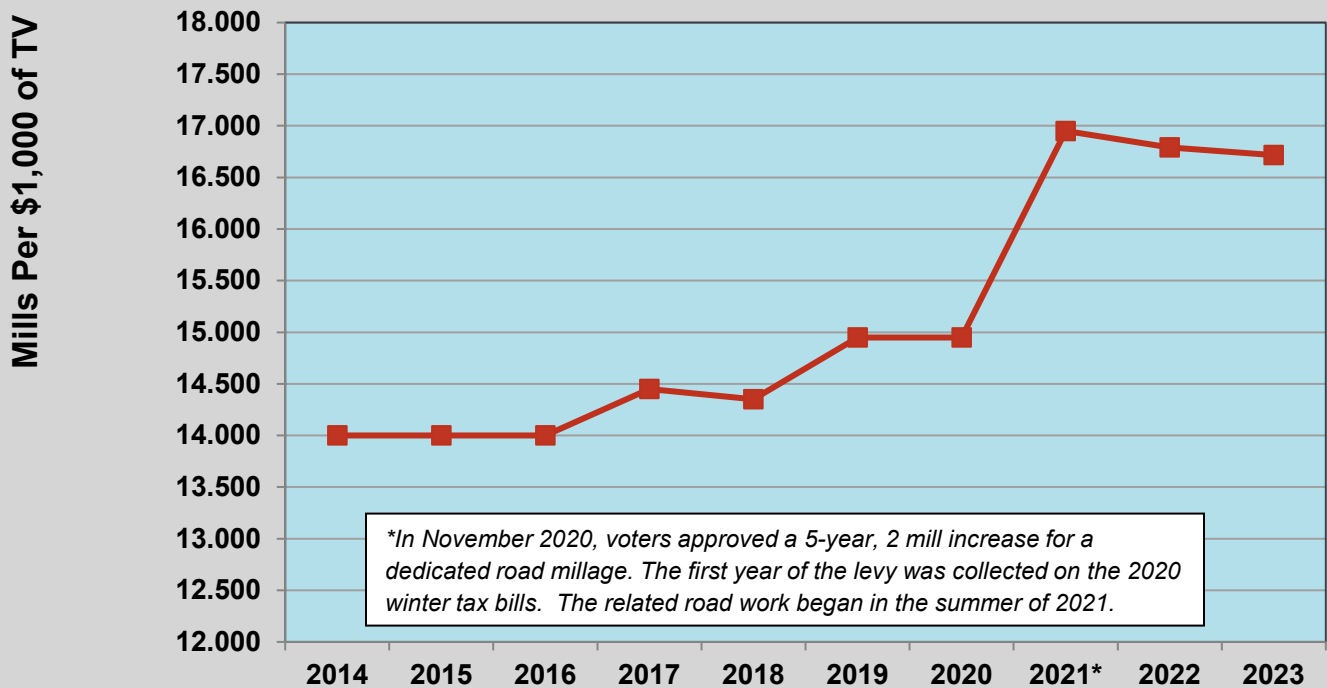
In 2022 our taxable value \$896,141,579 compared to \$860,948,630 in 2021. The 2022 TV increased 4.1% over the 2021 TV.

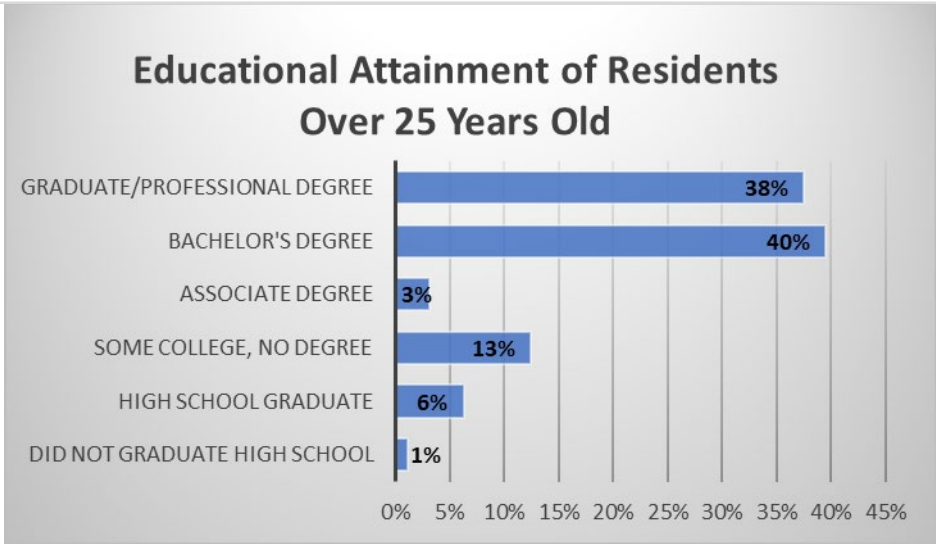
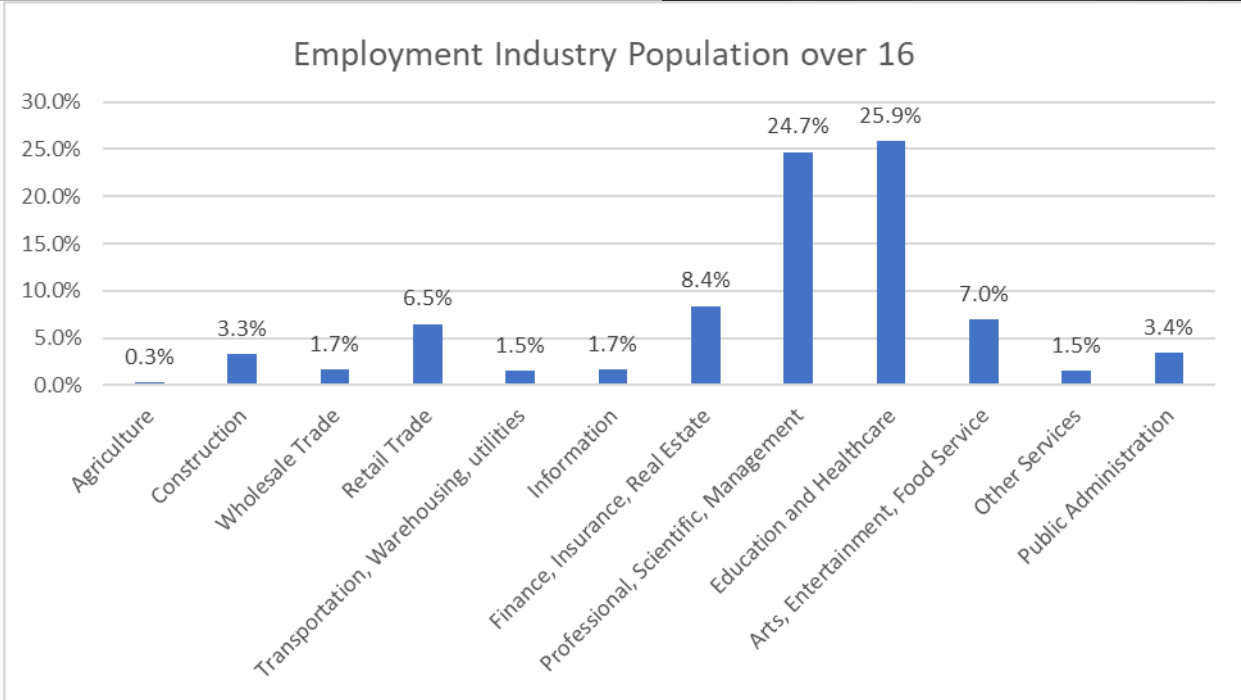
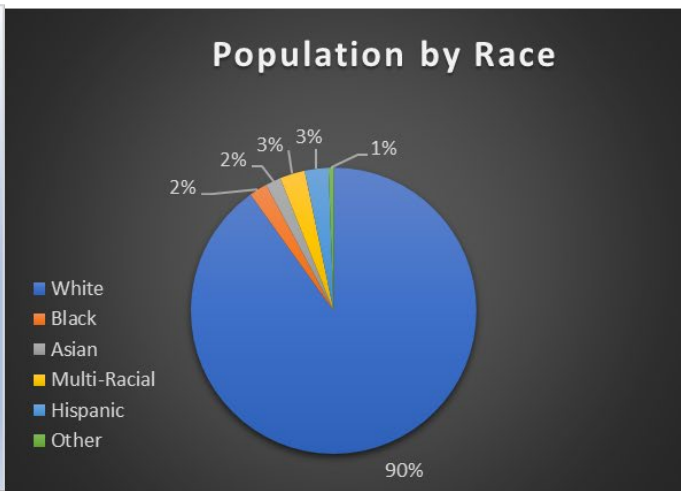
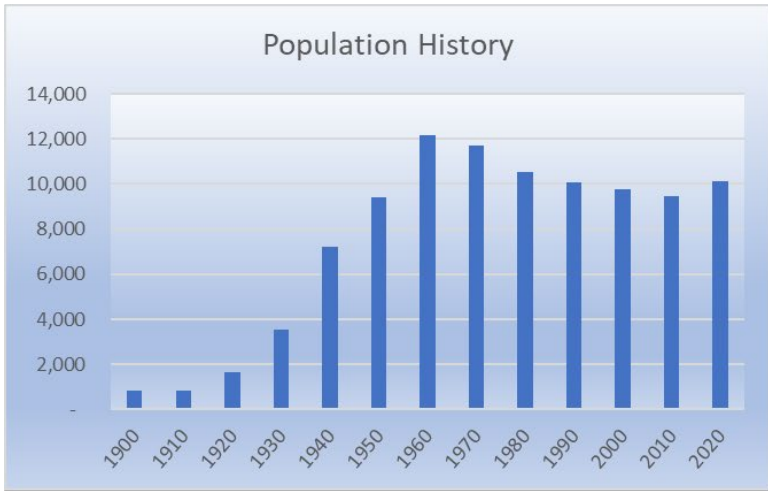
TAXABLE AND ASSESSED VALUES



City Millage Rate

1 Mill= \$1 of tax per \$1,000 of Taxable Value





Source: U.S. Census Bureau, Decennial Census, SEMCOG.

GENERAL GOVERNMENT

Council/ Manager Form of Government

The City is governed by an elected seven-member council. The council appoints a City Manager to oversee daily operations and administrative functions.

Services

Basic community services are the highest priority. These include police and fire protection, refuse collection, water and wastewater collection, street maintenance, public improvements, planning, zoning, and administrative services. The quality of life in Grosse Pointe Farms is enhanced by recreation and leisure facilities including Pier Park and Kerby Field.



Pier Park

General Government: \$2.17 Million

The General Government group of expenditures includes the following areas: City Council, City Manager, City Attorney, City Assessor, City Clerk, Elections, Accounting and Public Services.

Public Safety: \$5.9 Million

Police and Fire Protection.

Municipal Court: \$0.34 Million

Municipal Court and probation services.

Public Works: \$2.4 Million

Maintenance costs for major, local roads. Costs associated with refuse and leaf collection.

Recreation & Culture: \$1.7 Million

Costs to provide recreation activities and operation of the harbor.

OTHER FUNDS USED TO MANAGE CITY DOLLARS

In accordance with Generally Accepted Accounting Principles (GAAP), the City's financial activities are accounted for in a variety of funds other than the General Fund.

Special Revenue Funds such as the Major Street, Local Street, and Community Development Block Grant Funds are used to account for proceeds of specific revenue resources (other than major capital projects) that are legally restricted to expenditures for specific purposes.

Debt Service Funds account for the accumulation of resources for the annual payment of principal, interest, and fees in connection with certain long-term debt.

Capital Projects Funds track financial resources for the acquisition or construction of major capital facilities as well as vehicle and equipment acquisitions.

Enterprise Funds including the Water & Sewer, Recycling, and the Municipal Radio Fund are used to account for operations that are like private business. Tracking the net income of Enterprise Funds helps evaluate programs and direct financial administration.

Internal Service Funds such as the Healthcare Retention and Workers Compensation Retention Funds are used to account for the financing of goods and services provided by one department to other departments of the government on a cost reimbursement basis.

Fiduciary Funds such as the Pension Trust Funds and Tax Collection Fund are used to account for funds held in a fiduciary capacity for others.

For more detailed information on these fund types and where the totals are represented by function, you should review the Annual Comprehensive Financial Report. Both this summary and the annual report are available from the Finance Department in City Hall, 90 Kerby Road, and on the City's Website at www.grossepointefarms.org. If necessary, call (313) 640-1602 to request a copy.



THE GENERAL FUND

The General Fund is the general operating fund of the City and the main focus of this report. It is used to account for all financial resources except those required to be accounted for in another fund. General Fund activities are financed by revenues from general property taxes, state shared revenues and other sources. The General Fund uses the current financial resources measurement focus and the modified accrual basis of accounting. The modified accrual basis of accounting recognizes revenues when they are measurable and available and expenditures are recognized, with few exceptions, in the period in which that liability is first incurred.

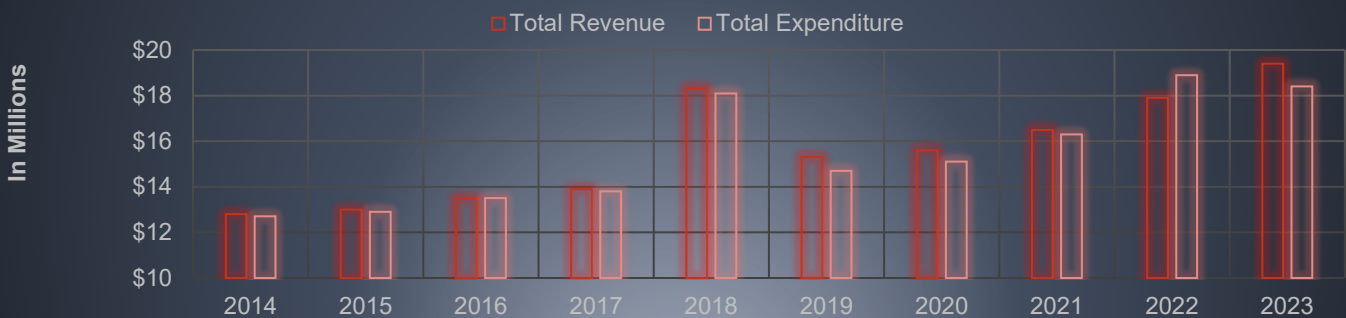
The graph below shows the total revenue and expenditures from 2014 to 2023. An indicator of financial strength and stability is a positive fund balance in the General Fund. Fund Balance is the difference between assets, liabilities, deferred outflows of resources and deferred inflows of resources. Since 2005, the General Fund fund balance has grown from \$3.9 to \$6.7 million.

Two factors affect the fluctuations in the tax levy: Tax rate and taxable value. There was an increase in the tax rates in 2012, 2017, 2019, and 2021, and a decrease in 2018. The taxable value has increased each year since 2014.

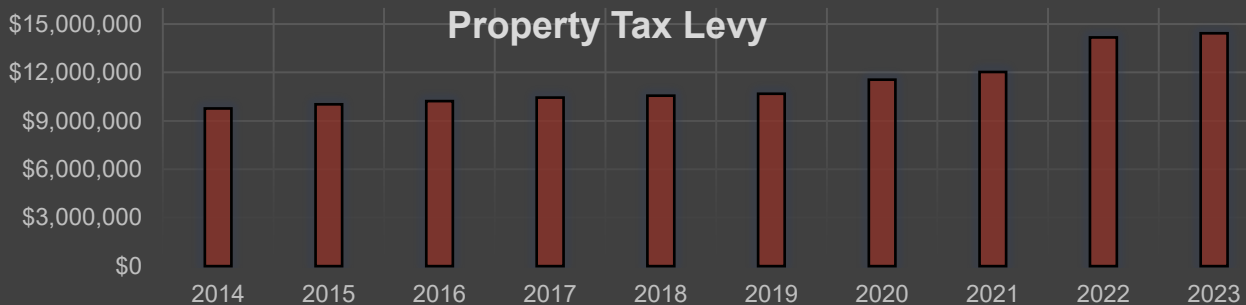
In 2018, the City issued bonds in order to pay a legal settlement of \$4 million. In the chart below, the bond proceeds (Other Financing Source) are included in revenue and the payment of the legal settlement is included in expenditures.

The financial community has recognized the City's strong economic indicators and stable financial operations with the highest bond rating of "AAA" by Standard & Poor's. This allows us to finance bond sales with a favorable interest rate.

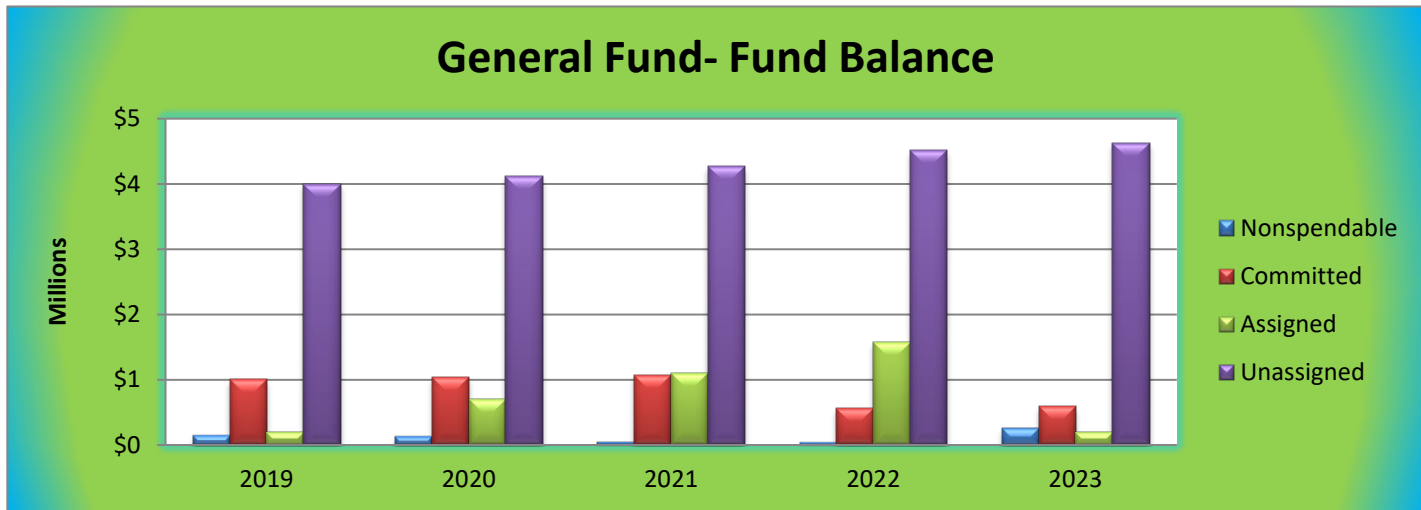
GENERAL FUND REVENUES AND EXPENDITURES



Property Tax Levy



EVALUATING THE CITY'S FINANCIAL CONDITION



Revenues and Expenditures (\$ Millions)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Total Revenue	\$12.8	\$13.0	\$13.5	\$13.9	\$14.2	\$15.4	\$15.6	\$16.5	\$17.9	\$19.4
Total Expenditures	11.3	11.6	11.5	11.8	16.2	12.6	13.1	13.9	16.1	15.6
Excess (Shortfall)	1.5	1.4	2.0	2.1	(2.0)	2.8	2.5	2.6	1.8	3.8
Other Financing Sources (Uses)	(1.4)	(1.3)	(2.0)	(2.0)	2.1	(2.1)	(2.0)	(2.4)	(2.8)	(2.9)
Net Change in Fund Balance Beginning	0.1	0.1	-	0.1	0.1	0.7	0.5	0.2	(1.0)	0.9
Fund Balance	4.9	5.0	5.1	5.1	5.2	5.3	6.0	6.5	6.7	5.7
Ending Fund Balance	\$5.0	\$5.1	\$5.1	\$5.2	\$5.3	\$6.0	\$6.5	\$6.7	\$5.7	\$6.6
As a % of Revenue	39.1%	39.2%	37.8%	37.4%	37.8%	39.0%	41.7%	40.6%	31.8%	34.0%

REVENUE

The City of Grosse Pointe Farms regularly collects funding from eight major sources. Beyond property taxes, other revenues include licenses and permits, federal grants, state shared revenue, charges for services, fines and forfeitures, investment income, and other financing sources. See the chart on page 8 for a breakdown of the percentage each element represents of the total revenue.

Property Taxes: \$13.7 Million

The City's total tax rate of \$16.7155 includes the General Fund, Refuse Collection, Debt Service and Road millage levies. The General Fund operating tax levy is \$11.7666 mills which is the maximum allowable millage under Headlee.

As indicated in the chart on page 8, the City's tax rate represents just 32% of the total property tax bill for all taxing jurisdictions. Those tax dollars represent approximately 71% of the City's total revenue.

Licenses and Permits: \$0.6 Million

Are mainly made up of building permits and trade licenses and permits.

Intergovernmental Revenue: \$2.3 Million

This revenue included ARPA funds from the federal government as well as state revenue sharing payments. State revenue sharing has increased due to increased 2020 census population.

Charges for Services: \$1.4 Million

Examples include parking meter revenue, boat mooring fees, and park facility rentals.

Fines and Forfeitures: \$0.3 Million

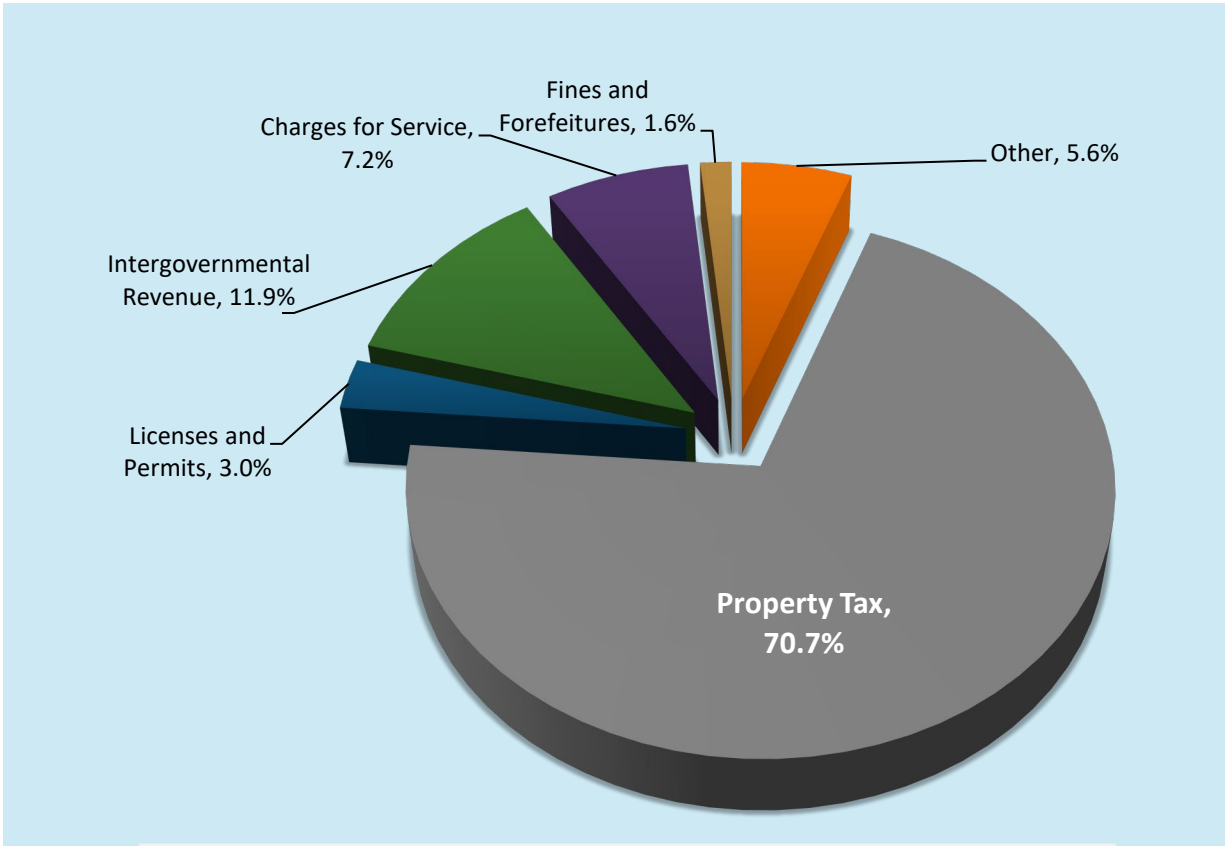
Court fees and costs.

Other Revenue: \$1.0 Million

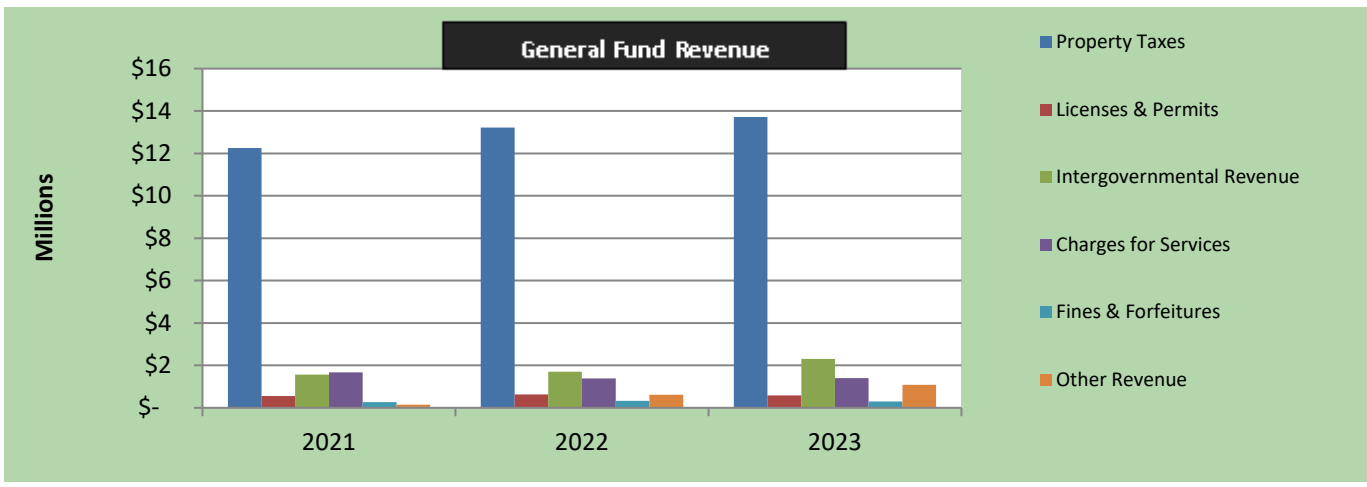
Generated primarily by rebate fees and lease income.



Where the City Gets its Revenue

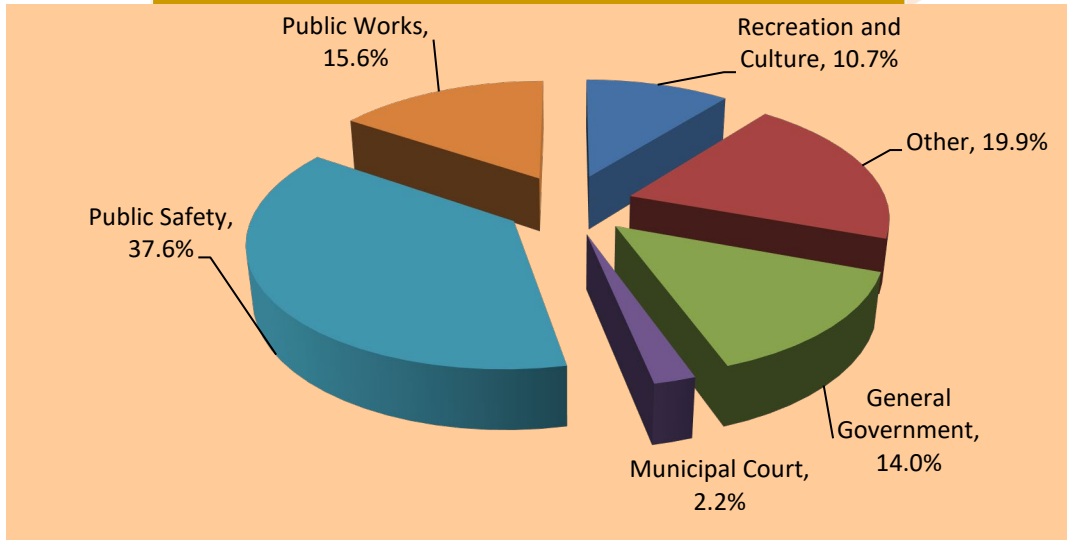


Where Does Your Tax Dollar Go?



EXPENDITURES

General Fund Expenditures



The General Fund major program activities are summarized in eight areas: General Government, Public Safety, Municipal Court, Public Works, Recreation & Culture, Other, Debt Service and Other Financing Uses. See the graph above for a breakdown of their percentages of total expenditures. Other expenditures include contingency and retirement fund contributions. Other Financing Uses include the transfer of funds to the Capital Projects Fund, Local Street Fund, Insurance Retention Fund, Healthcare Retention Fund and Debt Service Fund.

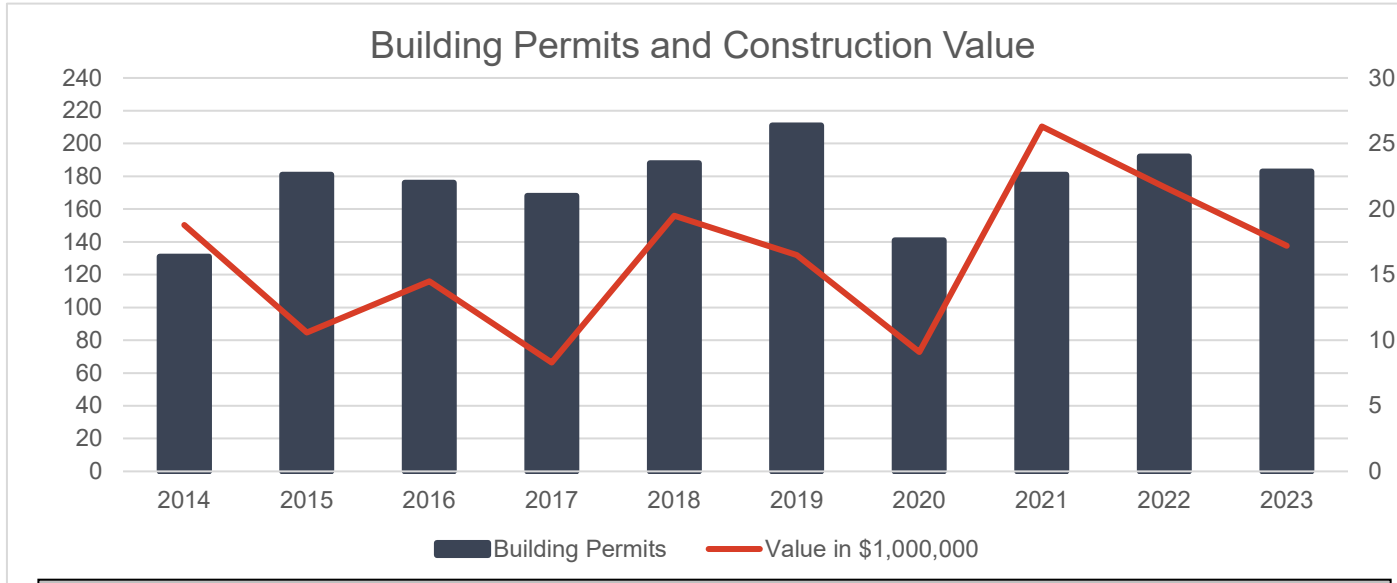
Road Millage

In November 2020 voters approved a 2 mill tax increase for five years dedicated to road improvements. Tax revenue is collected on the winter tax bill and used in the subsequent construction season. In this fiscal year, the City completed the second construction season utilizing this millage by completing road resurfacing on Fisher, Ridge, and Cloverly. Work also began on the 2023 road program in the spring completing the first phase of Kercheval in the downtown district.

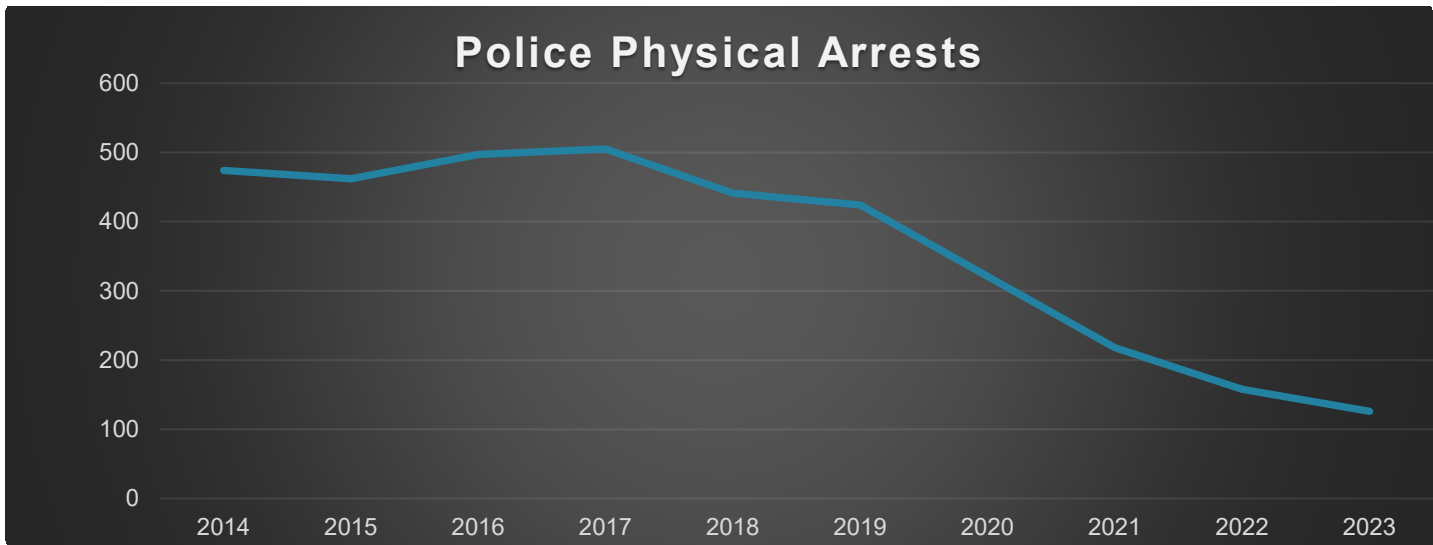
Municipal Road Fund

Beginning Fund Balance	\$1,732,419
Construction Expenses	(\$1,791,868)
Tax Revenue	<u>\$1,773,610</u>
Fund Balance Available for Subsequent Year	\$1,714,161

PERFORMANCE DATA



Grosse Pointe Farms Building Department processes a wide range of construction permits each year. New construction and building improvements increased dramatically over the past few years with the start-up and renovation of several new homes. However, during the COVID crisis in 2020, construction was halted for a period of time due to Executive Order restrictions. Permit activity has since returned to normal levels.



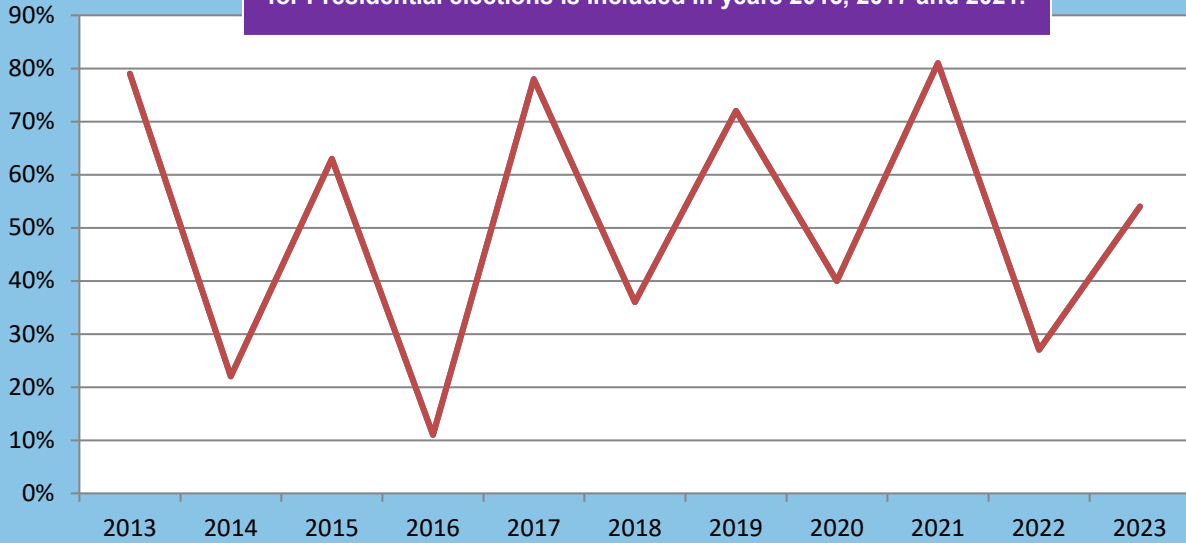
OPERATING INDICATORS BY FUNCTION/PROGRAM

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
<u>City Clerk's Office</u>				
Dog Licenses Issued	755	858	768	793
Registered Voters	8,764	9,280	9,166	9,311
<u>Fire</u>				
Fire Department Responses	153	241	362	341
Emergency Medical Runs	651	660	753	768
<u>Parks & Recreation</u>				
Vehicles Entering Park	117,609	120,399	129,935	131,136
<u>Municipal Court</u>				
Court Case Load	5,118	3,484	3,904	5,856

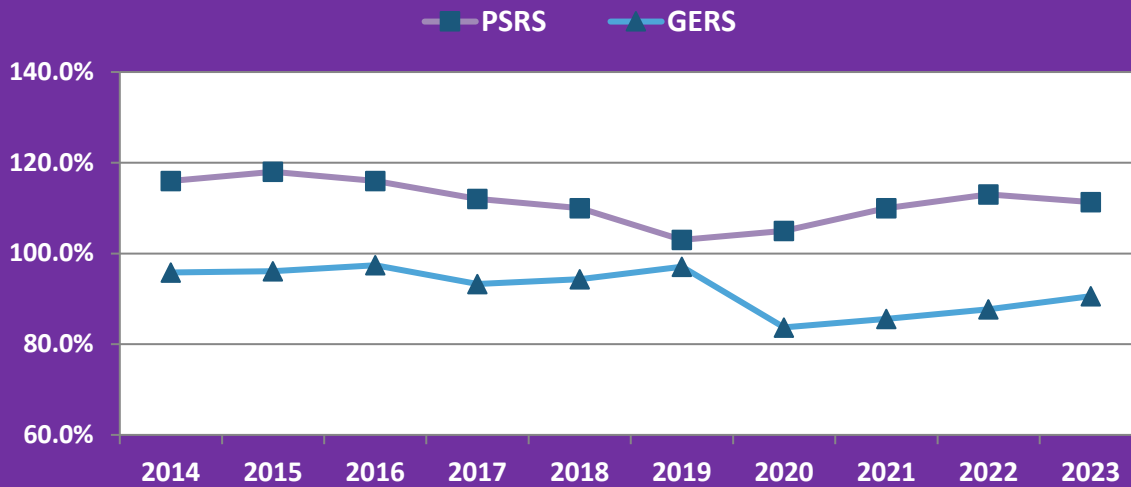


Voter Turnout

Please note: This graph represents voter turnout by fiscal year July 1 – June 30, which includes the prior November elections. For example, 2020 data includes the November 2019 election. Data for Presidential elections is included in years 2013, 2017 and 2021.

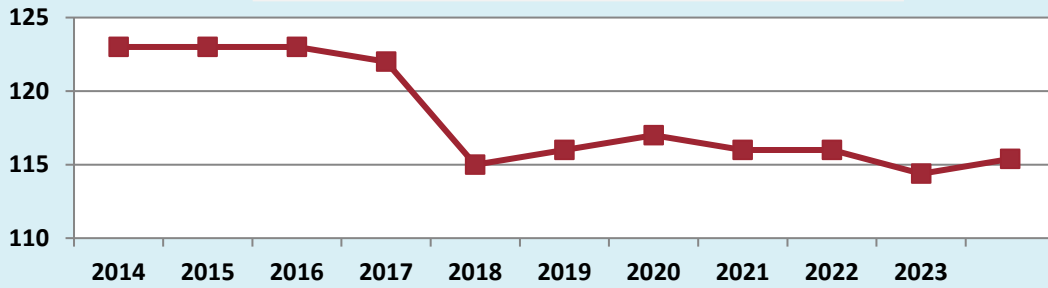


City of Grosse Pointe Farms General Employees Retirement System (GERS) and Public Safety Retirement System (PSRS) Schedule of Pension Funding Progress

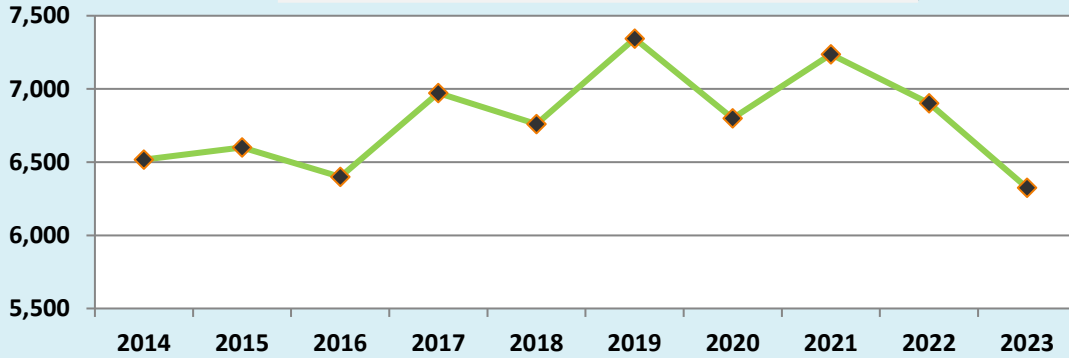


The above chart expresses the actuarial value of assets (the amount the system has accumulated to pay benefits) as a percentage of the actuarial accrued liability (the estimated cost of providing the benefits into the future). This provides one indication of the system's funded status. Analysis of this percentage over time indicates whether the system is becoming financially stronger or weaker.

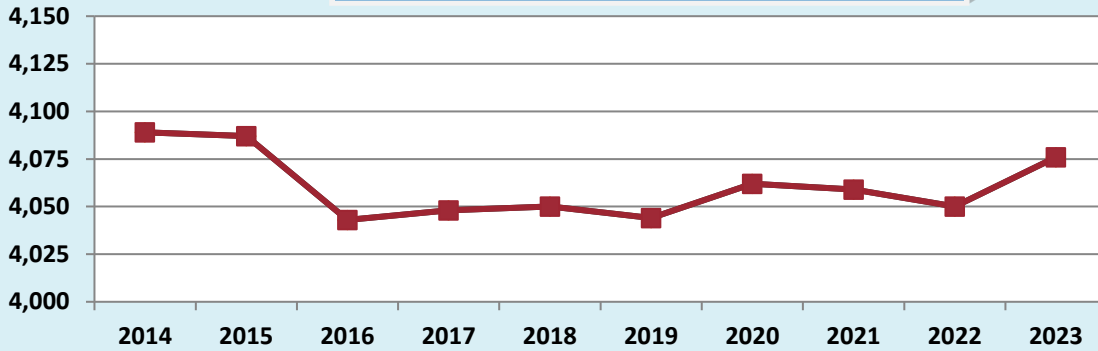
City Full-Time Equivalent Staffing



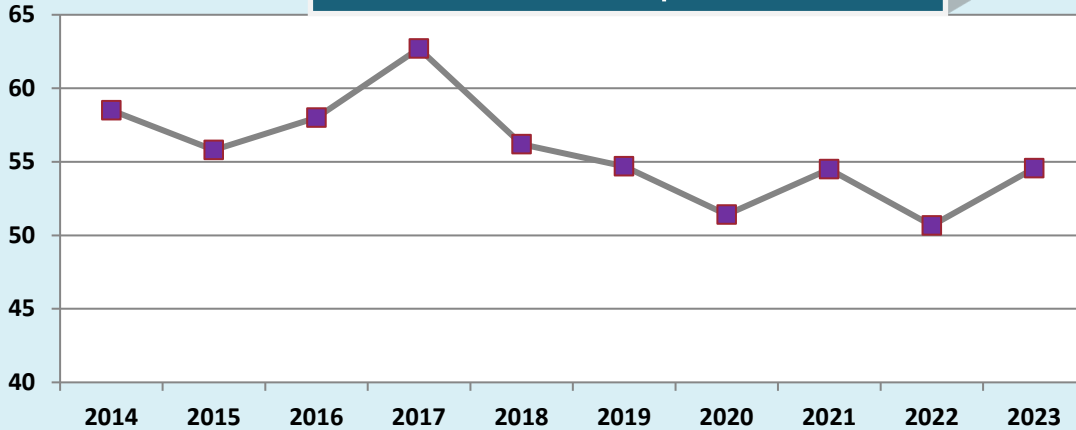
Refuse/Resource Recovery (Tons)



Water Accounts Billed



Water Consumption MCF



City of Grosse Pointe Farms Website

www.grossepointefarms.org

Internet access creates a 24-hour, 7-day-a-week service window for citizens seeking information about the City of Grosse Pointe Farms.

What's online at

www.grossepointefarms.org?

- ✓ Online Bill Payment service
- ✓ Tax, Property & Utility info lookup
- ✓ Building permit applications
- ✓ Business license & other forms
- ✓ Park Pass applications, recreation programming & dog owner news
- ✓ Annual budgets, audits & other financial information
- ✓ Events Calendar
- ✓ Council meeting agenda packets
- ✓ Latest News
- ✓ City Ordinances
- ✓ Email city administrators



Government Finance Officers Association

Award for
Outstanding
Achievement in
Popular Annual
Financial Reporting

Presented to

**City of Grosse Pointe Farms
Michigan**

For its Annual Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Merrill

Executive Director/CEO

Annual Comprehensive Financial Report

The information in this document has been drawn from the City of Grosse Pointe Farms Annual Comprehensive Financial Report for the fiscal year ended June 30, 2023. Complete financial statements of the City of Grosse Pointe Farms with additional demographic and economic information are published in the annual report, which is available on the City website <https://www.grossepointefarms.org/departments/finance/>

The City was awarded the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association of the United States and Canada (GFOA) for the fiscal year ended June 30, 2021. The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting.

To be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized annual financial report, the contents of which conform to program standards. The report must satisfy both generally accepted accounting principles and applicable legal requirements.

To request a copy of the report, contact:

Tim Rowland, Director of Finance

Email: trowland@grossepointefarms.org

Phone: (313) 640-1602

Mail: 90 Kerby Rd.

Grosse Pointe Farms, MI 48236





City of Grosse Pointe Farms
90 Kerby Road
Grosse Pointe Farms, MI 48236
313-885-6600