



**CITY OF GROSSE POINTE WOODS  
NOTICE OF MEETING AND AGENDA  
COMMITTEE-OF-THE-WHOLE  
Monday, December 04, 2023 at 7:00 PM**

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*Robert E. Novitke Municipal Center - Council/Court Room  
20025 Mack Plaza, Grosse Pointe Woods, MI 48236  
(313) 343-2440*

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Mayor Arthur W. Bryant has called a meeting of the City Council, meeting as a Committee-of-the-Whole, for **Monday, December 4, 2023 at 7:00 PM**. The meeting will be held in the Council Chambers/Municipal Court Room of the Municipal Building, 20025 Mack Plaza, Grosse Pointe Woods, MI 48236 and is accessible through the Municipal Court doors. In accordance with Public Act 267, the meeting is open to the public and the agenda items are as follows:

- 1. CALL TO ORDER**
- 2. ROLL CALL**
- 3. ACCEPTANCE OF AGENDA**
- 4. ITEMS FOR DISCUSSION**
  - A. FY 2023 Audit Report - Plante Moran
    - 1) Letter 11/13/23 - Plante Moran (Grosse Pointe Woods Audit)
    - 2) Annual Comprehensive Financial Report Fiscal Year Ended June 30, 2023
    - 3) Opinion letter 11/13/23 - Coronavirus State and Local Fiscal Recovery Funds (CSLFRF)
    - 4) Letter 11/13/23 - Plante Moran (Municipal Court Audit)
    - 5) Financial Report Fiscal Year Ended June 30, 2023 - Municipal Court
- 5. NEW BUSINESS/PUBLIC COMMENT**
- 6. ADJOURNMENT**

**Paul P. Antolin, MiPMC  
City Clerk**

IN ACCORDANCE WITH PUBLIC ACT 267 (OPEN MEETINGS ACT)  
POSTED AND COPIES GIVEN TO NEWSPAPERS

The City of Grosse Pointe Woods will provide necessary, reasonable auxiliary aids and services, such as signers for the hearing impaired, or audio tapes of printed materials being considered at the meeting to individuals with disabilities. All such requests must be made at least five days prior to a meeting. Individuals with disabilities requiring auxiliary aids or services should contact the City of Grosse Pointe Woods by writing or call the City Clerk's office, 20025 Mack Plaza, Grosse Pointe Woods, MI 48236 (313) 343-2440 or Telecommunications Device for the Deaf (TDD) 313 343-9249.

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|                    |                       |                              |
|--------------------|-----------------------|------------------------------|
| cc: Council - 7    | Treasurer/Comptroller | Assistant City Administrator |
| City Administrator | City Clerk            | Post - 4                     |
| City Attorney      | Email Group/Media     |                              |



**Plante & Moran, PLLC**  
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November 13, 2023

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

We have audited the financial statements of the City of Grosse Pointe Woods, Michigan (the "City") as of and for the year ended June 30, 2023 and have issued our report thereon dated November 13, 2023. Professional standards require that we provide you with the following information related to our audit, which is divided into the following sections:

Section I - Required Communications with Those Charged with Governance

Section II - Legislative and Informational Items

Section I includes information that we are required to communicate to those individuals charged with governance of the City. Section I also communicates significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process.

Section II presents recommendations related to internal control, procedures, and other matters noted during our current year audit. These comments are offered in the interest of helping the City in its efforts toward continuous improvement, not just in the areas of internal control and accounting procedures, but also in operational or administrative efficiency and effectiveness.

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

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

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

Very truly yours,

**Plante & Moran, PLLC**

William E. Brickey  
Partner

Joshua L. Yde  
Principal

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

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

As stated in our engagement letter dated July 10, 2023, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities. Our responsibility is to plan and perform the audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement.

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

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

### Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our meeting about planning matters on August 31, 2023.

### Significant Audit Findings

#### *Qualitative Aspects of Accounting Practices*

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

No new accounting policies were adopted, and the application of existing policies was not changed during the year ended June 30, 2023.

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

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

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The most sensitive estimates affecting the financial statements include the liabilities and expense associated with pension and OPEB, the liability associated with estimated property tax refunds, and incurred but not reported liabilities related to self-insurance.

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

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

In the current year, pension valuations were prepared in accordance with GASB 67/68. The total pension liability of the main plan decreased by \$4,787,400, a 6.9 percent decrease, and the supplemental annuity plan total liability increased by \$128,349, a 3.3 percent increase. The City modified the amortization period, but still plans to end with open amortization period, which means that the City's actuarially determined contributions may not be sufficient to close the gap between the plan net position and the total pension liabilities. The change includes reducing the period from a 25-year open amortization period to a 20-year amortization period, which will then phase into a 15-year open amortization period.

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

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

The estimates of the incurred but not reported amounts related to the City's self-insured workers' compensation and health insurance obligations are disclosed in Note 16 to the financial statements. Management's estimate of the various incurred but not reported amounts is based on historical information regarding claims.

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

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

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

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

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

For the purpose of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report.

We are pleased to report that no such disagreements arose during the course of our audit.

### ***Corrected and Uncorrected Misstatements***

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. We did not detect any misstatements as a result of audit procedures.

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

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

### ***Management Representations***

We have requested certain representations from management that are included in the management representation letter dated November 13, 2023.



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

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

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a second opinion on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts.

To our knowledge, there were no such consultations with other accountants.

**Other Information Included in Annual Reports**

Our responsibility for other information included in annual reports does not extend beyond the financial statements, and we do not express an opinion or any form of assurance on the other information. However, we read the introductory section and statistical section, and nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially misstated or materially inconsistent with the information or manner of its presentation appearing in the financial statements.

## Section II - Legislative and Informational Items

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

Throughout the COVID-19 pandemic, Plante & Moran, PLLC's COVID-19 task force of leaders across the firm has monitored, addressed, and provided insight related to the virus and the unique challenges our local governments have faced while continuing to provide essential services to their communities through our ARPA and COVID-19 resource center for governments. Following is a link to various ARPA-related articles that we believe will be of interest to you: <https://www.plantemoran.com/explore-our-thinking/search?skip=10&keyword=arpa&type=all&professional=all&practice=all&industry=85a5df97-9c41-4000-86d3-db25835731a6&areaOfFocus=all&daterange=all&sortBy=DateDesc>.

In March 2021, the president signed the American Rescue Plan Act (ARPA) into law, which included federal stimulus funding for state and local governments of all sizes. The largest of all funding streams, the Coronavirus State and Local Fiscal Recovery Funds (SLFRF), represents a \$350 billion top-line allocation for state and local governments. Funding was provided in two tranches beginning in May 2021, with the second tranche not being released until 12 months after the first payment. Effective April 1, 2022, the U.S. Department of the Treasury published the final rule for determining the types of programs and services that are eligible uses of the SLFRF funding. Overall information about the program, including a frequently asked questions document and an overview of the final rule, is available on the U.S. Department of the Treasury's website at <https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments>.

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

Plante & Moran, PLLC's COVID-19 resource center is being continuously updated for the latest guidance and strategy related to SLFRF and will help keep the City running smoothly through our nation's recovery.

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

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

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

### **Monitoring Lease/SBITA Activity**

GASB Statement No. 87, *Leases*, was effective in fiscal year 2022. Additionally, GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, became effective in fiscal year 2023. Although significant analyses were performed to determine the applicability of the new standards and record any necessary adjustments, we want to stress the importance of implementing ongoing monitoring procedures over lease activity and IT arrangements. When the City enters into new leases, existing leases are modified, or other facts and circumstances change, consideration must be given to the impact those changes will have on lease accounting. In order to do so, the City must ensure there is a process in place to identify and appropriately account for new leases or changes to existing leases on an ongoing basis or at least at the end of each year.



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

### Cybersecurity and Information Technology Controls

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

### Revenue Sharing

The fiscal year 2023 governor's budget recommendation includes \$1.5 billion for revenue sharing. Further details of the breakdown of this amount are available at [https://www.michigan.gov/treasury/0,,7-121-1751\\_2197---,00.html](https://www.michigan.gov/treasury/0,,7-121-1751_2197---,00.html).

### Inflation Rate Multiplier for 2023

In January 2023, the Michigan State Tax Commission issued Bulletin 17 of 2022 regarding the inflation rate multiplier for use in the 2023 capped value formula and the Headlee millage reduction fraction formula. The inflation rate for property taxes as defined in Michigan Compiled Law (MCL) 211.34d has increased beyond the historical 5 percent cap to 7.9 percent for 2023. As a result, the inflation rate multiplier of 1.079 must be used in the calculation of the 2023 Headlee millage reduction fraction required by Michigan Compiled Law (MCL) 211.34d. As the inflation rate multiplier of 1.079 is higher than 1.05, the inflation rate multiplier to be used in the 2023 capped value formula is 1.05.

### Legacy Costs

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

The following are the funding levels per the financial statements the last three years for both pension (both general and supplemental annuity) and OPEB:

|      | <b>Pension</b>  | <b>OPEB</b> |
|------|-----------------|-------------|
| 2022 | 62.41% - 64.66% | 7.27%       |
| 2021 | 54.85% - 59.68% | 5.89%       |
| 2020 | 65.03% - 67.84% | 4.21%       |

Maintaining or even improving the funded status of the plan(s) is dependent upon a number of factors, including the government's contribution policies, its amortization policy for funding the unfunded actuarial accrued liability, its benefit levels, and the ability to make future changes to the plan. That said, the challenge here is significant. We are happy to assist you in thinking through alternative ways to manage this liability. Furthermore, as noted above, the City still plans to end with open amortization period, which means that the City's actuarially determined contributions may not be sufficient to close the gap between the plan net position and the total pension liabilities.

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

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

We actively monitor new Governmental Accounting Standards Board (GASB) standards and due process documents and provide periodic updates to help you understand how the latest financial reporting developments will impact the City. In addition to the summaries below and to stay up to date, Plante & Moran, PLLC issues a biannual GASB accounting standard update. The most recent fall 2023 update and a link to previous fall and spring updates are available [here](#).

#### ***GASB Statement No. 100 - Accounting Changes and Error Corrections***

This new accounting pronouncement will be effective for fiscal years ending June 30, 2024 and after. This statement enhances the accounting and financial reporting requirements for accounting changes and error corrections.

#### ***GASB Statement No. 101 - Compensated Absences***

This new accounting pronouncement will be effective for fiscal years ending December 31, 2024 and after. This statement updates the recognition and measurement guidance for compensated absences under a unified model, requiring 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. This statement also establishes guidance for measuring a liability for leave that has not been used and updates disclosure requirements for compensated absences.

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

The GASB is working on two comprehensive projects that result in changes to financial reporting for state and local governments.

The Financial Reporting Model exposure draft was issued in June 2020, and the final statement is expected to be released in mid-2024. This standard proposes changes to many aspects of the City's financial statements, including the management's discussion and analysis (MD&A), proprietary fund financial statements, and budgetary comparisons. In August 2023, the GASB removed issues related to reporting of governmental funds from the scope of this project.

The Revenue and Expense Recognition project aims to develop a comprehensive accounting and financial reporting model for transactions that result in revenue and expenses. The GASB has issued a preliminary views document that proposes a new categorization framework that replaces the exchange/nonexchange transaction notion with a four-step categorization process for classifying a transaction. In addition to this new framework, the proposal also addresses recognition and measurement of revenue and expense transactions. The exposure draft for this project is expected sometime in 2025.

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

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# City of Grosse Pointe Woods, Michigan

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

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**Annual Comprehensive Financial Report  
For the Fiscal Year Ended  
June 30, 2023**



# City of Grosse Pointe Woods, Michigan

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# CITY OF GROSSE POINTE WOODS

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

November 13, 2023

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

The Annual Comprehensive Financial Report (ACFR) of the City of Grosse Pointe Woods, Michigan for the fiscal year ended June 30, 2023 is submitted herewith, in accordance with provisions of Section 8.7 (Charter) of the City of Grosse Pointe Woods and the rules and regulations as put forward by the State of Michigan Department of Treasury. This report was prepared by and is the responsibility of the City's Finance Department. This document represents the official report of the City's financial operations to its residents, elected officials, employees, investment firms, banks and rating and regulatory agencies, and other interested parties. The data, as presented in the report, is accurate in all material respects, is shown in a manner designed to clearly and fairly set forth the financial activity of all the various funds established and utilized by the City and all disclosures have been included to enable the reader to gain the maximum understanding of the City's financial operations. The independent auditing firm of Plante & Moran, PLLC performed the annual audit of the City of Grosse Pointe Woods' financial statements as required by the Michigan Department of Treasury and has issued its unmodified opinion here within.

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



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

November 13, 2023

improvements that would benefit operations. As Administration, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects. Furthermore, it is important to note that this letter complements the Management's Discussion and Analysis (MD&A), which is found in the financial section.

### **Reporting Entity**

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

### **Legal Requirement**

This report has been prepared pursuant to and in compliance with Michigan Department of Treasury regulations, which, in part, require that an annual independent audit of the City's financial records of accounts and transactions be performed. The opinion by the City's independent auditor, Plante & Moran, PLLC, dated November 13, 2023 on the basic financial statements and individual fund statements and schedules is included in the financial section of this report. There is not a separate issued Single Audit Report for the General Fund and the Federal Grant Fund under the 2 CFR 200 regulations of the Single Audit Act. The City received federal stimulus funding through the Coronavirus State and Local Fiscal Recovery Funds (SLFRF) and through the Wayne County Community Development Block Grant (CDBG) Program, the City is designated as a sub-grantee and coordinates its program. The total federal grant expenditures were greater than the minimum expenditure limit of \$750,000 of the Single Audit Act. However, the City elected to receive an Alternative Compliance Examination rather than a single audit, as allowed under the SLFRF Compliance Supplement, as the City received less than \$10 million and other Federal award funds the City expended (not including the SLFRF award funds) are less than \$750,000 during the fiscal year.

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

November 13, 2023

Consistent with previous years, the intent and responsibility of Administration is to effectively adhere to the fiscal policies and initiatives established by the City Council while remaining cost efficient and responsive to the needs of the residents. Many of the financial policies and procedures established by the City Council are detailed in the City's annual budget. In accordance with the City Charter, the City Administrator and the Treasurer/Comptroller will have presented their budgetary estimates of revenues and expenditures of all the City's funds (excluding Custodial Funds and selected Special Revenue Funds) to the Mayor and City Council no later than the first meeting in April. These estimates are then forwarded to the City's Finance Committee, which performs a thorough review of the operational, financial, and capital components of the budget. Upon completing this budget review along with recommendations, the budget is presented back to the Mayor and City Council for additional review and comments. The proposed budget document is formally approved by the Mayor and City Council no later than the third Monday in May. Throughout the course of the fiscal year, the Finance Committee may review any significant changes to the original budget document as recommended by the City Administrator and/or the Treasurer/Comptroller. Per the City Charter, the Mayor and City Council must formally approve any proposed adjustments to the budget. This process allows the City to remain flexible to changes in the revenue and expenditure patterns that occur throughout the year as well as keeping the elected officials updated on the financial condition of the City. Following the passage of the budget, a summary of the completed document is made available to all residents, and a budget summary published in the local newspaper and in the annual City calendar.

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

One of the most elemental functions of our City is to establish practices to guide us through good times and challenging times. Implementing cost cutting initiatives and maintaining excellent service levels to the community has provided the City with the ability to build a strong cash reserve. Currently, we have an unassigned fund balance of 45 percent of actual expenses. Our cash reserves are acceptable based upon the GFOA recommendation of a 10-15 percent fund balance. We are ever cognizant of the delicate balancing that is required to maintain adequate operational reserves while maintaining essential city services and funding infrastructure improvements. City administration continues to look for efficiencies, expanding community partnerships and alternative sources of revenue to keep our City financially strong and maintain our desirability as one of the premier communities in southeast Michigan to live, work and play.

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

November 13, 2023

The City's long-term financial stability is the result of a strong and continuous commitment to fundamental principles of fiscal integrity. The City's current administration has taken many steps over the last several years toward improved budgeting, cost containment, and improved efficiency, which has helped in dealing with the current economic conditions. The City has developed a cautious but proactive strategy to evaluating the needs of our community.

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

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

City administration continues to look for funding opportunities, cost containment initiatives, community partnerships and potential grant funds to fund and maintain the high level of public services provided to our community. Significant amenities the City provides include Lake Front Park, where you can spend the day with your family poolside, host a picnic or special event, or take a stroll on the boardwalk that overlooks Lake St. Clair. In addition, the Community Center offers programs for all ages, where members of the community can participate.



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

November 13, 2023

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

### **Economic Conditions and Outlook**

The City of Grosse Pointe Woods is one of the most desired areas to live in the State of Michigan, located 10 miles northeast of Detroit. Its population of 16,487 (per 2020 census figures) is distributed among approximately 6,874 households and has a median household income of \$115,247 and an average per capita income of \$54,028. The median home value of an owner-occupied residence in the City is \$274,000. The labor force is comprised largely of professional, healthcare, hospitality and education services, with 64% having a bachelor's or graduate degree.

The City has struggled over the last decade as a result of a low inflation rate multiplier used to calculate taxable value on all properties. In January 2023, the Michigan State Tax Commission issued Bulletin 17 of 2022 regarding the inflation rate multiplier for use in the 2023 capped value formula and the Headlee millage reduction fraction formula. The inflation rate for property taxes has increased beyond the historical 5 percent cap to 7.9 percent for 2023. The inflation rate multiplier of 1.079 must be used in the calculation of the 2023 Headlee millage reduction fraction and the inflation rate multiplier to be used in the 2023 capped formula is 5 percent, this is up from 3.3 percent in tax year 2022.

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

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

November 13, 2023

Continued re-development and re-investment within the City will add value in fiscal year 2024. Re-investment is key to maintaining the health and welfare of established communities where land is not readily available for new construction. The building department and its staff had a very busy year with plan reviews, inspections and public contacts as our businesses and residents performed upgrades, additions and/or renovations to maintain and enhance their home and property. The City is fortunate to have such commitment in our residents and businesses who work hard to maintain the status that the City of Grosse Pointe Woods enjoys.

In accordance with the City Charter, the City may levy up to 20 mills. The Headlee Act, which amended the State Constitution in regard to property tax relief, has forced the City to roll back its 20 mills to 12.9269 mills.

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

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

### **Administrative Summary**

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

The Government Finance Officers Association (GFOA) of the United States and Canada awarded the Certificate of Achievement for Excellence in Financial Reporting to the City for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2022. This is the 50<sup>th</sup> consecutive year that the City of Grosse Pointe Woods received this prestigious award. In fact, our City is the longest-standing recipient in GFOA's history.

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

November 13, 2023

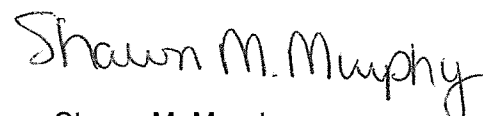
In 2022, GFOA awarded the City with a Popular Annual Financial Reporting Award (PAFR). This is the 10<sup>th</sup> consecutive year the City has received this award which is presented to local governments that successfully extract information from their Annual Comprehensive Financial Report (ACFR) and produce a high-quality report specifically designed to be readily accessible and easily understandable to the general public and others who do not have a background in public finance.

The City continues to maintain our well respected status and is proud to be labeled as one of the most desired areas to live in southeast Michigan. The challenge to the City is to continue to provide a multitude of public services, while complying with increased state regulations for accountability and transparency. Administration also remains confident that City Council and the employees possess the capability, foresight, and resolve necessary to successfully meet these challenges.

Sincerely,



Frank Schulte  
City Administrator



Shawn M. Murphy  
Treasurer/Comptroller



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Grosse Pointe Woods  
Michigan**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

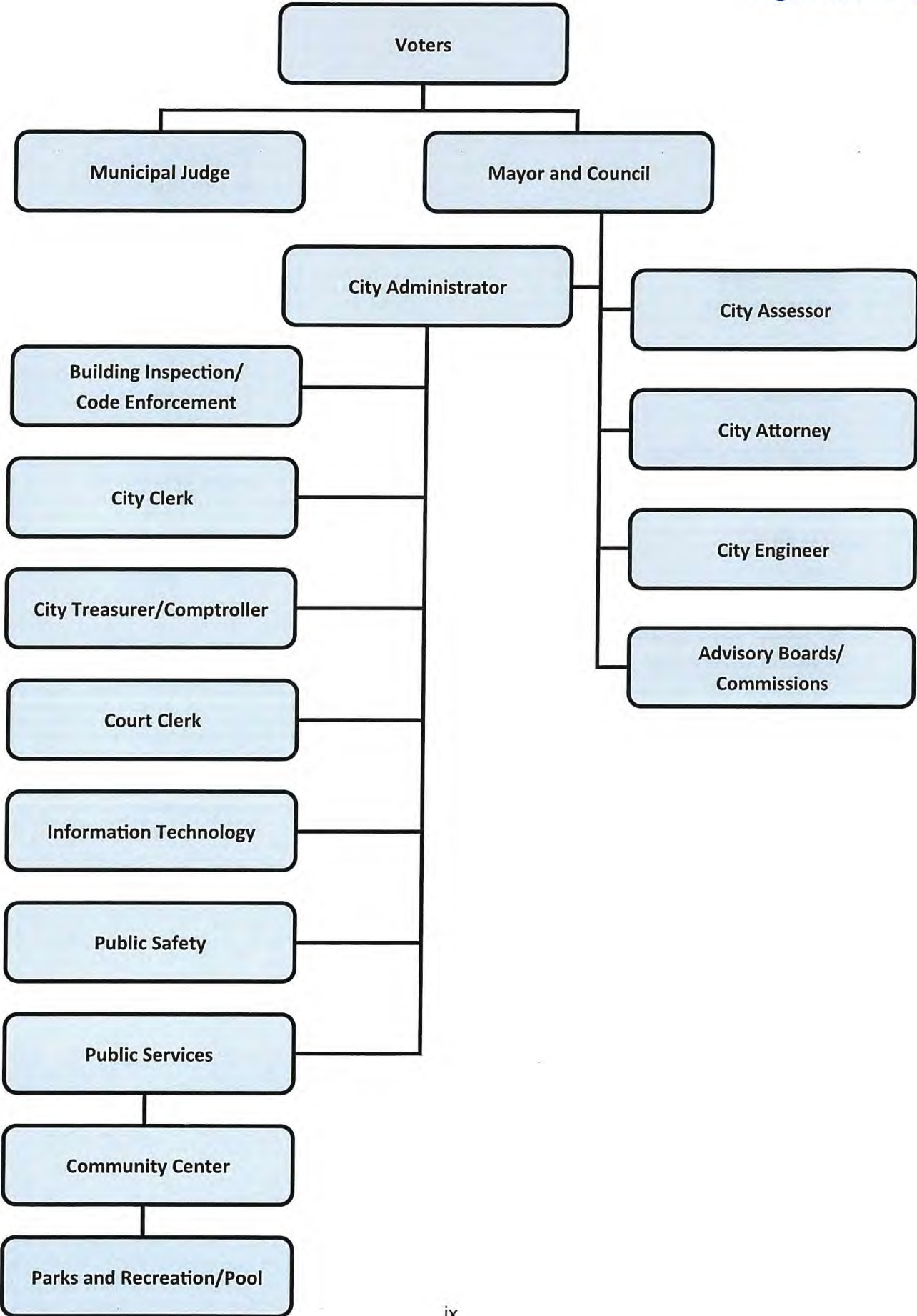
June 30, 2022

*Christopher P. Morill*

Executive Director/CEO

City of Grosse Pointe Woods, Michigan

Organizational Chart



## City of Grosse Pointe Woods, Michigan

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### List of Elected Officials

#### **Elected Officials**

Mayor

Arthur W Bryant

Council Member

Victoria A Granger

Council Member

Angela Coletti Brown

Council Member

Kenneth Gafa

Council Member

Michael Koester

Council Member

Todd A. McConaghy

Council Member

Thomas S. Vaughn

#### **Municipal Judge**

Municipal Judge

Theodore A. Metry

#### **Administrator's Office**

Administrator

Frank Schulte

#### **Clerk's Office**

Clerk

Paul P. Antolin

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

Treasurer/Comptroller

Shawn M. Murphy

#### **City Attorney**

City Attorney

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

City Attorney

York, Dolan & Tomlinson, P.C.




**Plante & Moran, PLLC**

1098 Woodward Avenue  
 Detroit, MI 48226-1906  
 Tel: 313.496.7200  
 Fax: 313.496.7201  
 plantemoran.com

## Independent Auditor's Report

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

### **Opinions**

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Grosse Pointe Woods, Michigan (the "City") as of and for the year ended June 30, 2023 and the related notes to the financial statements, which collectively comprise the City's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2023 and the respective changes in its financial position and, where applicable, its cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinions**

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

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

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

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

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

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

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

In performing an audit in accordance with GAAS, we:

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

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

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

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

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The other supplementary information, as identified in the table of contents, is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

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

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

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

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

*Plante & Moran, PLLC*

November 13, 2023



## City of Grosse Pointe Woods, Michigan

### Management's Discussion and Analysis

Our discussion and analysis of the City of Grosse Pointe Woods, Michigan's (the "City") financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2023. Please read it in conjunction with the City's financial statements.

#### **Financial Highlights**

The following represents the most significant financial highlights for the year ended June 30, 2023:

- Property taxes continue to be the City's largest source of revenue; slow but steady increases have been realized over the last several years. The City has had incremental increases, with a CPI of 5.0 percent (maximum allowed) for tax year 2023, up from 3.3 percent in tax year 2022. The general operating property tax revenue increased by approximately 3.4 percent from fiscal year 2021-2022.
- Revenue sharing from the State of Michigan remains our second largest revenue source. The City continues to meet all requirements of accountability and transparency with the State and received 100 percent of our state-shared revenue allocation in 2022-2023.
- The City remains vigilant with property maintenance enforcement to ensure properties are maintained. Maintaining property values and preventing decline through an effective property maintenance and rental inspection program is an important component of our overall financial plan and maintaining the quality of life within our community.
- Park improvements in the City included the renovation of Chene Trombley Park. The City received donations totaling \$195,000 for the purchase ADA compliant playground equipment that was installed in the new tot lot section of the park. The City also budgeted an additional \$382,000 for Chene Trombley Park renovations. These funds were used to construct a restroom and install a covered picnic area, new fencing, a walking path, new landscaping, and security cameras. The park improvements will be completed in the fall of 2023.
- Road repair and reconstruction continue to be priorities for the City. A major street project included in fiscal year 2022-2023 was the resurfacing of Hampton Road (from Mack to the east city limit). Project costs totaling \$660,000 were funded through transportation revenue from the State of Michigan (ACT 51) and prior year reserves. In addition, maintenance of city roads included asphalt patching, concrete maintenance, and sidewalk repair. Project costs totaling \$572,000 were funded through transportation revenue from the State of Michigan (ACT 51), a transfer from the General Fund balance, and prior year reserves.
- Maintaining and improving water and sewer infrastructure is a priority for the City. Projects included in fiscal year 2022-2023 are the Hampton Road sewer maintenance project (from Mack to the east city limit), sewer open cut repair, and cured-in-place pipe lining repair and maintenance. Project costs totaling \$1.2 million were funded from capital improvement revenue and water and sewer reserves.
- Replacement of the City's aging vehicles and equipment is a priority for the City. The City invested \$160,000 in vehicles and equipment during fiscal year 2022-2023. This included a John Deere compact utility tractor, a Turf Tiger riding mower, two John Deere Gators, and a Brush Bandit Wood Chipper.
- The City has realized an increase in its General Fund balance of approximately \$1.5 million exclusive of the Cable Franchise and Local Street funds. The increase in fund balance is a result of \$1.6 million in revenue received from the State and Local Fiscal Recovery Funds (SLFRF), established by the American Rescue Plan Act (ARPA) of 2021. The funds were allocated to governmental services, specifically for public safety wages.

#### **Using This Annual Report**

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



## City of Grosse Pointe Woods, Michigan

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

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

#### ***The City as a Whole***

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

#### **Summary Condensed Statement of Net Position**

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

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

The decrease in long-term liabilities was \$8.3 million; this is primarily due to the assumption changes related to the pension plan and pension benefit changes associated with the addition of an Employee Retention Option Plan (EROP), as discussed in Note 9. The City continues to make the required contributions to the pension plans. Market conditions and changes in the governmental accounting standards have changed the manner in which these liabilities are reported on the City's statement of net position.

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



## City of Grosse Pointe Woods, Michigan

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

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

#### Summary Condensed Statement of Changes in Net Position

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

#### *Governmental Activities*

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

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



## City of Grosse Pointe Woods, Michigan

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

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

#### *Business-type Activities*

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

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

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

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

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

An analysis of the City's major funds begins on page 13, following the government-wide financial statements. The fund financial statements provide detailed information about the most significant funds, not the City as a whole. The City Council created funds to help manage money for specific purposes and to show accountability for certain activities, such as special property tax millages. The City's major governmental funds for fiscal year 2022-2023 include the General Fund and the Grosse-Gratiot Drain Fund. Since the Local Street Fund and the Cable Franchise Fund receive the majority of their revenue from unrestricted sources, they can no longer be classified as special revenue funds. Therefore, they are included in the General Fund. The City's major business-type funds are the Water and Sewer Fund and the Parking Utility Fund.

#### **General Fund**

The General Fund pays for most of the City's governmental services. The two largest services funded by the General Fund are public safety (combined police and fire services) and public works, which account for approximately \$9.8 million in expenses. The parks and recreation department accounted for \$1.9 million in expenses, with this department of the City being primarily funded through tax revenue and user fees.

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

In fiscal year 2022-2023, the General Fund's fund balance increased by \$1.3 million. The increase is primarily due to revenue received from State and Local Fiscal Recovery Funds, established by the American Rescue Plan Act of 2021. In addition, there were increases in revenue related to charges for services, property taxes, and investment earnings.

The City's General Fund year-end fund balance is approximately \$8.9 million; \$1.7 million is committed, assigned, or nonspendable, leaving \$7.2 million unassigned. The unassigned amount represents approximately 47 percent of fiscal year 2022-2023 actual expenditures. This level of fund balance is above the recommended level of between 10 percent and 15 percent of annual expenditures; however, the City strives to maintain a cash surplus sufficient to maintain superior city services and retain a favorable bond rating.



## City of Grosse Pointe Woods, Michigan

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

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

The Grosse-Gratiot Drain Fund is used to accumulate resources for payment of operations and maintenance costs, as well as the Grosse-Gratiot Drain improvements financed by issuance of debt. The Milk River Intercounty Drain Drainage Board has issued debt in the amount of \$40 million for system updates and improvements. The City is responsible for 51.28 percent of the first debt issuance and 35.89 percent of the second debt issuance that was issued for cost overruns. As of June 30, 2023, the project is 99 percent completed.

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

The Grosse-Gratiot Drain Fund's fund balance decreased by \$501,805; its fund balance at year end is \$447,870. This will be used to fund operations and maintenance, as well as future principal and interest payments.

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

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

Water and sewer rates remained constant with fiscal year 2021-2022. These fees cover the expenses imposed by the Great Lakes Water Authority; Wayne County, Michigan; city billing staff; and city operations and maintenance staff, and infrastructure improvements are financed by issuance of debt and the use of reserves.

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

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

The City experienced a 5.0 percent increase in taxable value in fiscal year 2022-2023, resulting in a modest increase in property tax revenue. The City Council and administration review expenditures to determine if appropriate funding levels from property taxes and revenue sharing will adequately cover expenditures. Revenue exceeded expenditures for fiscal year 2022-2023 by approximately \$1.5 million. The increase in revenue is related to the revenue received from the State and Local Fiscal Recovery Funds, property taxes, state-shared revenue, and charges for service.

#### **Local Street Activity**

The Local Street Fund accounts for the maintenance and replacement of all local streets within the City. The City has approximately 42 miles of local streets within our municipal boundaries. The primary source of financing for this fund is provided by distribution of gas tax proceeds from the State under Public Act 51, with the City receiving just over \$536,000 in fiscal year 2022-2023. In addition, the City received \$46,400 from the State for PA 248 funding. The Local Street Fund additionally receives a small amount of its revenue from interest on investments.

The Local Street Fund's fund balance decreased by \$179,347. The Local Street Fund's fund balance at June 30, 2023 is \$819,001. For reporting purposes, this fund balance has been classified as committed and rolled into the General Fund.

#### **Cable Franchise Activity**

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

The Cable Franchise Fund's fund balance increased to \$538,108 primarily as a result of annual interest earnings and is reported in the General Fund as assigned.



## City of Grosse Pointe Woods, Michigan

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

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

General obligation debt for the City in fiscal year 2022-2023 includes the 2015 Road Construction Bonds, the 2017 Road Construction Bonds, and the 2018 Capital Improvement Bonds utilized to fund municipal infrastructure needs throughout various city-owned buildings and properties. These general obligation bonds are secured by an issuing government's pledge to use all available resources to repay holders of the bond, and they are backed by the full faith and credit of the City of Grosse Pointe Woods, Michigan as the issuing authority. Fiscal year 2022-2023 ended with general obligation debt of \$5.62 million in outstanding principal.

The City added an installment loan for the new E One Fire Apparatus that was purchased in fiscal year 2020-2021. The City financed \$500,000 over five years of the \$1 million purchase. Overall, the City's debt remains low, with combined governmental long-term debt at \$23 million, with \$17.22 million directly attributed to the Milk River Drainage Project. Detailed information on the City's debt can be found in the statistical section of this report in the debt capacity and direct and overlapping debt schedules. For more information regarding the activity of capital assets and debt, please refer to Notes 4 and 7, respectively.

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

Property tax values increased pursuant to the Consumer Price Index (CPI) by 5 percent and realized an overall increase of 5.2 percent in fiscal year 2022-2023. The overall increase is inclusive of all taxable value additions and losses calculated into this final percentage. This resulted in an increase in property tax revenue of approximately \$235,000 in fiscal year 2022-2023. The City remains hopeful that the rebound from the 2007 decline in taxable values continues. Prudent fiscal management continues to be a top priority, as the City continues to implement cost-saving measures, including reducing discretionary spending, evaluating and prioritizing capital projects, and working to establish partnerships with other agencies.

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

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

## City of Grosse Pointe Woods, Michigan

## Statement of Net Position

June 30, 2023

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



## City of Grosse Pointe Woods, Michigan

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

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**Statement of Activities**


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**Year Ended June 30, 2023**

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



## City of Grosse Pointe Woods, Michigan

Governmental Funds  
Balance Sheet

June 30, 2023

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

## City of Grosse Pointe Woods, Michigan

### Governmental Funds

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

**June 30, 2023**

|                                                                                                                                                                                          |                      |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|
| <b>Fund Balances Reported in Governmental Funds</b>                                                                                                                                      | <b>\$ 12,826,183</b> |
| Amounts reported for governmental activities in the statement of net position are different because:                                                                                     |                      |
| Capital assets used in governmental activities are not financial resources and are not reported in the funds                                                                             | 59,370,293           |
| Receivables that are not collected soon after year end are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds         | 173,126              |
| Investments in joint ventures are not financial resources and are not reported in the funds                                                                                              | 68,888               |
| Bonds payable and lease liabilities are not due and payable in the current period and are not reported in the funds                                                                      | (22,837,955)         |
| Accrued interest is not due and payable in the current period and is not reported in the funds                                                                                           | (141,144)            |
| Some employee fringe benefits are payable over a long period of years and do not represent a claim on current financial resources; therefore, they are not reported as fund liabilities: |                      |
| Employee compensated absences                                                                                                                                                            | (982,586)            |
| Pension benefits                                                                                                                                                                         | (28,195,833)         |
| Retiree health care benefits (OPEB)                                                                                                                                                      | (22,685,843)         |
| Internal service funds are included as part of governmental activities                                                                                                                   | 2,419,331            |
| <b>Net Position of Governmental Activities</b>                                                                                                                                           | <b>\$ 14,460</b>     |

## City of Grosse Pointe Woods, Michigan

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

Year Ended June 30, 2023

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



## City of Grosse Pointe Woods, Michigan

### Governmental Funds

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

Year Ended June 30, 2023

|                                                                                                                                                                                                |                     |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| <b>Net Change in Fund Balances Reported in Governmental Funds</b>                                                                                                                              | <b>\$ 1,749,159</b> |
| Amounts reported for governmental activities in the statement of activities are different because:                                                                                             |                     |
| Governmental funds report capital outlays as expenditures; however, in the statement of activities, these costs are allocated over their estimated useful lives as depreciation:               |                     |
| Depreciation expense                                                                                                                                                                           | (2,766,505)         |
| Capital outlay                                                                                                                                                                                 | 1,464,697           |
| Revenue in the statement of activities that does not provide current financial resources is not reported as revenue in the funds until it is available                                         | 26,217              |
| Repayment of bond principal is an expenditure in the governmental funds but not in the statement of activities (where it reduces long-term debt)                                               | 2,114,916           |
| Interest expense is recognized in the government-wide statements as it accrues                                                                                                                 | 15,193              |
| Some employee costs (pension, OPEB, and compensated absences) do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds | 6,191,606           |
| Change in investment in a joint Grosse Pointes-Clinton Refuse Disposal Authority is not recorded in the funds                                                                                  | 3,169               |
| Internal service funds are included as part of governmental activities                                                                                                                         | (7,888)             |
| <b>Change in Net Position of Governmental Activities</b>                                                                                                                                       | <b>\$ 8,790,564</b> |



# City of Grosse Pointe Woods, Michigan

## Proprietary Funds Statement of Net Position

June 30, 2023

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

## City of Grosse Pointe Woods, Michigan

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

Year Ended June 30, 2023

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



## City of Grosse Pointe Woods, Michigan

### Proprietary Funds Statement of Cash Flows

Year Ended June 30, 2023

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

## City of Grosse Pointe Woods, Michigan

Proprietary Funds  
Statement of Cash Flows (Continued)

Year Ended June 30, 2023

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



## City of Grosse Pointe Woods, Michigan

### Fiduciary Funds Statement of Fiduciary Net Position

June 30, 2023

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

## City of Grosse Pointe Woods, Michigan

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

Year Ended June 30, 2023

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



## City of Grosse Pointe Woods, Michigan

### Notes to Financial Statements

June 30, 2023

#### Note 1 - Significant Accounting Policies

##### ***Reporting Entity***

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

##### ***Fiduciary Component Units***

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

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

##### ***Accounting and Reporting Principles***

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

##### ***Report Presentation***

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

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

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds, if any, are reported as separate columns in the fund financial statements.



## City of Grosse Pointe Woods, Michigan

### Notes to Financial Statements

June 30, 2023

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

##### ***Basis of Accounting***

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

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

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

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

##### ***Fund Accounting***

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

##### **Governmental Funds**

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

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

##### **Proprietary Funds**

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

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



## City of Grosse Pointe Woods, Michigan

### Notes to Financial Statements

June 30, 2023

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

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

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

#### Fiduciary Funds

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

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

#### Interfund Activity

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

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

#### ***Specific Balances and Transactions***

##### Cash and Investments

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

##### Prepaid Items

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



## City of Grosse Pointe Woods, Michigan

## Notes to Financial Statements

June 30, 2023

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

#### Restricted Assets

The revenue bonds of the Water and Sewer Fund require amounts to be set aside for debt service. These amounts have been classified as restricted assets. The balance of the restricted asset account for revenue bond restriction for debt payments is \$198,090 at June 30, 2023. These amounts have also been classified as restricted net position.

#### Capital Assets

Capital assets, which include property, plant, equipment, intangible assets, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the City as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

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

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

#### Long-term Obligations

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

#### Deferred Outflows/Inflows of Resources

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

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



## City of Grosse Pointe Woods, Michigan

## Notes to Financial Statements

June 30, 2023

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

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

|                                                                                                                              | Inflows | Outflows |
|------------------------------------------------------------------------------------------------------------------------------|---------|----------|
| Unavailable revenue (those not collected within the period of availability) -<br>Reported only at the modified accrual level | ✓       |          |
| Deferred pension costs (or cost reductions)                                                                                  | ✓       | ✓        |
| Deferred OPEB costs (or cost reductions)                                                                                     |         | ✓        |
| Deferred lease revenue                                                                                                       | ✓       |          |

#### **Net Position**

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

#### **Net Position Flow Assumption**

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

#### **Fund Balance Flow Assumptions**

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

#### **Fund Balance Policies**

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

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



## City of Grosse Pointe Woods, Michigan

### Notes to Financial Statements

June 30, 2023

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

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

##### Property Tax Revenue

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

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

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

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

##### Pension

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

##### Other Postemployment Benefit Costs

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



## City of Grosse Pointe Woods, Michigan

### Notes to Financial Statements

June 30, 2023

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

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

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

##### Proprietary Funds Operating Classification

Proprietary funds distinguish operating revenue and expenses from nonoperating items. Operating revenue and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of proprietary funds is charges to customers for sales or services. In addition, the Water and Sewer Fund recognizes the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for these funds include the cost of sales or services and administrative expenses and may include depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenue and expenses.

##### Use of Estimates

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

##### Leases

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

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

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

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

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



## City of Grosse Pointe Woods, Michigan

## Notes to Financial Statements

June 30, 2023

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

#### *Upcoming Accounting Pronouncements*

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

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

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

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

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

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

#### *Construction Code Fees*

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

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

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

### Note 3 - Deposits and Investments

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



## City of Grosse Pointe Woods, Michigan

### Notes to Financial Statements

June 30, 2023

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

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

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

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

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

Custodial credit risk is the risk that, in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk. At year end, the City had bank deposits of \$4,009,445 (certificates of deposit and checking and savings accounts) that were uninsured and uncollateralized. The City believes that, due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits.

##### **Interest Rate Risk**

Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. The City's investment policy minimizes interest rate risk by restricting investment maturities to securities maturing three years or less from the date of purchase, unless matched to a specific cash flow requirement. However, the repurchase agreements may be collateralized using longer-dated investments not to exceed 30 years to maturity. Additionally, no more than 40 percent of the City's total investment portfolio, as of June 30 of the preceding year, shall be placed in securities maturing in more than 3 years.

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

| Primary Government                     |  | Carrying Value      | 0-5 Years |                  |                    |
|----------------------------------------|--|---------------------|-----------|------------------|--------------------|
| Municipal bonds                        |  | \$ 247,020          | \$        | 247,020          |                    |
| Federal Home Loan Mortgage Corporation |  | 2,722,065           |           | 2,722,065        |                    |
| Federal National Mortgage Association  |  | 231,162             |           | 231,162          |                    |
| Federal Home Loan Bank                 |  | 2,608,840           |           | 2,608,840        |                    |
| Federal Farm Credit Bank               |  | 3,273,511           |           | 3,273,511        |                    |
| Total                                  |  | <u>\$ 9,082,598</u> | <u>\$</u> | <u>9,082,598</u> |                    |
| Fiduciary Funds                        |  | Carrying Value      | 0-5 Years | 5-15 Years       | More Than 15 Years |
| Commercial bond funds                  |  | \$ 7,684,765        | \$ -      | \$ 7,684,765     | \$ -               |

## City of Grosse Pointe Woods, Michigan

### Notes to Financial Statements

June 30, 2023

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

##### *Credit Risk*

State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations. The City has no investment policy that would further limit its investment choices. As of June 30, 2023, the credit quality ratings of debt securities (other than the U.S. government) are as follows:

| Investment                                    | Carrying Value | Rating | Rating Organization |
|-----------------------------------------------|----------------|--------|---------------------|
| <b>Primary Government</b>                     |                |        |                     |
| Federal Home Loan Mortgage Corporation        | \$ 2,722,065   | AAA    | Moody's             |
| Federal National Mortgage Association - Fixed | 231,162        | AAA    | Moody's             |
| Federal Home Loan Bank - Fixed                | 2,608,840      | AAA    | Moody's             |
| Federal Farm Credit Bank                      | 3,273,511      | AAA    | Moody's             |
| Municipal bonds                               | 247,020        | AAA    | Moody's             |

| Investment             | Carrying Value | Rating    | Rating Organization |
|------------------------|----------------|-----------|---------------------|
| <b>Fiduciary Funds</b> |                |           |                     |
| Commercial bond funds  | \$ 7,684,765   | Not rated | N/A                 |

##### *Concentration of Credit Risk*

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

| Primary Government       | Percent |
|--------------------------|---------|
| Federal Home Loan Bank   | 25.68 % |
| Federal Farm Credit Bank | 32.23   |
| Fiduciary Funds          | Percent |
| iShares                  | 34.64 % |
| Vanguard Small Cap       | 6.61    |

##### *Fair Value Measurements*

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

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



## City of Grosse Pointe Woods, Michigan

## Notes to Financial Statements

June 30, 2023

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

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

|                                    | Assets Measured at Carrying Value on a Recurring Basis at<br>June 30, 2023 |                                                        |                                                    |                             |
|------------------------------------|----------------------------------------------------------------------------|--------------------------------------------------------|----------------------------------------------------|-----------------------------|
|                                    | Quoted Prices in<br>Active Markets<br>for Identical<br>Assets<br>(Level 1) | Significant Other<br>Observable<br>Inputs<br>(Level 2) | Significant<br>Unobservable<br>Inputs<br>(Level 3) | Balance at<br>June 30, 2023 |
| Debt securities - Bond funds       | \$ 7,684,765                                                               | \$ -                                                   | \$ -                                               | \$ 7,684,765                |
| Equity securities:                 |                                                                            |                                                        |                                                    |                             |
| Money market funds                 | 528,398                                                                    | -                                                      | -                                                  | 528,398                     |
| Equity funds                       | 36,567,892                                                                 | -                                                      | -                                                  | 36,567,892                  |
| Total equity securities            | 37,096,290                                                                 | -                                                      | -                                                  | 37,096,290                  |
| Governmental securities:           |                                                                            |                                                        |                                                    |                             |
| U.S. governmental bonds            | -                                                                          | 8,835,578                                              | -                                                  | 8,835,578                   |
| Municipal bonds                    | -                                                                          | 247,020                                                | -                                                  | 247,020                     |
| Total governmental<br>securities   | -                                                                          | 9,082,598                                              | -                                                  | 9,082,598                   |
| Total investments by fair<br>value | \$ 44,781,055                                                              | \$ 9,082,598                                           | \$ -                                               | \$ 53,863,653               |

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

The fair value of governmental securities and certificates of deposit at June 30, 2023 was determined primarily based on Level 2 inputs. The City estimates the fair value of these investments using other inputs, such as interest rates and yield curves, that are observable at commonly quoted intervals.

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

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

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

At June 30, 2023, the fair value of those investments is as follows:

|                 | Carrying Value |
|-----------------|----------------|
| Comerica J Fund | \$ 387,472     |

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

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



## City of Grosse Pointe Woods, Michigan

## Notes to Financial Statements

June 30, 2023

**Note 4 - Capital Assets**

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

**Governmental Activities**

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

**Business-type Activities**

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

## City of Grosse Pointe Woods, Michigan

### Notes to Financial Statements

June 30, 2023

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

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

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

#### Construction Commitments

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

#### Note 5 - Leases

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

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

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

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

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

#### Note 6 - Interfund Receivables, Payables, and Transfers

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

| Fund Borrowed From | Fund Loaned To              | Amount    |
|--------------------|-----------------------------|-----------|
| General Fund       | Nonmajor governmental funds | \$ 51,979 |

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

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

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



## City of Grosse Pointe Woods, Michigan

## Notes to Financial Statements

June 30, 2023

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

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

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

| Paying Fund (Transfer Out) | Receiving Fund (Transfer In) | Amount     |
|----------------------------|------------------------------|------------|
| General Fund               | Nonmajor governmental funds  | \$ 704,739 |

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

**Note 7 - Long-term Debt**

Long-term debt activity for the year ended June 30, 2023 can be summarized as follows:

**Governmental Activities**

|                                                                                                                         | Interest Rate<br>Ranges | Principal<br>Maturity<br>Ranges                   | Beginning<br>Balance | Additions           | Reductions            | Ending<br>Balance    | Due within<br>One Year |
|-------------------------------------------------------------------------------------------------------------------------|-------------------------|---------------------------------------------------|----------------------|---------------------|-----------------------|----------------------|------------------------|
| Bonds and contracts payable:                                                                                            |                         |                                                   |                      |                     |                       |                      |                        |
| Direct borrowings and direct placements:                                                                                |                         |                                                   |                      |                     |                       |                      |                        |
| State Revolving Fund, Series 5446-01<br>- Maturing through 2039                                                         | 2.5%                    | \$799,968 -<br>\$1,164,057                        | \$ 16,322,425        | \$ -                | \$ (779,456)          | \$ 15,542,969        | \$ 799,968             |
| State Revolving Fund, Series 5446-02<br>- Maturing through 2041                                                         | 1.875%                  | \$69,986 -<br>\$95,109<br>\$99,963 -<br>\$101,893 | 1,545,064            | -                   | (68,191)              | 1,476,873            | 69,986                 |
| Installment loan - Fire truck                                                                                           |                         |                                                   | 201,856              | -                   | -                     | 201,856              | 99,963                 |
| Total direct borrowings and direct<br>placements principal<br>outstanding                                               |                         |                                                   | 18,069,345           | -                   | (847,647)             | 17,221,698           | 969,917                |
| Other debt                                                                                                              |                         |                                                   |                      |                     |                       |                      |                        |
| General obligation bonds - 2015<br>Road Construction bonds:<br>Amount of issue - \$6,600,000<br>Maturing through 2025   |                         |                                                   |                      |                     |                       |                      |                        |
|                                                                                                                         | 2.00%-4.00%             | \$1,000,000                                       | 2,750,000            | -                   | (750,000)             | 2,000,000            | 1,000,000              |
| General obligation bonds - 2017 Road<br>Construction bonds:<br>Amount of issue - \$2,875,000<br>Maturing through 2028   |                         |                                                   |                      |                     |                       |                      |                        |
|                                                                                                                         | 2.36%                   | \$320,000 -<br>\$345,000                          | 1,975,000            | -                   | (310,000)             | 1,665,000            | 320,000                |
| General obligation bonds - 2018<br>Capital Improvement bonds:<br>Amount of issue - \$2,500,000<br>Maturing through 2033 |                         |                                                   |                      |                     |                       |                      |                        |
|                                                                                                                         | 3.5%                    | \$150,000 -<br>\$210,000                          | 2,095,000            | -                   | (145,000)             | 1,950,000            | 150,000                |
| Total other debt principal<br>outstanding                                                                               |                         |                                                   | 6,820,000            | -                   | (1,205,000)           | 5,615,000            | 1,470,000              |
| Unamortized bond premiums                                                                                               |                         |                                                   | 265,382              | -                   | (62,269)              | 203,113              | 62,269                 |
| Total bonds and contracts<br>payable                                                                                    |                         |                                                   | 25,154,727           | -                   | (2,114,916)           | 23,039,811           | 2,502,186              |
| Employee compensated absences                                                                                           |                         |                                                   | 1,011,092            | 779,177             | (773,191)             | 1,017,078            | 777,768                |
| Estimated liability for workers' compensation<br>and health claims (Note 16)                                            |                         |                                                   | 127,046              | 1,896,377           | (1,566,657)           | 456,766              | 456,766                |
| Total governmental activities<br>long-term debt                                                                         |                         |                                                   | <u>\$ 26,292,865</u> | <u>\$ 2,675,554</u> | <u>\$ (4,454,764)</u> | <u>\$ 24,513,655</u> | <u>\$ 3,736,720</u>    |



## City of Grosse Pointe Woods, Michigan

## Notes to Financial Statements

June 30, 2023

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

#### Business-type Activities

|                                                                           | Interest Rate<br>Ranges | Principal<br>Maturity<br>Ranges | Beginning<br>Balance | Additions         | Reductions            | Ending<br>Balance   | Due within<br>One Year |
|---------------------------------------------------------------------------|-------------------------|---------------------------------|----------------------|-------------------|-----------------------|---------------------|------------------------|
| Bonds and contracts payable:                                              |                         |                                 |                      |                   |                       |                     |                        |
| Direct borrowings and direct placements:                                  |                         |                                 |                      |                   |                       |                     |                        |
| 2010 Drinking Water Revolving Fund Bond -7301-01:                         |                         |                                 |                      |                   |                       |                     |                        |
| Amount of issue - \$2,095,606                                             |                         | \$110,000 -                     |                      |                   |                       |                     |                        |
| Maturing through 2030                                                     | 2.5%                    | \$130,606                       | \$ 955,606           | \$ -              | \$ (110,000)          | \$ 845,606          | \$ 110,000             |
| 2010 Drinking Water Revolving Fund - 7332-01:                             |                         |                                 |                      |                   |                       |                     |                        |
| Amount of issue - \$3,531,192                                             |                         | \$185,000 -                     |                      |                   |                       |                     |                        |
| Maturing through 2029                                                     | 2.5%                    | \$221,393                       | 2,016,393            | -                 | (180,000)             | 1,836,393           | 185,000                |
| 2012 State Revolving Fund Bond - 5365-01:                                 |                         |                                 |                      |                   |                       |                     |                        |
| Amount of issue - \$2,922,065                                             |                         | \$140,000 -                     |                      |                   |                       |                     |                        |
| Maturing through 2033                                                     | 2.5%                    | \$177,065                       | 1,867,065            | -                 | (135,000)             | 1,732,065           | 140,000                |
| Total direct borrowings and direct placements principal outstanding       |                         |                                 | 4,839,064            | -                 | (425,000)             | 4,414,064           | 435,000                |
| Other debt - 2013 Revenue Refunding Bond:                                 |                         |                                 |                      |                   |                       |                     |                        |
| Amount of refunding - \$3,190,000                                         |                         |                                 | 415,000              | -                 | (415,000)             | -                   | -                      |
| Maturing through 2023                                                     |                         |                                 | 28,269               | -                 | (28,269)              | -                   | -                      |
| Unamortized bond premiums                                                 |                         |                                 |                      |                   |                       |                     |                        |
| Total bonds and contracts payable                                         |                         |                                 | 5,282,333            | -                 | (868,269)             | 4,414,064           | 435,000                |
| Employee compensated absences                                             |                         |                                 | 71,722               | 51,685            | (47,488)              | 75,919              | 50,267                 |
| Estimated liability for workers' compensation and health claims (Note 16) |                         |                                 | 1,471                | 167,423           | (147,293)             | 21,601              | 21,601                 |
| Total business-type activities long-term debt                             |                         |                                 | <u>\$ 5,355,526</u>  | <u>\$ 219,108</u> | <u>\$ (1,063,050)</u> | <u>\$ 4,511,584</u> | <u>\$ 506,868</u>      |

#### General Obligation Bonds and Contracts

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

#### Other Long-term Liabilities

For the governmental activities, claims and judgments and compensated absences are generally liquidated by the General Fund related to employee salaries and fringes. Additionally, for the business-type activities, claims and judgments and compensated absences are generally liquidated by the Water and Sewer Fund for employee salaries and fringes. Net pension obligations and net OPEB obligations typically are paid from the funds from which the individual employee's salaries and wages are paid, which are mainly the General Fund, the Major Street Fund, the Water and Sewer Fund, and the Parking Utility Fund.

## City of Grosse Pointe Woods, Michigan

## Notes to Financial Statements

June 30, 2023

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

#### Debt Service Requirements to Maturity

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

| Years Ending<br>June 30 | Governmental Activities                    |                     |                     |                   |                      |
|-------------------------|--------------------------------------------|---------------------|---------------------|-------------------|----------------------|
|                         | Direct Borrowings and Direct<br>Placements |                     | Other Debt          |                   | Total                |
|                         | Principal                                  | Interest            | Principal           | Interest          |                      |
| 2024                    | \$ 969,917                                 | \$ 378,855          | \$ 1,470,000        | \$ 128,916        | \$ 2,947,688         |
| 2025                    | 994,153                                    | 355,615             | 1,480,000           | 96,088            | 2,925,856            |
| 2026                    | 912,772                                    | 331,790             | 495,000             | 72,925            | 1,812,487            |
| 2027                    | 935,079                                    | 309,419             | 505,000             | 60,052            | 1,809,550            |
| 2028                    | 959,949                                    | 286,503             | 515,000             | 46,898            | 1,808,350            |
| 2029-2033               | 5,165,625                                  | 1,067,782           | 940,000             | 121,275           | 7,294,682            |
| Thereafter              | 7,284,203                                  | 400,258             | 210,000             | 3,675             | 7,898,136            |
| Total                   | <u>\$ 17,221,698</u>                       | <u>\$ 3,130,222</u> | <u>\$ 5,615,000</u> | <u>\$ 529,829</u> | <u>\$ 26,496,749</u> |
|                         | Business-type Activities                   |                     |                     |                   |                      |
|                         | Direct Borrowings and Direct<br>Placements |                     |                     |                   |                      |
| Years Ending<br>June 30 | Principal                                  | Interest            | Total               |                   |                      |
| 2024                    | \$ 435,000                                 | \$ 108,604          | \$ 543,604          |                   |                      |
| 2025                    | 445,000                                    | 97,729              | 542,729             |                   |                      |
| 2026                    | 460,000                                    | 86,542              | 546,542             |                   |                      |
| 2027                    | 470,000                                    | 74,979              | 544,979             |                   |                      |
| 2028                    | 485,000                                    | 63,167              | 548,167             |                   |                      |
| 2029-2033               | 1,941,999                                  | 139,120             | 2,081,119           |                   |                      |
| Thereafter              | 177,065                                    | 2,213               | 179,278             |                   |                      |
| Total                   | <u>\$ 4,414,064</u>                        | <u>\$ 572,354</u>   | <u>\$ 4,986,418</u> |                   |                      |

### Note 8 - Milk River Drainage District

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



## City of Grosse Pointe Woods, Michigan

### Notes to Financial Statements

June 30, 2023

#### Note 9 - Defined Benefit Pension Plans

##### *Plan Description*

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

The financial statements of each pension system are included in these financial statements as a pension and other employee benefit trust fund (a fiduciary fund). There are no separately available financial statements for the pension systems.

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

##### *Benefits Provided*

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

##### *Employees Covered by Benefit Terms*

The following members were covered by the benefit terms:

|                                                                     | City of Grosse<br>Pointe Woods<br>Pension Plan | City of Grosse<br>Pointe Woods<br>Pension Plan<br>Supplemental<br>Annuity |
|---------------------------------------------------------------------|------------------------------------------------|---------------------------------------------------------------------------|
| Date of member count                                                | June 30, 2023                                  | June 30, 2023                                                             |
| Inactive plan members or beneficiaries currently receiving benefits | 108                                            | 60                                                                        |
| Inactive plan members entitled to but not yet receiving benefits    | 12                                             | -                                                                         |
| Active plan members                                                 | 76                                             | 47                                                                        |
| Total employees covered by the plan                                 | <u>196</u>                                     | <u>107</u>                                                                |

##### *Contributions*

State law requires public employers to make pension contributions in accordance with an actuarial valuation. The City hires an independent actuary for this purpose and annually contributes the amount determined to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Employees are required to make pension contributions based on the City's collective bargaining units. The City's required contribution is determined after consideration of the required contribution rate of employees. For the year ended June 30, 2023, the average active employee contribution rate was 5.5 percent and 0.0 percent of covered payroll, and the City's contribution rate was 37.77 percent and 11.83 percent of covered payroll for the various employee groups for the Pension Plan and the Supplemental Annuity, respectively.



## City of Grosse Pointe Woods, Michigan

## Notes to Financial Statements

June 30, 2023

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

#### Net Pension Liability

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

|                                                            | City of Grosse<br>Pointe Woods<br>Pension Plan | City of Grosse<br>Pointe Woods<br>Pension Plan<br>Supplemental<br>Annuity |
|------------------------------------------------------------|------------------------------------------------|---------------------------------------------------------------------------|
| Measurement date used for the City's net pension liability | June 30, 2023                                  | June 30, 2023                                                             |

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

#### City of Grosse Pointe Woods Pension Plan

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

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

## City of Grosse Pointe Woods, Michigan

## Notes to Financial Statements

June 30, 2023

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

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

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

The plan's fiduciary net position represents 64.66 percent of the total pension liability.

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

For the year ended June 30, 2023, the City Council recognized pension recovery of \$4,277,184 from the Pension Plan and pension expense of \$138,284 from the Supplemental Annuity.

At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to the Pension Plan from the following sources:

|                                                                                  | Deferred Outflows of Resources | Deferred Inflows of Resources |
|----------------------------------------------------------------------------------|--------------------------------|-------------------------------|
| Difference between expected and actual experience                                | \$ 537,190                     | \$ (370,171)                  |
| Changes in assumptions                                                           | -                              | (8,611,886)                   |
| Net difference between projected and actual earnings on pension plan investments | 1,813,890                      | -                             |
| <b>Total</b>                                                                     | <b>\$ 2,351,080</b>            | <b>\$ (8,982,057)</b>         |

At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to the Supplemental Annuity from the following sources:

|                                                                                  | Deferred Outflows of Resources | Deferred Inflows of Resources |
|----------------------------------------------------------------------------------|--------------------------------|-------------------------------|
| Difference between expected and actual experience                                | \$ 39,903                      | \$ (25,385)                   |
| Changes in assumptions                                                           | 37,903                         | (19,908)                      |
| Net difference between projected and actual earnings on pension plan investments | 118,857                        | -                             |
| <b>Total</b>                                                                     | <b>\$ 196,663</b>              | <b>\$ (45,293)</b>            |



## City of Grosse Pointe Woods, Michigan

## Notes to Financial Statements

June 30, 2023

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

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

| Years Ending<br>June 30 | Pension Plan   | Supplemental<br>Annuity |
|-------------------------|----------------|-------------------------|
| 2024                    | \$ (4,977,626) | \$ 19,047               |
| 2025                    | (2,076,278)    | 16,008                  |
| 2026                    | 648,163        | 114,792                 |
| 2027                    | (225,236)      | 1,523                   |
| Total                   | \$ (6,630,977) | \$ 151,370              |

#### Actuarial Assumptions

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

|                                                           | City of Grosse Pointe Woods<br>Pension Plan              | City of Grosse Pointe Woods<br>Pension Plan Supplemental<br>Annuity |
|-----------------------------------------------------------|----------------------------------------------------------|---------------------------------------------------------------------|
| Inflation                                                 | 2.5%                                                     | 2.5%                                                                |
| Salary increases (including inflation)                    | 3.5% - 7.3%                                              | 3.5% - 7.3%                                                         |
| Investment rate of return (net of<br>investment expenses) | 7.4%                                                     | 7.4%                                                                |
| Mortality rates                                           | PubS-2010 and PubG-2010<br>Mortality Tables with MP-2018 | PubS-2010 and PubG-2010<br>Mortality Tables with MP-2018            |

#### Discount Rate

The discount rate used to measure the total pension liability of the City of Grosse Pointe Woods Pension Plan and City of Grosse Pointe Woods Pension Plan Supplemental Annuity was 7.35 and 7.40 percent, respectively. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that city contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate.

Based on those assumptions, the pension plans' fiduciary net position was not projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate incorporates a municipal bond rate, which was 4.13 percent. The source of that bond rate was the S&P Municipal Bond 20 Year High Grade Rate Index as of June 30, 2023. The long-term expected rate of return was applied to projected benefit payments for the periods in which the plan maintains a positive fiduciary net position: from June 30, 2023 through July 1, 2086 and from June 30, 2023 through July 1, 2113 for the City of Grosse Pointe Woods Pension Plan and City of Grosse Pointe Woods Pension Plan Supplemental Annuity, respectively.

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



## City of Grosse Pointe Woods, Michigan

### Notes to Financial Statements

June 30, 2023

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

##### *Investment Rate of Return*

Best estimates of geometric real rates of return as of the June 30, 2023 measurement date for each major asset class included in the pension plan's target asset allocation, as disclosed in the investment footnote, for both the City of Grosse Pointe Woods Pension Plan and City of Grosse Pointe Woods Pension Plan Supplemental Annuity are summarized in the following table:

| Asset Class                       | Target Allocation | Long-term<br>Expected Real<br>Rate of Return |
|-----------------------------------|-------------------|----------------------------------------------|
| U.S. large-cap equity             | 30.00 %           | 4.15 %                                       |
| U.S. mid-cap equity               | 5.00              | 4.44                                         |
| U.S. small-cap equity             | 7.00              | 6.22                                         |
| International developed equity    | 10.00             | 6.22                                         |
| International developed small cap | 5.00              | 5.93                                         |
| International emerging markets    | 10.00             | 7.11                                         |
| U.S. core bonds                   | 10.00             | 2.37                                         |
| Public real estate (REITS)        | 3.00              | 4.15                                         |
| High-yield bonds                  | 10.00             | 6.22                                         |
| Energy/MLPs                       | 3.00              | 5.93                                         |
| Liquid diversifying strategies    | 7.00              | 2.96                                         |

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

The following presents the net pension liability of the City, calculated using the current discount rate, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.35 and 6.40 percent for the Pension Plan and Supplemental Annuity, respectively) or 1 percentage point higher (8.35 and 8.40 percent for the Pension Plan and Supplemental Annuity, respectively) than the current rate:

|                                                                                            | 1 Percentage<br>Point Decrease | Current<br>Discount Rate | 1 Percentage<br>Point Increase |
|--------------------------------------------------------------------------------------------|--------------------------------|--------------------------|--------------------------------|
| Net pension liability of the City of Grosse Pointe Woods Pension Plan                      | \$ 32,318,597                  | \$ 24,323,385            | \$ 17,685,706                  |
| Net pension liability of the City of Grosse Pointe Woods Pension Plan Supplemental Annuity | 1,845,962                      | 1,416,114                | 1,054,736                      |

##### *Assumption Changes*

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

##### *Benefit Changes*

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

## City of Grosse Pointe Woods, Michigan

## Notes to Financial Statements

June 30, 2023

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

#### Investment Policy

The Pension Plan's policy in regard to the allocation of invested assets is established and may be amended by the pension board by a majority vote of its members. It is the policy of the pension board to pursue an investment strategy that manages risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The Pension Plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the pension board's adopted asset allocation policy as of June 30, 2023:

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

#### Rate of Return

For the year ended June 30, 2023, the annual money-weighted rate of return on pension plan investments and the supplemental annuity investments, net of pension plan investment expense, was 7.97 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

### Note 10 - Aggregate Pension-related Balances

The following table presents the aggregate balances for the net pension liability, deferred inflows related to pensions, deferred outflows related to pensions, and pension expense for the year ended June 30, 2023. Detailed information for each pension plan can be found in Note 9.

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



## City of Grosse Pointe Woods, Michigan

## Notes to Financial Statements

June 30, 2023

### Note 11 - Other Postemployment Benefit Plan

#### *Plan Description*

The City provides the Grosse Pointe Woods Retiree Healthcare Plan (the "Plan"), a single-employer defined benefit OPEB plan that is used to provide postemployment benefits other than pensions for all eligible general, public safety, and fire plan members and their beneficiaries. The Plan is administered by the Grosse Pointe Woods Retiree Health Plan Board. There are no separately available financial statements for the Plan.

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

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

#### *Benefits Provided*

The Grosse Pointe Woods Retiree Healthcare Plan provides health care, dental, prescription, and vision benefits for retirees hired prior to 2012 and their dependents. Members are vested at 10 years of service and are eligible if they had been an employee on the date preceding the effective date of the retiree's retirement and commencement of benefits from the City. Benefits are provided through a third-party insurer, and the full cost of benefits is covered by the Plan.

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

#### *Employees Covered by Benefit Terms*

The following members were covered by the benefit terms:

|                                                                     | Grosse Pointe<br>Woods Retiree<br>Healthcare Plan |
|---------------------------------------------------------------------|---------------------------------------------------|
| Date of member count                                                | June 30, 2022                                     |
| Inactive plan members or beneficiaries currently receiving benefits | 97                                                |
| Active plan members                                                 | <u>36</u>                                         |
| Total plan members                                                  | <u><u>133</u></u>                                 |

#### *Contributions*

City Ordinance 543 grants the authority to establish and amend the contribution requirements of the City and employees to the board. The board establishes contribution rates based on an actuarially determined rate per a funding valuation. For the year ended June 30, 2023, the City's contribution was \$1,427,234. Certain plan members are required to contribute based on the terms of their union contract. Total employee contributions were \$51,075.

#### *Net OPEB Liability*

The City has chosen to use the June 30 measurement date as its measurement date for the net OPEB liability. The June 30, 2023 fiscal year end reported net OPEB liability was determined using a measure of the total OPEB liability and the OPEB net position as of the June 30, 2023 measurement date. The valuation date was June 30, 2022.



## City of Grosse Pointe Woods, Michigan

## Notes to Financial Statements

June 30, 2023

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

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

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

The plan's fiduciary net position represents 7.27 percent of the total OPEB liability.

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

For the year ended June 30, 2023, the City recognized OPEB recovery of \$1,152,278.

At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

|                                                                               | Deferred Outflows of Resources | Deferred Inflows of Resources |
|-------------------------------------------------------------------------------|--------------------------------|-------------------------------|
| Net difference between projected and actual earnings on OPEB plan investments | \$ 86,378                      | \$ -                          |

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

| Years Ending June 30 | Amount           |
|----------------------|------------------|
| 2024                 | \$ 21,388        |
| 2025                 | 14,455           |
| 2026                 | 63,327           |
| 2027                 | (12,792)         |
| Total                | <u>\$ 86,378</u> |

***Actuarial Assumptions***

The total OPEB liability in the June 30, 2023 actuarial valuation was determined using an investment rate of return (net of investment expenses) of 6.85 percent; a health care cost trend rate of 6.0 percent for the first year, decreasing 0.1 percent per year to an ultimate rate of 5.0 percent; and the Pub-2010 Mortality Table with MP-2020 improvement scale. These assumptions were applied to all periods included in the measurement.

## City of Grosse Pointe Woods, Michigan

### Notes to Financial Statements

June 30, 2023

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

##### *Discount Rate*

The discount rate used to measure the total OPEB liability was 6.85 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that city contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate.

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

##### *Investment Rate of Return*

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and adding expected inflation. Best estimates of arithmetic real rates of return as of the June 30, 2023 measurement date for each major asset class included in the OPEB plan's target asset allocation, as disclosed in the investment footnote, are summarized in the following table:

| Asset Class                    | Target Allocation | Long-term<br>Expected Real<br>Rate of Return |
|--------------------------------|-------------------|----------------------------------------------|
| U.S. large-cap equity          | 25.00 %           | 5.12 %                                       |
| U.S. mid-cap equity            | 15.00             | 5.54                                         |
| U.S. small-cap equity          | 10.00             | 5.12                                         |
| International developed equity | 15.00             | 6.40                                         |
| Emerging markets equity        | 5.00              | 8.10                                         |
| U.S. core bonds                | 25.00             | 1.19                                         |
| TIPs                           | 5.00              | 1.28                                         |

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

The following presents the net OPEB liability of the City, calculated using the discount rate of 6.85 percent, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

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



## City of Grosse Pointe Woods, Michigan

## Notes to Financial Statements

June 30, 2023

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

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

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

|                                                                          | 1 Percentage<br>Point Decrease<br>(4.0 - 5.0%) | Current Health<br>Care Cost<br>Trend Rate<br>(5.0 - 6.0%) | 1 Percentage<br>Point Increase<br>(6.0 - 7.0%) |
|--------------------------------------------------------------------------|------------------------------------------------|-----------------------------------------------------------|------------------------------------------------|
| Net OPEB liability of the Grosse Pointe Woods<br>Retiree Healthcare Plan | \$ 22,152,906                                  | \$ 25,671,546                                             | \$ 30,008,047                                  |

#### *Investment Policy*

The OPEB plan's policy in regard to the allocation of invested assets is established and may be amended by the OPEB board by a majority vote of its members. It is the policy of the OPEB board to pursue an investment strategy that manages risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The OPEB plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the OPEB board's adopted asset allocation policy as of June 30, 2023:

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

#### *Rate of Return*

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

### Note 12 - Deferred Compensation

The City offers its employees a deferred compensation plan (the "DC Plan") created in accordance with Internal Revenue Code Section 457. The DC Plan is available to all full-time city employees, which permits them to defer a portion of their salary until future years, and is administered by Mission Square. Payment of the deferred compensation is not available to employees until retirement, death, or unforeseeable emergency. As of June 30, 2023, employees who had elected to participate in the DC Plan had total assets of \$5,433,436.

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

## City of Grosse Pointe Woods, Michigan

### Notes to Financial Statements

June 30, 2023

#### Note 13 - Defined Contribution Healthcare Plan

The City offers its employees a defined contribution health care plan through a health savings account (the "HSA Plan"). The HSA Plan provides for the City to make a required contribution of \$150 per month for each employee hired after April 2011. Contributions to the HSA Plan totaled \$86,251 for the year ended June 30, 2023. Employees are also required to submit 1 percent of earnings to the HSA Plan. Employees are 100 percent vested after six years of employment. As of June 30, 2023, the HSA Plan had total assets of \$1,138,967.

#### Note 14 - Pension and Other Employee Benefit Trust Funds

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

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

#### Note 15 - Joint Venture

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

The City's interest in the net position of the Authority totaled \$68,888 at June 30, 2023 and is reported as part of the governmental activities in the statement of net position. The City is unaware of any circumstances, including potential environmental remediation, that would cause an additional burden to the participating municipalities in the near future. Complete financial statements for the Authority can be obtained from its administrative offices at 27941 Harper Avenue, Suite 106, St. Clair Shores, MI 48081.



## City of Grosse Pointe Woods, Michigan

### Notes to Financial Statements

June 30, 2023

#### Note 16 - Risk Management

The City is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation), as well as medical benefits provided to employees. The City has purchased commercial insurance for claims relating to property loss claims, torts, and errors and omissions. The City is self-insured for workers' compensation claims and participates in a self-funding program for medical claims with other communities. Under the workers' compensation program and medical program, the City is held liable for the first \$400,000 and \$25,000, respectively, of any occurrence. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

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

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

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

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

|                                                           | Workers' Compensation |                   | Medical Claims    |                  |
|-----------------------------------------------------------|-----------------------|-------------------|-------------------|------------------|
|                                                           | 2023                  | 2022              | 2023              | 2022             |
| Estimated liability - Beginning of year                   | \$ 108,664            | \$ 123,605        | \$ 19,853         | \$ 47,600        |
| Estimated claims incurred, including changes in estimates | 224,446               | 38,912            | 1,839,354         | 1,542,880        |
| Claim payments                                            | (139,644)             | (53,853)          | (1,574,306)       | (1,570,627)      |
| Estimated liability - End of year                         | <u>\$ 193,466</u>     | <u>\$ 108,664</u> | <u>\$ 284,901</u> | <u>\$ 19,853</u> |

#### Note 17 - Contingent Liabilities

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

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## Required Supplementary Information

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## City of Grosse Pointe Woods, Michigan

### Required Supplementary Information Budgetary Comparison Schedule General Fund

Year Ended June 30, 2023

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

## City of Grosse Pointe Woods, Michigan

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

Last Ten Fiscal Years

|                                                                               | 2023                 | 2022                 | 2021                 | 2020                 | 2019                 | 2018                 | 2017                 | 2016                 | 2015                 | 2014                 |
|-------------------------------------------------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>Total Pension Liability</b>                                                |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Service cost                                                                  | \$ 1,029,506         | \$ 1,080,805         | \$ 1,459,769         | \$ 1,381,734         | \$ 1,419,981         | \$ 872,705           | \$ 812,794           | \$ 893,380           | \$ 692,961           | \$ 675,799           |
| Interest                                                                      | 4,655,548            | 4,517,849            | 4,149,881            | 4,160,628            | 4,115,769            | 3,739,452            | 3,713,413            | 3,802,189            | 3,521,128            | 3,499,326            |
| Changes in benefit terms                                                      | (2,108,032)          | 196,683              | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    |
| Differences between expected and actual experience                            | 716,258              | (630,363)            | (219,966)            | (2,041,992)          | 61,396               | 1,898,141            | (1,943,674)          | (509,341)            | 501,262              | (579,977)            |
| Changes in assumptions                                                        | (5,158,946)          | (2,730,443)          | (13,509,818)         | 1,372,928            | (2,730,629)          | 17,877,664           | (3,946,934)          | 7,000,034            | 5,686,156            | -                    |
| Benefit payments, including refunds                                           | (3,921,734)          | (3,586,669)          | (3,570,576)          | (3,403,902)          | (3,346,109)          | (3,354,997)          | (3,215,776)          | (3,187,512)          | (3,315,548)          | (3,092,014)          |
| <b>Net Change in Total Pension Liability</b>                                  | <b>(4,787,400)</b>   | <b>(1,152,138)</b>   | <b>(11,690,710)</b>  | <b>1,469,396</b>     | <b>(479,592)</b>     | <b>21,032,965</b>    | <b>(4,580,177)</b>   | <b>7,998,750</b>     | <b>7,085,959</b>     | <b>503,134</b>       |
| <b>Total Pension Liability - Beginning of year</b>                            | <b>69,496,136</b>    | <b>70,648,274</b>    | <b>82,338,984</b>    | <b>80,869,588</b>    | <b>81,349,180</b>    | <b>60,316,215</b>    | <b>64,896,392</b>    | <b>56,897,642</b>    | <b>49,811,683</b>    | <b>49,308,549</b>    |
| <b>Total Pension Liability - End of year</b>                                  | <b>\$ 64,708,736</b> | <b>\$ 69,496,136</b> | <b>\$ 70,648,274</b> | <b>\$ 82,338,984</b> | <b>\$ 80,869,588</b> | <b>\$ 81,349,180</b> | <b>\$ 60,316,215</b> | <b>\$ 64,896,392</b> | <b>\$ 56,897,642</b> | <b>\$ 49,811,683</b> |
| <b>Plan Fiduciary Net Position</b>                                            |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Contributions - Employer                                                      | \$ 2,042,555         | \$ 2,044,344         | \$ 1,623,076         | \$ 1,406,409         | \$ 1,215,450         | \$ 1,230,649         | \$ 1,076,052         | \$ 925,683           | \$ 889,829           | \$ 888,696           |
| Contributions - Member                                                        | 297,963              | 290,887              | 282,203              | 262,296              | 263,799              | 249,835              | 243,096              | 252,579              | 258,967              | 275,808              |
| Net investment income (loss)                                                  | 3,922,857            | (6,523,478)          | 12,109,682           | 157,140              | 1,291,520            | 2,128,175            | 3,992,724            | (1,359,930)          | 15,073               | 6,669,874            |
| Administrative expenses                                                       | (72,227)             | (52,775)             | (46,967)             | (70,669)             | (58,125)             | (62,843)             | (37,168)             | (51,765)             | (69,537)             | (44,753)             |
| Benefit payments, including refunds                                           | (3,921,734)          | (3,586,669)          | (3,570,576)          | (3,403,902)          | (3,346,109)          | (3,354,997)          | (3,215,776)          | (3,187,512)          | (3,315,548)          | (3,092,015)          |
| Other                                                                         | -                    | -                    | -                    | -                    | -                    | 22,728               | 12,254               | -                    | -                    | -                    |
| <b>Net Change in Plan Fiduciary Net Position</b>                              | <b>2,269,414</b>     | <b>(7,827,691)</b>   | <b>10,397,418</b>    | <b>(1,648,726)</b>   | <b>(633,465)</b>     | <b>213,547</b>       | <b>2,071,182</b>     | <b>(3,420,945)</b>   | <b>(2,221,216)</b>   | <b>4,697,610</b>     |
| <b>Plan Fiduciary Net Position - Beginning of year</b>                        | <b>38,115,937</b>    | <b>45,943,628</b>    | <b>35,546,210</b>    | <b>37,194,936</b>    | <b>37,828,401</b>    | <b>37,614,854</b>    | <b>35,543,672</b>    | <b>38,964,617</b>    | <b>41,185,833</b>    | <b>36,488,223</b>    |
| <b>Plan Fiduciary Net Position - End of year</b>                              | <b>\$ 40,385,351</b> | <b>\$ 38,115,937</b> | <b>\$ 45,943,628</b> | <b>\$ 35,546,210</b> | <b>\$ 37,194,936</b> | <b>\$ 37,828,401</b> | <b>\$ 37,614,854</b> | <b>\$ 35,543,672</b> | <b>\$ 38,964,617</b> | <b>\$ 41,185,833</b> |
| <b>City's Net Pension Liability - Ending</b>                                  | <b>\$ 24,323,385</b> | <b>\$ 31,380,199</b> | <b>\$ 24,704,646</b> | <b>\$ 46,792,774</b> | <b>\$ 43,674,652</b> | <b>\$ 43,520,779</b> | <b>\$ 22,701,361</b> | <b>\$ 29,352,720</b> | <b>\$ 17,933,025</b> | <b>\$ 8,625,850</b>  |
| <b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b> | <b>62.41 %</b>       | <b>54.85 %</b>       | <b>65.03 %</b>       | <b>43.17 %</b>       | <b>45.99 %</b>       | <b>46.50 %</b>       | <b>62.36 %</b>       | <b>55.02 %</b>       | <b>68.48 %</b>       | <b>82.69 %</b>       |
| <b>Covered Payroll</b>                                                        | <b>\$ 5,408,364</b>  | <b>\$ 5,425,650</b>  | <b>\$ 5,372,630</b>  | <b>\$ 4,791,109</b>  | <b>\$ 4,716,600</b>  | <b>\$ 4,544,155</b>  | <b>\$ 4,493,845</b>  | <b>\$ 4,592,611</b>  | <b>\$ 4,651,563</b>  | <b>\$ 4,411,702</b>  |
| <b>City's Net Pension Liability as a Percentage of Covered Payroll</b>        | <b>449.74 %</b>      | <b>578.37 %</b>      | <b>459.82 %</b>      | <b>976.66 %</b>      | <b>925.98 %</b>      | <b>957.73 %</b>      | <b>505.17 %</b>      | <b>632.60 %</b>      | <b>385.53 %</b>      | <b>195.50 %</b>      |



## City of Grosse Pointe Woods, Michigan

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

#### Last Ten Fiscal Years

#### *Assumption Changes*

Assumption changes were made for each year as follows:

- 2015: Changed from the 1994 uninsured pension mortality table to the RP-2014 Healthy Annuitant Mortality Table and the discount rate from 8.0 to 6.82 percent
- 2016: Changed the investment rate of return from 8.0 to 7.8 percent, inflation from 4.0 to 3.5 percent, and the discount rate to 5.83 percent
- 2017: Changed the discount rate to 6.33 percent
- 2018: Changed the investment rate of return to 7.75 percent, inflation to 2.5 percent, the mortality table to the RP-2014 Mortality Table with MP-2017, and the discount rate to 5.12 percent
- 2019: Changed the discount rate to 5.21 percent
- 2020: Changed the investment rate of return to 7.50 percent, mortality table to the Pub-2010 Mortality Table with MP-2018 improvement scale, and the discount rate to 5.06 percent
- 2021: Changed the discount rate to 6.46 percent
- 2022: Changed the discount rate to 6.79 percent
- 2023: Changed the investment rate of return to 7.40 percent. Changed the discount rate to 7.35 percent due to a change in the crossover.

#### *Changes in Benefit Terms*

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

## City of Grosse Pointe Woods, Michigan

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

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



## City of Grosse Pointe Woods, Michigan

### Required Supplementary Information Schedule of Pension Contributions Pension Plan

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

|                                                                      | 2023                | 2022                | 2021                | 2020                | 2019                | 2018                | 2017                | 2016                | 2015                | 2014                |
|----------------------------------------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Actuarially determined contribution                                  | \$ 2,003,000        | \$ 2,044,000        | \$ 1,623,000        | \$ 1,406,000        | \$ 1,215,000        | \$ 1,231,000        | \$ 1,076,000        | \$ 926,000          | \$ 890,000          | \$ 889,000          |
| Contributions in relation to the actuarially determined contribution | 2,043,000           | 2,044,000           | 1,623,000           | 1,406,000           | 1,215,000           | 1,231,000           | 1,076,000           | 926,000             | 890,000             | 889,000             |
| <b>Additional Contribution</b>                                       | <b>\$ 40,000</b>    | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         |
| <b>Covered Payroll</b>                                               | <b>\$ 5,408,364</b> | <b>\$ 5,425,650</b> | <b>\$ 5,372,630</b> | <b>\$ 4,791,109</b> | <b>\$ 4,716,600</b> | <b>\$ 4,544,155</b> | <b>\$ 4,493,845</b> | <b>\$ 4,592,611</b> | <b>\$ 4,651,563</b> | <b>\$ 4,411,702</b> |
| <b>Contributions as a Percentage of Covered Payroll</b>              | <b>37.77 %</b>      | <b>37.67 %</b>      | <b>30.21 %</b>      | <b>29.35 %</b>      | <b>25.76 %</b>      | <b>27.09 %</b>      | <b>23.94 %</b>      | <b>20.17 %</b>      | <b>19.13 %</b>      | <b>17.06 %</b>      |

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

Actuarial valuation information relative to the determination of contributions:

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

Methods and assumptions used to determine contribution rates:

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

## City of Grosse Pointe Woods, Michigan

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

#### Last Ten Fiscal Years

|                                                                               | 2023                | 2022                | 2021                | 2020                | 2019                | 2018                | 2017                | 2016                | 2015                | 2014                |
|-------------------------------------------------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>Total Pension Liability</b>                                                |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Service cost                                                                  | \$ 44,932           | \$ 45,787           | \$ 43,432           | \$ 51,793           | \$ 47,748           | \$ 59,640           | \$ 39,299           | \$ 37,233           | \$ 28,387           | \$ 33,212           |
| Interest                                                                      | 283,542             | 281,506             | 275,505             | 272,594             | 259,909             | 239,740             | 254,061             | 269,224             | 234,285             | 236,533             |
| Differences between expected and actual experience                            | 39,243              | (22,217)            | 21,271              | (151,559)           | 136,155             | 161,463             | (227,980)           | (232,788)           | (399,452)           | (42,908)            |
| Changes in assumptions                                                        | 47,379              | -                   | (15,148)            | (198,496)           | (57,257)            | 567,907             | -                   | 86,953              | 831,276             | -                   |
| Benefit payments, including refunds                                           | (286,747)           | (267,409)           | (266,789)           | (278,103)           | (275,592)           | (242,921)           | (257,534)           | (263,715)           | (247,158)           | (257,888)           |
| <b>Net Change in Total Pension Liability</b>                                  | <b>128,349</b>      | <b>37,667</b>       | <b>58,271</b>       | <b>(303,771)</b>    | <b>110,963</b>      | <b>785,829</b>      | <b>(192,154)</b>    | <b>(103,093)</b>    | <b>447,338</b>      | <b>(31,051)</b>     |
| <b>Total Pension Liability - Beginning of year</b>                            | <b>3,878,998</b>    | <b>3,841,331</b>    | <b>3,783,060</b>    | <b>4,086,831</b>    | <b>3,975,868</b>    | <b>3,190,039</b>    | <b>3,382,193</b>    | <b>3,485,286</b>    | <b>3,037,948</b>    | <b>3,068,999</b>    |
| <b>Total Pension Liability - End of year</b>                                  | <b>\$ 4,007,347</b> | <b>\$ 3,878,998</b> | <b>\$ 3,841,331</b> | <b>\$ 3,783,060</b> | <b>\$ 4,086,831</b> | <b>\$ 3,975,868</b> | <b>\$ 3,190,039</b> | <b>\$ 3,382,193</b> | <b>\$ 3,485,286</b> | <b>\$ 3,037,948</b> |
| <b>Plan Fiduciary Net Position</b>                                            |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Contributions - Employer                                                      | \$ 329,201          | \$ 349,494          | \$ 318,174          | \$ 335,830          | \$ 311,792          | \$ 298,389          | \$ 290,000          | \$ 297,360          | \$ 286,439          | \$ 277,776          |
| Net investment income (loss)                                                  | 235,635             | (368,012)           | 649,743             | 7,796               | 59,811              | 91,098              | 159,415             | 3,963               | (9,093)             | 230,642             |
| Administrative expenses                                                       | (4,372)             | (7,005)             | (2,519)             | (3,506)             | (2,693)             | (5,768)             | (995)               | -                   | (22,140)            | -                   |
| Benefit payments, including refunds                                           | (286,747)           | (267,409)           | (266,789)           | (278,103)           | (275,592)           | (242,921)           | (257,534)           | (263,715)           | (247,158)           | (257,888)           |
| Other                                                                         | 2,589               | 2,024               | -                   | -                   | -                   | 960                 | -                   | -                   | -                   | -                   |
| <b>Net Change in Plan Fiduciary Net Position</b>                              | <b>276,306</b>      | <b>(290,908)</b>    | <b>698,609</b>      | <b>62,017</b>       | <b>93,318</b>       | <b>141,758</b>      | <b>190,886</b>      | <b>37,608</b>       | <b>8,048</b>        | <b>250,530</b>      |
| <b>Plan Fiduciary Net Position - Beginning of year</b>                        | <b>2,314,927</b>    | <b>2,605,835</b>    | <b>1,907,226</b>    | <b>1,845,209</b>    | <b>1,751,891</b>    | <b>1,610,133</b>    | <b>1,419,247</b>    | <b>1,381,639</b>    | <b>1,373,591</b>    | <b>1,123,061</b>    |
| <b>Plan Fiduciary Net Position - End of year</b>                              | <b>\$ 2,591,233</b> | <b>\$ 2,314,927</b> | <b>\$ 2,605,835</b> | <b>\$ 1,907,226</b> | <b>\$ 1,845,209</b> | <b>\$ 1,751,891</b> | <b>\$ 1,610,133</b> | <b>\$ 1,419,247</b> | <b>\$ 1,381,639</b> | <b>\$ 1,373,591</b> |
| <b>City's Net Pension Liability - Ending</b>                                  | <b>\$ 1,416,114</b> | <b>\$ 1,564,071</b> | <b>\$ 1,235,496</b> | <b>\$ 1,875,834</b> | <b>\$ 2,241,622</b> | <b>\$ 2,223,977</b> | <b>\$ 1,579,906</b> | <b>\$ 1,962,946</b> | <b>\$ 2,103,647</b> | <b>\$ 1,664,357</b> |
| <b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b> | <b>64.66 %</b>      | <b>59.68 %</b>      | <b>67.84 %</b>      | <b>50.41 %</b>      | <b>45.15 %</b>      | <b>44.06 %</b>      | <b>50.47 %</b>      | <b>41.96 %</b>      | <b>39.64 %</b>      | <b>45.21 %</b>      |
| <b>Covered Payroll</b>                                                        | <b>\$ 2,783,550</b> | <b>\$ 2,810,667</b> | <b>\$ 2,816,325</b> | <b>\$ 2,475,978</b> | <b>\$ 2,525,337</b> | <b>\$ 2,231,884</b> | <b>\$ 2,258,831</b> | <b>\$ 2,347,151</b> | <b>\$ 2,358,679</b> | <b>\$ 2,196,932</b> |
| <b>City's Net Pension Liability as a Percentage of Covered Payroll</b>        | <b>50.87 %</b>      | <b>55.65 %</b>      | <b>43.87 %</b>      | <b>75.76 %</b>      | <b>88.77 %</b>      | <b>99.65 %</b>      | <b>69.94 %</b>      | <b>83.63 %</b>      | <b>89.19 %</b>      | <b>75.76 %</b>      |



## City of Grosse Pointe Woods, Michigan

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

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#### Last Ten Fiscal Years

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

#### **Assumption Changes**

Assumption changes were made for each year as follows:

- 2015:** Changed from the 1994 uninsured pension mortality table to the RP-2014 Healthy Annuitant Mortality Table, inflation from 0.0 to 4.0 percent, and the discount rate from 8.0 to 7.98 percent
- 2016:** Changed the investment rate of return from 8.0 to 7.8 percent, inflation to 3.5 percent, and the discount rate to 7.71 percent
- 2018:** Changed the investment rate of return to 7.75 percent, inflation to 2.5 percent, the mortality table to the RP-2014 Mortality Table with MP-2017, and the discount rate to 6.73 percent
- 2019:** Changed the discount rate to 6.86 percent
- 2020:** Changed the investment rate of return to 7.50 percent, mortality table to the Pub-2010 Mortality Table with MP-2018 improvement scale, and the discount rate to 7.46 percent
- 2021:** Changed the discount rate to 7.50 percent
- 2023:** Changed the investment rate of return to 7.40 percent and the discount rate to 7.40 percent.

## City of Grosse Pointe Woods, Michigan

### Required Supplementary Information Schedule of Pension Contributions Supplemental Annuity

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

|                                                                      | 2023                | 2022                | 2021                | 2020                | 2019                | 2018                | 2017                | 2016                | 2015                | 2014                |
|----------------------------------------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Actuarially determined contribution                                  | \$ 329,201          | \$ 349,494          | \$ 318,174          | \$ 335,830          | \$ 311,792          | \$ 298,000          | \$ 290,000          | \$ 297,360          | \$ 286,439          | \$ 277,776          |
| Contributions in relation to the actuarially determined contribution | 329,201             | 349,494             | 318,174             | 335,830             | 311,792             | 298,000             | 290,000             | 297,360             | 286,439             | 277,776             |
| <b>Contribution Deficiency</b>                                       | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         | <b>\$ -</b>         |
| <b>Covered Payroll</b>                                               | <b>\$ 2,783,550</b> | <b>\$ 2,810,667</b> | <b>\$ 2,816,325</b> | <b>\$ 2,475,978</b> | <b>\$ 2,525,337</b> | <b>\$ 2,231,884</b> | <b>\$ 2,258,831</b> | <b>\$ 2,347,151</b> | <b>\$ 2,358,679</b> | <b>\$ 2,196,932</b> |
| <b>Contributions as a Percentage of Covered Payroll</b>              | <b>11.83 %</b>      | <b>12.43 %</b>      | <b>11.30 %</b>      | <b>13.56 %</b>      | <b>12.35 %</b>      | <b>13.35 %</b>      | <b>12.84 %</b>      | <b>12.67 %</b>      | <b>12.14 %</b>      | <b>12.64 %</b>      |

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

Actuarial valuation information relative to the determination of contributions:

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

Methods and assumptions used to determine contribution rates:

|                               |                                       |
|-------------------------------|---------------------------------------|
| Actuarial cost method         | Entry age                             |
| Amortization method           | Level dollar                          |
| Remaining amortization period | 25 years, open                        |
| Asset valuation method        | Market                                |
| Inflation                     | 2.50 percent                          |
| Salary increase               | 0.00 percent                          |
| Investment rate of return     | 7.40 percent - Net of expense         |
| Mortality                     | Pub-2010 Mortality Table with MP-2018 |



## City of Grosse Pointe Woods, Michigan

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

## Last Six Fiscal Years

|                                                                             | 2023                 | 2022                 | 2021                 | 2020                 | 2019                 | 2018                 |
|-----------------------------------------------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>Total OPEB Liability</b>                                                 |                      |                      |                      |                      |                      |                      |
| Service cost                                                                | \$ 270,591           | \$ 512,420           | \$ 431,244           | \$ 416,661           | \$ 448,946           | \$ 1,861,554         |
| Interest                                                                    | 1,814,809            | 2,617,900            | 2,527,585            | 2,428,098            | 2,426,171            | 1,973,036            |
| Differences between expected and actual experience                          | -                    | (377,814)            | -                    | (551,667)            | (1,375,107)          | (3,809,187)          |
| Changes in assumptions                                                      | -                    | (990,445)            | (288,910)            | 290,589              | (1,046,230)          | (25,133,680)         |
| Benefit payments, including refunds                                         | (1,227,234)          | (1,479,212)          | (1,443,135)          | (1,351,986)          | (1,507,028)          | (1,578,411)          |
| <b>Net Change in Total OPEB Liability</b>                                   | <b>858,166</b>       | <b>282,849</b>       | <b>1,226,784</b>     | <b>1,231,695</b>     | <b>(1,053,248)</b>   | <b>(26,686,688)</b>  |
| <b>Total OPEB Liability - Beginning of year</b>                             | <b>26,826,424</b>    | <b>26,543,575</b>    | <b>36,386,477</b>    | <b>35,154,782</b>    | <b>36,208,030</b>    | <b>62,894,718</b>    |
| <b>Total OPEB Liability - End of year</b>                                   | <b>\$ 27,684,590</b> | <b>\$ 26,826,424</b> | <b>\$ 37,613,261</b> | <b>\$ 36,386,477</b> | <b>\$ 35,154,782</b> | <b>\$ 36,208,030</b> |
| <b>Plan Fiduciary Net Position</b>                                          |                      |                      |                      |                      |                      |                      |
| Contributions - Employer                                                    | \$ 1,427,234         | \$ 1,679,212         | \$ 1,643,135         | \$ 1,401,986         | \$ 1,557,027         | \$ 1,628,411         |
| Contributions - Active and inactive plan members not yet receiving benefits | 51,075               | 57,134               | 59,723               | 58,919               | 54,911               | 63,942               |
| Net investment income (loss)                                                | 180,863              | (260,670)            | 323,547              | 29,551               | 56,866               | 4,590                |
| Benefit payments, including refunds                                         | (1,227,234)          | (1,479,212)          | (1,443,135)          | (1,351,986)          | (1,507,028)          | (1,578,411)          |
| <b>Net Change in Plan Fiduciary Net Position</b>                            | <b>431,938</b>       | <b>(3,536)</b>       | <b>583,270</b>       | <b>138,470</b>       | <b>161,776</b>       | <b>118,532</b>       |
| <b>Plan Fiduciary Net Position - Beginning of year</b>                      | <b>1,581,106</b>     | <b>1,584,642</b>     | <b>1,001,372</b>     | <b>862,902</b>       | <b>701,126</b>       | <b>582,594</b>       |
| <b>Plan Fiduciary Net Position - End of year</b>                            | <b>\$ 2,013,044</b>  | <b>\$ 1,581,106</b>  | <b>\$ 1,584,642</b>  | <b>\$ 1,001,372</b>  | <b>\$ 862,902</b>    | <b>\$ 701,126</b>    |
| <b>Net OPEB Liability - Ending</b>                                          | <b>\$ 25,671,546</b> | <b>\$ 25,245,318</b> | <b>\$ 36,028,619</b> | <b>\$ 35,385,105</b> | <b>\$ 34,291,880</b> | <b>\$ 35,506,904</b> |
| <b>Plan Fiduciary Net Position as a Percentage of Total OPEB Liability</b>  | <b>7.27 %</b>        | <b>5.89 %</b>        | <b>4.21 %</b>        | <b>2.75 %</b>        | <b>2.45 %</b>        | <b>1.94 %</b>        |
| <b>Covered Payroll</b>                                                      | <b>\$ 3,135,333</b>  | <b>\$ 3,029,307</b>  | <b>\$ 3,361,323</b>  | <b>\$ 3,247,655</b>  | <b>\$ 3,618,888</b>  | <b>\$ 3,333,571</b>  |
| <b>Net OPEB Liability as a Percentage of Covered Payroll</b>                | <b>818.78 %</b>      | <b>833.37 %</b>      | <b>1,071.86 %</b>    | <b>1,089.56 %</b>    | <b>947.58 %</b>      | <b>1,065.13 %</b>    |

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

**Restatement**

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

**City of Grosse Pointe Woods, Michigan****Required Supplementary Information  
Schedule of Changes in the Net OPEB Liability and Related Ratios (Continued)****Last Six Fiscal Years*****Assumption Changes***

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

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

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

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

**2022:** Changed the mortality table to the Pub-2010 Mortality Table with MP-2020 improvement scale and changed the discount rate to 6.85 percent

**2023:** No changes



## City of Grosse Pointe Woods, Michigan

### Required Supplementary Information Schedule of OPEB Contributions

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

|                                                                      | 2023                | 2022                | 2021                  | 2020                  | 2019                  | 2018                  | 2017                  | 2016                  | 2015                  | 2014                  |
|----------------------------------------------------------------------|---------------------|---------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Actuarially determined contribution                                  | \$ 2,260,062        | \$ 2,227,338        | \$ 3,509,525          | \$ 3,125,991          | \$ 3,125,991          | \$ 3,083,916          | \$ 3,230,383          | \$ 3,767,017          | \$ 3,622,132          | \$ 3,482,819          |
| Contributions in relation to the actuarially determined contribution | 1,427,234           | 1,679,212           | 1,643,135             | 1,401,986             | 1,557,027             | 1,628,411             | 1,472,713             | 1,675,660             | 1,618,057             | 1,332,162             |
| <b>Contribution Deficiency</b>                                       | <b>\$ (832,828)</b> | <b>\$ (548,126)</b> | <b>\$ (1,866,390)</b> | <b>\$ (1,724,005)</b> | <b>\$ (1,568,964)</b> | <b>\$ (1,455,505)</b> | <b>\$ (1,757,670)</b> | <b>\$ (2,091,357)</b> | <b>\$ (2,004,075)</b> | <b>\$ (2,150,657)</b> |
| <b>Covered Payroll</b>                                               | <b>\$ 3,135,333</b> | <b>\$ 3,029,307</b> | <b>\$ 3,361,323</b>   | <b>\$ 3,247,655</b>   | <b>\$ 3,618,888</b>   | <b>\$ 3,333,571</b>   | <b>\$ 4,493,845</b>   | <b>\$ 4,592,000</b>   | <b>\$ 4,652,000</b>   | <b>\$ 5,210,000</b>   |
| <b>Contributions as a Percentage of Covered Payroll</b>              | <b>45.52 %</b>      | <b>55.43 %</b>      | <b>48.88 %</b>        | <b>43.17 %</b>        | <b>43.03 %</b>        | <b>48.85 %</b>        | <b>32.77 %</b>        | <b>36.49 %</b>        | <b>34.78 %</b>        | <b>25.57 %</b>        |

#### Notes to Schedule of Contributions

Actuarial valuation information relative to the determination of contributions:

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

Methods and assumptions used to determine contribution rates:

|                               |                                                                   |
|-------------------------------|-------------------------------------------------------------------|
| Actuarial cost method         | Entry age                                                         |
| Amortization method           | Level percentage of payroll                                       |
| Remaining amortization period | 30 years                                                          |
| Asset valuation method        | Market                                                            |
| Health care cost trend rates  | 6.0 percent, graded down to 5.0 percent in 0.1 percent increments |
| Investment rate of return     | 6.85 percent                                                      |
| Mortality                     | Pub-2010 Mortality Table with MP-2020                             |

## City of Grosse Pointe Woods, Michigan

### Required Supplementary Information Schedule of OPEB Investment Returns

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



## City of Grosse Pointe Woods, Michigan

### Note to Required Supplementary Information

June 30, 2023

#### **Budgetary Information**

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

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

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

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

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

|                                                                | <u>Total Revenue</u> | <u>Total Expenditures</u> | <u>Other Financing Uses</u> |
|----------------------------------------------------------------|----------------------|---------------------------|-----------------------------|
| Amounts per operating statement                                | \$ 17,522,920        | \$ 15,474,968             | \$ (704,739)                |
| Local Street Fund budgeted separately from the General Fund    | (614,810)            | (1,194,157)               | (400,000)                   |
| Cable Franchise Fund budgeted separately from the General Fund | (878)                | -                         | -                           |
| Amounts per budget statement                                   | <u>\$ 16,907,232</u> | <u>\$ 14,280,811</u>      | <u>\$ (1,104,739)</u>       |

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## Other Supplementary Information

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## City of Grosse Pointe Woods, Michigan

### Other Supplementary Information Nonmajor Governmental Funds Fund Descriptions

#### ***Special Revenue Funds***

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

#### **Major Street Fund**

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

#### **Solid Waste Fund**

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

#### **Act 302 Training Fund**

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

#### **Grants Fund**

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

#### **911 Emergency Service Fund**

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

#### **Drug Enforcement Fund**

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

#### **Parkway Beautification Fund**

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

#### **MIDC Grant Fund**

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

#### **Opioid Settlement Fund**

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

#### ***Debt Service Funds***

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

#### **2015 Road Bond Debt Service Fund**

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



## City of Grosse Pointe Woods, Michigan

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

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#### **2018 Capital Improvement Bond Fund**

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

#### **Capital Project Funds**

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

#### **Municipal Improvement Fund**

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

#### **Budgetary Funds**

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

#### **Local Street Fund**

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

#### **Cable Franchise Fund**

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

## City of Grosse Pointe Woods, Michigan

|                                                                                      | Special Revenue Funds |                   |                       |                  |                            |                       |
|--------------------------------------------------------------------------------------|-----------------------|-------------------|-----------------------|------------------|----------------------------|-----------------------|
|                                                                                      | Major Street Fund     | Solid Waste Fund  | Act 302 Training Fund | Grants Fund      | 911 Emergency Service Fund | Drug Enforcement Fund |
| <b>Assets</b>                                                                        |                       |                   |                       |                  |                            |                       |
| Cash and investments                                                                 | \$ 1,382,350          | \$ 803,601        | \$ 5,545              | \$ 10,044        | \$ 248,678                 | \$ 1,815              |
| Receivables:                                                                         |                       |                   |                       |                  |                            |                       |
| Other receivables                                                                    | 4,100                 | -                 | -                     | -                | -                          | -                     |
| Due from other governments                                                           | 222,971               | -                 | -                     | 20,000           | 17,261                     | -                     |
| Prepaid expenditures and other assets                                                | 10,061                | 6,179             | -                     | -                | 780                        | -                     |
| <b>Total assets</b>                                                                  | <b>\$ 1,619,482</b>   | <b>\$ 809,780</b> | <b>\$ 5,545</b>       | <b>\$ 30,044</b> | <b>\$ 266,719</b>          | <b>\$ 1,815</b>       |
| <b>Liabilities</b>                                                                   |                       |                   |                       |                  |                            |                       |
| Accounts payable                                                                     | \$ 288,802            | \$ 28,111         | \$ -                  | \$ -             | \$ 38,786                  | \$ -                  |
| Due to other funds                                                                   | -                     | -                 | -                     | 20,000           | -                          | -                     |
| Advances from other funds                                                            | -                     | 51,979            | -                     | -                | -                          | -                     |
| Accrued liabilities and other                                                        | 5,533                 | 22,736            | -                     | -                | -                          | -                     |
| Unearned revenue                                                                     | -                     | 36,707            | -                     | -                | -                          | -                     |
| Provision for claims                                                                 | 21,601                | 7,200             | -                     | -                | 245                        | -                     |
| <b>Total liabilities</b>                                                             | <b>315,936</b>        | <b>146,733</b>    | <b>-</b>              | <b>20,000</b>    | <b>39,031</b>              | <b>-</b>              |
| <b>Deferred Inflows of Resources -</b>                                               |                       |                   |                       |                  |                            |                       |
| Unavailable revenue                                                                  | -                     | -                 | -                     | 20,000           | -                          | -                     |
| <b>Total liabilities and deferred inflows of resources</b>                           | <b>315,936</b>        | <b>146,733</b>    | <b>-</b>              | <b>40,000</b>    | <b>39,031</b>              | <b>-</b>              |
| <b>Fund Balances (Deficit)</b>                                                       |                       |                   |                       |                  |                            |                       |
| Nonspendable                                                                         | 10,061                | 6,179             | -                     | -                | 780                        | -                     |
| Restricted:                                                                          |                       |                   |                       |                  |                            |                       |
| Roads                                                                                | 1,293,485             | -                 | -                     | -                | -                          | -                     |
| Public safety                                                                        | -                     | -                 | 5,545                 | -                | 113,343                    | 1,815                 |
| Debt service                                                                         | -                     | -                 | -                     | -                | -                          | -                     |
| Grants                                                                               | -                     | -                 | -                     | -                | -                          | -                     |
| Community development                                                                | -                     | -                 | -                     | -                | -                          | -                     |
| Solid waste                                                                          | -                     | 656,868           | -                     | -                | -                          | -                     |
| Opioid settlement                                                                    | -                     | -                 | -                     | -                | -                          | -                     |
| Committed - Repairs and equipment                                                    | -                     | -                 | -                     | -                | -                          | -                     |
| Assigned:                                                                            |                       |                   |                       |                  |                            |                       |
| Public safety                                                                        | -                     | -                 | -                     | -                | 113,565                    | -                     |
| Capital projects                                                                     | -                     | -                 | -                     | -                | -                          | -                     |
| Parkway beautification                                                               | -                     | -                 | -                     | -                | -                          | -                     |
| Unassigned                                                                           | -                     | -                 | -                     | (9,956)          | -                          | -                     |
| <b>Total fund balances (deficit)</b>                                                 | <b>1,303,546</b>      | <b>663,047</b>    | <b>5,545</b>          | <b>(9,956)</b>   | <b>227,688</b>             | <b>1,815</b>          |
| <b>Total liabilities, deferred inflows of resources, and fund balances (deficit)</b> | <b>\$ 1,619,482</b>   | <b>\$ 809,780</b> | <b>\$ 5,545</b>       | <b>\$ 30,044</b> | <b>\$ 266,719</b>          | <b>\$ 1,815</b>       |

Other Supplementary Information  
Combining Balance Sheet  
Nonmajor Governmental Funds

June 30, 2023

| Special Revenue Funds       |                  |                        | Debt Service Funds               |                                    | Capital Project Fund       | Total               |
|-----------------------------|------------------|------------------------|----------------------------------|------------------------------------|----------------------------|---------------------|
| Parkway Beautification Fund | MIDC Grant Fund  | Opioid Settlement Fund | 2015 Road Bond Debt Service Fund | 2018 Capital Improvement Bond Fund | Municipal Improvement Fund |                     |
| \$ 297,029                  | \$ 45,677        | \$ 11,657              | \$ 372,655                       | \$ 6,567                           | \$ 679,738                 | \$ 3,865,356        |
| -                           | -                | -                      | -                                | -                                  | -                          | 4,100               |
| -                           | -                | 64,812                 | -                                | -                                  | -                          | 325,044             |
| 150                         | -                | -                      | -                                | -                                  | -                          | 17,170              |
| <u>\$ 297,179</u>           | <u>\$ 45,677</u> | <u>\$ 76,469</u>       | <u>\$ 372,655</u>                | <u>\$ 6,567</u>                    | <u>\$ 679,738</u>          | <u>\$ 4,211,670</u> |
| \$ 944                      | \$ 1,610         | \$ -                   | \$ -                             | \$ -                               | \$ 97,258                  | \$ 455,511          |
| -                           | -                | -                      | -                                | -                                  | -                          | 20,000              |
| -                           | -                | -                      | -                                | -                                  | -                          | 51,979              |
| -                           | -                | -                      | 10,880                           | -                                  | -                          | 39,149              |
| -                           | 40,919           | -                      | -                                | -                                  | -                          | 77,626              |
| -                           | -                | -                      | -                                | -                                  | -                          | 29,046              |
| 944                         | 42,529           | -                      | 10,880                           | -                                  | 97,258                     | 673,311             |
| -                           | -                | 63,280                 | -                                | -                                  | -                          | 83,280              |
| 944                         | 42,529           | 63,280                 | 10,880                           | -                                  | 97,258                     | 756,591             |
| 150                         | -                | -                      | -                                | -                                  | -                          | 17,170              |
| -                           | -                | -                      | -                                | -                                  | -                          | 1,293,485           |
| -                           | -                | -                      | -                                | -                                  | -                          | 120,703             |
| -                           | -                | -                      | 361,775                          | 6,567                              | -                          | 368,342             |
| -                           | 3,148            | -                      | -                                | -                                  | -                          | 3,148               |
| 138,900                     | -                | -                      | -                                | -                                  | -                          | 138,900             |
| -                           | -                | -                      | -                                | -                                  | -                          | 656,868             |
| -                           | -                | 13,189                 | -                                | -                                  | -                          | 13,189              |
| -                           | -                | -                      | -                                | -                                  | 564,258                    | 564,258             |
| -                           | -                | -                      | -                                | -                                  | -                          | 113,565             |
| -                           | -                | -                      | -                                | -                                  | 18,222                     | 18,222              |
| 157,185                     | -                | -                      | -                                | -                                  | -                          | 157,185             |
| -                           | -                | -                      | -                                | -                                  | -                          | (9,956)             |
| <u>296,235</u>              | <u>3,148</u>     | <u>13,189</u>          | <u>361,775</u>                   | <u>6,567</u>                       | <u>582,480</u>             | <u>3,455,079</u>    |
| <u>\$ 297,179</u>           | <u>\$ 45,677</u> | <u>\$ 76,469</u>       | <u>\$ 372,655</u>                | <u>\$ 6,567</u>                    | <u>\$ 679,738</u>          | <u>\$ 4,211,670</u> |



## City of Grosse Pointe Woods, Michigan

|                                                    | Special Revenue Funds |                   |                       |                   |                            |                       |
|----------------------------------------------------|-----------------------|-------------------|-----------------------|-------------------|----------------------------|-----------------------|
|                                                    | Major Street Fund     | Solid Waste Fund  | Act 302 Training Fund | Grants Fund       | 911 Emergency Service Fund | Drug Enforcement Fund |
| <b>Revenue</b>                                     |                       |                   |                       |                   |                            |                       |
| Property taxes                                     | \$ -                  | \$ 1,984,205      | \$ -                  | \$ -              | \$ -                       | \$ -                  |
| Intergovernmental:                                 |                       |                   |                       |                   |                            |                       |
| Federal grants                                     | -                     | 28,994            | -                     | 20,000            | -                          | -                     |
| State sources:                                     |                       |                   |                       |                   |                            |                       |
| State-shared revenue                               | -                     | 9,595             | -                     | -                 | -                          | -                     |
| Act 51 gas and weight tax                          | 1,314,394             | -                 | -                     | -                 | -                          | -                     |
| Other state grants                                 | -                     | -                 | 6,651                 | -                 | -                          | -                     |
| Investment income                                  | 45,295                | 50,246            | -                     | -                 | -                          | -                     |
| Other revenue                                      | 43,110                | 380               | -                     | -                 | 105,776                    | -                     |
| <b>Total revenue</b>                               | <b>1,402,799</b>      | <b>2,073,420</b>  | <b>6,651</b>          | <b>20,000</b>     | <b>105,776</b>             | <b>-</b>              |
| <b>Expenditures</b>                                |                       |                   |                       |                   |                            |                       |
| Current services:                                  |                       |                   |                       |                   |                            |                       |
| General government                                 | -                     | -                 | -                     | 20,000            | 9,334                      | -                     |
| Public safety                                      | -                     | -                 | 3,395                 | -                 | 18,983                     | 745                   |
| Public works                                       | 1,162,908             | 1,858,704         | -                     | -                 | -                          | -                     |
| Community and economic development                 | -                     | -                 | -                     | -                 | -                          | -                     |
| Parks and recreation                               | -                     | -                 | -                     | -                 | -                          | -                     |
| Debt service:                                      |                       |                   |                       |                   |                            |                       |
| Principal                                          | -                     | -                 | -                     | -                 | -                          | -                     |
| Interest on long-term debt                         | -                     | 2,078             | -                     | -                 | -                          | -                     |
| <b>Total expenditures</b>                          | <b>1,162,908</b>      | <b>1,860,782</b>  | <b>3,395</b>          | <b>20,000</b>     | <b>28,317</b>              | <b>745</b>            |
| <b>Excess of Revenue Over (Under) Expenditures</b> | <b>239,891</b>        | <b>212,638</b>    | <b>3,256</b>          | <b>-</b>          | <b>77,459</b>              | <b>(745)</b>          |
| <b>Other Financing Sources - Transfers in</b>      | <b>-</b>              | <b>-</b>          | <b>-</b>              | <b>-</b>          | <b>-</b>                   | <b>-</b>              |
| <b>Net Change in Fund Balances</b>                 | <b>239,891</b>        | <b>212,638</b>    | <b>3,256</b>          | <b>-</b>          | <b>77,459</b>              | <b>(745)</b>          |
| <b>Fund Balances (Deficit) - Beginning of year</b> | <b>1,063,655</b>      | <b>450,409</b>    | <b>2,289</b>          | <b>(9,956)</b>    | <b>150,229</b>             | <b>2,560</b>          |
| <b>Fund Balances (Deficit) - End of year</b>       | <b>\$ 1,303,546</b>   | <b>\$ 663,047</b> | <b>\$ 5,545</b>       | <b>\$ (9,956)</b> | <b>\$ 227,688</b>          | <b>\$ 1,815</b>       |

Other Supplementary Information

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

Year Ended June 30, 2023

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

## City of Grosse Pointe Woods, Michigan

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

Year Ended June 30, 2023

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



## City of Grosse Pointe Woods, Michigan

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

Year Ended June 30, 2023

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

## City of Grosse Pointe Woods, Michigan

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

Year Ended June 30, 2023

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

## City of Grosse Pointe Woods, Michigan

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

Year Ended June 30, 2023

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



## City of Grosse Pointe Woods, Michigan

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

**Year Ended June 30, 2023**

|                                                    | Original<br>Budget<br>(Unaudited) | Amended<br>Budget<br>(Unaudited) | Actual            | Variance with<br>Amended<br>Budget<br>(Unaudited) |
|----------------------------------------------------|-----------------------------------|----------------------------------|-------------------|---------------------------------------------------|
| <b>Revenue - Federal grants</b>                    | \$ 20,000                         | \$ 20,000                        | \$ 20,000         | \$ -                                              |
| <b>Expenditures - Current - General government</b> | 20,000                            | 20,000                           | 20,000            | -                                                 |
| <b>Net Change in Fund Balance</b>                  | -                                 | -                                | -                 | -                                                 |
| <b>Fund Balance (Deficit) - Beginning of year</b>  | (9,956)                           | (9,956)                          | (9,956)           | -                                                 |
| <b>Fund Balance (Deficit) - End of year</b>        | <u>\$ (9,956)</u>                 | <u>\$ (9,956)</u>                | <u>\$ (9,956)</u> | <u>\$ -</u>                                       |

## City of Grosse Pointe Woods, Michigan

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

**Year Ended June 30, 2023**

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

## City of Grosse Pointe Woods, Michigan

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

**Year Ended June 30, 2023**

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



## City of Grosse Pointe Woods, Michigan

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

Year Ended June 30, 2023

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

## City of Grosse Pointe Woods, Michigan

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

**Year Ended June 30, 2023**

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

## City of Grosse Pointe Woods, Michigan

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

Year Ended June 30, 2023

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



## City of Grosse Pointe Woods, Michigan

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

Year Ended June 30, 2023

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

## City of Grosse Pointe Woods, Michigan

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

Year Ended June 30, 2023

|                                               | Original<br>Budget<br>(Unaudited) | Amended<br>Budget<br>(Unaudited) | Actual                 | Variance with<br>Amended<br>Budget<br>(Unaudited) |
|-----------------------------------------------|-----------------------------------|----------------------------------|------------------------|---------------------------------------------------|
| <b>Revenue</b> - Interest income              | \$ -                              | \$ -                             | \$ -                   | \$ -                                              |
| <b>Expenditures</b> - Debt service            |                                   |                                  |                        |                                                   |
| Principal                                     | 145,000                           | 145,000                          | 145,000                | -                                                 |
| Interest on long-term debt                    | 75,238                            | 75,238                           | 75,238                 | -                                                 |
| Total expenditures                            | <u>220,238</u>                    | <u>220,238</u>                   | <u>220,238</u>         | <u>-</u>                                          |
| <b>Excess of Expenditures Over Revenue</b>    | (220,238)                         | (220,238)                        | (220,238)              | -                                                 |
| <b>Other Financing Sources</b> - Transfers in | <u>220,238</u>                    | <u>220,238</u>                   | <u>220,238</u>         | <u>-</u>                                          |
| <b>Net Change in Fund Balance</b>             | -                                 | -                                | -                      | -                                                 |
| <b>Fund Balance</b> - Beginning of year       | <u>6,567</u>                      | <u>6,567</u>                     | <u>6,567</u>           | <u>-</u>                                          |
| <b>Fund Balance</b> - End of year             | <u><u>\$ 6,567</u></u>            | <u><u>\$ 6,567</u></u>           | <u><u>\$ 6,567</u></u> | <u><u>\$ -</u></u>                                |

## City of Grosse Pointe Woods, Michigan

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

**Year Ended June 30, 2023**

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



## City of Grosse Pointe Woods, Michigan

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

**Year Ended June 30, 2023**

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

## City of Grosse Pointe Woods, Michigan

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

Year Ended June 30, 2023

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

## City of Grosse Pointe Woods, Michigan

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

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

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



## City of Grosse Pointe Woods, Michigan

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### Other Supplementary Information Nonmajor Enterprise Funds Fund Descriptions

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#### ***Commodity Sales Fund***

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

#### ***Boat Dock Rental Fund***

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

## City of Grosse Pointe Woods, Michigan

### Other Supplementary Information Combining Statement of Net Position Nonmajor Enterprise Funds

June 30, 2023

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

## City of Grosse Pointe Woods, Michigan

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

Year Ended June 30, 2023

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



## City of Grosse Pointe Woods, Michigan

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

Year Ended June 30, 2023

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

## City of Grosse Pointe Woods, Michigan

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### Other Supplementary Information Internal Service Funds Fund Descriptions

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#### ***Motor Vehicle Fund***

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

#### ***Workers' Compensation Fund***

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

## City of Grosse Pointe Woods, Michigan

### Other Supplementary Information Combining Statement of Net Position Internal Service Funds

June 30, 2023

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



## City of Grosse Pointe Woods, Michigan

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

Year Ended June 30, 2023

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

## City of Grosse Pointe Woods, Michigan

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

Year Ended June 30, 2023

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

## City of Grosse Pointe Woods, Michigan

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

Year Ended June 30, 2023

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



## City of Grosse Pointe Woods, Michigan

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### Other Supplementary Information Fiduciary Funds Fund Descriptions

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

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

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

## City of Grosse Pointe Woods, Michigan

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

June 30, 2023

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

## City of Grosse Pointe Woods, Michigan

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

Year Ended June 30, 2023

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



## City of Grosse Pointe Woods, Michigan

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### Note to Other Supplementary Information

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June 30, 2023

#### ***Budgetary Information***

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

## Statistical Section

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

The statistical section is organized into the following main categories:

### Financial trends

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

### Revenue capacity

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

### Debt capacity

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

### Demographic and economic information

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

### Operating information

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

### Continuing Disclosure

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

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

## City of Grosse Pointe Woods

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

Source: City annual financial statements

Summary Condensed State of Net Position



## Net Position by Component

Last Ten Fiscal Years

June 30, 2023

(Unaudited)

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

## City of Grosse Pointe Woods, Michigan

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

Source: City annual financial statements

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

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

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



## City of Grosse Pointe Woods, Michigan

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

Source: City annual financial statements

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

| Last Ten Fiscal Years<br>June 30, 2023<br>(Unaudited) |                            |                            |                            |                            |                             |
|-------------------------------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|-----------------------------|
| Fiscal Year                                           |                            |                            |                            |                            |                             |
| <u>2018</u>                                           | <u>2019</u>                | <u>2020</u>                | <u>2021</u>                | <u>2022</u>                | <u>2023</u>                 |
| \$ 14,116,610                                         | \$ 15,161,779              | \$ 15,997,173              | \$ 16,333,840              | \$ 17,562,597              | \$ 17,797,438               |
| 1,715,312                                             | 1,848,256                  | 1,649,486                  | 2,395,549                  | 2,078,560                  | 2,175,251                   |
| 171,696                                               | 438,677                    | 338,402                    | 25,167                     | (103,986)                  | 504,673                     |
| -                                                     | -                          | -                          | -                          | -                          | -                           |
| 362,235                                               | 336,174                    | 369,566                    | 341,918                    | 325,892                    | 316,184                     |
| 822,143                                               | 752,982                    | 1,129,700                  | 443,932                    | 809,184                    | 375,801                     |
| -                                                     | -                          | -                          | -                          | -                          | -                           |
| -                                                     | -                          | -                          | -                          | -                          | -                           |
| <u>17,187,996</u>                                     | <u>18,537,868</u>          | <u>19,484,327</u>          | <u>19,540,406</u>          | <u>20,672,247</u>          | <u>21,169,347</u>           |
| 147,189                                               | 294,366                    | 241,682                    | 47,253                     | 36,704                     | 303,383                     |
| -                                                     | -                          | -                          | -                          | -                          | -                           |
| -                                                     | -                          | -                          | -                          | -                          | -                           |
| <u>147,189</u>                                        | <u>294,366</u>             | <u>241,682</u>             | <u>47,253</u>              | <u>36,704</u>              | <u>303,383</u>              |
| <u>17,335,185</u>                                     | <u>18,832,234</u>          | <u>19,726,009</u>          | <u>19,587,659</u>          | <u>20,708,951</u>          | <u>21,472,730</u>           |
| 2,222,874                                             | 5,427,101                  | 4,553,802                  | 474,864                    | 4,702,115                  | 8,790,564                   |
| 2,756,249                                             | 1,999,612                  | 2,140,705                  | 1,293,679                  | 1,318,570                  | 2,372,220                   |
| <b><u>\$ 4,979,123</u></b>                            | <b><u>\$ 7,426,713</u></b> | <b><u>\$ 6,694,507</u></b> | <b><u>\$ 1,768,543</u></b> | <b><u>\$ 6,020,685</u></b> | <b><u>\$ 11,162,784</u></b> |

## City of Grosse Pointe Woods

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

Source: City annual financial statements



## Fund Balances - Governmental Funds

Last Ten Fiscal Years

June 30, 2023

(Unaudited)

| As of June 30,              |                             |                             |                             |                             |                             |      |
|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|------|
| 2018                        | 2019                        | 2020                        | 2021                        | 2022                        | 2023                        |      |
| \$ -                        | \$ -                        | \$ -                        | \$ -                        | \$ -                        | \$ -                        | \$ - |
| -                           | -                           | -                           | -                           | -                           | -                           | -    |
| -                           | -                           | -                           | -                           | -                           | -                           | -    |
| 24,890                      | 405,496                     | 290,917                     | 296,990                     | 259,597                     | 254,077                     | -    |
| -                           | -                           | -                           | -                           | -                           | -                           | -    |
| 424,329                     | 1,387,970                   | 791,701                     | 1,273,809                   | 989,090                     | 833,336                     | -    |
| 3,391,228                   | 1,224,769                   | 599,619                     | 600,130                     | 587,230                     | 588,108                     | -    |
| <u>5,315,591</u>            | <u>5,366,466</u>            | <u>6,181,169</u>            | <u>5,129,049</u>            | <u>5,744,104</u>            | <u>7,247,713</u>            | -    |
| <u>9,156,038</u>            | <u>8,384,701</u>            | <u>7,863,406</u>            | <u>7,299,978</u>            | <u>7,580,021</u>            | <u>8,923,234</u>            | -    |
| 3,636                       | 9,080                       | 11,783                      | 13,860                      | 13,401                      | 97,840                      | -    |
| 3,850,363                   | 5,552,733                   | 4,157,254                   | 3,233,157                   | 3,215,475                   | 2,961,835                   | -    |
| 20,006                      | -                           | -                           | -                           | -                           | 564,258                     | -    |
| 363,125                     | 325,198                     | 291,806                     | 341,746                     | 268,127                     | 288,972                     | -    |
| <u>(207,026)</u>            | <u>-</u>                    | <u>-</u>                    | <u>-</u>                    | <u>-</u>                    | <u>(9,956)</u>              | -    |
| <u>4,030,104</u>            | <u>5,887,011</u>            | <u>4,460,843</u>            | <u>3,588,763</u>            | <u>3,497,003</u>            | <u>3,902,949</u>            | -    |
| <b><u>\$ 13,186,142</u></b> | <b><u>\$ 14,271,712</u></b> | <b><u>\$ 12,324,249</u></b> | <b><u>\$ 10,888,741</u></b> | <b><u>\$ 11,077,024</u></b> | <b><u>\$ 12,826,183</u></b> | -    |

## City of Grosse Pointe Woods

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

Source: City annual financial statements

## Changes in Fund Balances - Governmental Funds

Last Ten Fiscal Years

June 30, 2023

(Unaudited)

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



## City of Grosse Pointe Woods

### General Governmental Revenue History

Last Ten Fiscal Years

June 30, 2023

(Unaudited)

| Fiscal Year | General Property Taxes | Inter-governmental Revenue | Licenses and Permits | Federal Financial Assistance | Charges for Services | Interest and Miscellaneous | Total Revenue |
|-------------|------------------------|----------------------------|----------------------|------------------------------|----------------------|----------------------------|---------------|
| 2014        | 12,971,026             | 2,328,022                  | 847,839              | 6,483                        | 114,559              | 1,161,165                  | 17,429,094    |
| 2015        | 12,089,662             | 2,389,342                  | 762,903              | 7,693                        | 200,141              | 966,437                    | 16,416,178    |
| 2016        | 13,450,544             | 2,649,970                  | 825,131              | -                            | 225,434              | 1,077,090                  | 18,228,169    |
| 2017        | 13,942,867             | 2,723,847                  | 860,940              | 25,227                       | 259,340              | 1,179,152                  | 18,991,373    |
| 2018        | 14,403,290             | 3,167,506                  | 362,235              | 13,777                       | 699,489              | 1,361,480                  | 20,007,777    |
| 2019        | 15,161,779             | 3,746,298                  | 336,174              | 44,670                       | 850,123              | 1,458,778                  | 21,597,822    |
| 2020        | 15,996,485             | 3,215,563                  | 369,566              | 26,750                       | 600,775              | 1,001,938                  | 21,211,077    |
| 2021        | 16,333,840             | 3,606,739                  | 341,918              | 515,545                      | 622,309              | 692,769                    | 22,113,120    |
| 2022        | 17,562,597             | 3,906,575                  | 370,999              | 158                          | 722,004              | 729,738                    | 23,292,071    |
| 2023        | 17,797,438             | 4,038,555                  | 376,482              | 1,683,134                    | 919,111              | 1,488,990                  | 26,303,710    |

Source: City annual financial statements

## City of Grosse Pointe Woods

### Property Tax Levies and Collections

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

| Tax Year | Year Ended | Total Levy | Current<br>Collections (1) | Percent<br>Collected | Delinquent<br>Collections | Total Tax<br>Collections | Percent of Total       |
|----------|------------|------------|----------------------------|----------------------|---------------------------|--------------------------|------------------------|
|          | June 30,   |            |                            |                      |                           |                          | Collections to<br>Levy |
| 2013     | 2014       | 12,364,679 | 12,083,808                 | 97.73%               | 280,870                   | 12,364,678               | 100.00%                |
| 2014     | 2015       | 11,986,716 | 11,460,229                 | 95.61%               | 526,487                   | 11,986,716               | 100.00%                |
| 2015     | 2016       | 13,131,261 | 12,483,896                 | 95.07%               | 647,365                   | 13,131,261               | 100.00%                |
| 2016     | 2017       | 14,037,134 | 13,307,362                 | 94.80%               | 726,581                   | 14,033,943               | 99.98%                 |
| 2017     | 2018       | 13,278,048 | 13,135,291                 | 98.92%               | 238,023                   | 13,373,314               | 100.72%                |
| 2018     | 2019       | 14,671,703 | 14,371,506                 | 97.95%               | 300,251                   | 14,671,756               | 100.00%                |
| 2019     | 2020       | 15,535,494 | 15,200,200                 | 97.84%               | 335,294                   | 15,535,494               | 100.00%                |
| 2020     | 2021       | 15,926,332 | 15,666,713                 | 98.37%               | 259,619                   | 15,926,332               | 100.00%                |
| 2021     | 2022       | 16,272,132 | 16,028,353                 | 98.50%               | 243,779                   | 16,272,132               | 100.00%                |
| 2022     | 2023       | 16,761,441 | 16,564,877                 | 98.83%               | 196,564                   | 16,761,441               | 100.00%                |

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

## City of Grosse Pointe Woods

| Taxable Value by Property Type |             |             |            |            |                   |
|--------------------------------|-------------|-------------|------------|------------|-------------------|
| Tax Year                       | Fiscal Year | Residential | Commercial | Industrial | Personal Property |
| 2013                           | 2014        | 534,100,330 | 71,785,000 | 107,400    | 12,500,000        |
| 2014                           | 2015        | 552,991,973 | 72,042,025 | 109,177    | 12,808,700        |
| 2015                           | 2016        | 563,473,469 | 72,936,601 | 109,445    | 14,693,500        |
| 2016                           | 2017        | 578,864,599 | 66,717,419 | 110,430    | 13,757,547        |
| 2017                           | 2018        | 602,093,150 | 67,911,530 | 112,749    | 25,907,200        |
| 2018                           | 2019        | 628,785,679 | 68,566,360 | 115,454    | 25,084,400        |
| 2019                           | 2020        | 650,171,495 | 71,772,973 | 117,647    | 24,344,600        |
| 2020                           | 2021        | 671,520,874 | 72,674,633 | 118,400    | 22,827,600        |
| 2021                           | 2022        | 707,733,272 | 76,210,252 | 118,900    | 23,034,670        |
| 2022                           | 2023        | 758,306,425 | 79,861,111 | 117,700    | 22,991,700        |

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

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

Source: Comptroller's office



## Taxable Value and Estimated Actual Value of Taxable Property

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

| Total Value | Tax Rate<br>(mills) | State<br>Equalized Value | Estimated<br>Actual Value | Taxable Value as a<br>Percentage of Actual |
|-------------|---------------------|--------------------------|---------------------------|--------------------------------------------|
| 618,492,730 | 18.8883             | 681,439,327              | 1,362,878,654             | 45.38%                                     |
| 637,951,875 | 20.6091             | 742,311,865              | 1,484,623,730             | 42.97%                                     |
| 651,213,015 | 21.5685             | 793,579,200              | 1,587,158,400             | 41.03%                                     |
| 659,449,995 | 20.0671             | 842,847,660              | 1,685,695,320             | 39.12%                                     |
| 696,024,629 | 20.3936             | 870,068,002              | 1,740,136,004             | 40.00%                                     |
| 722,551,893 | 21.5214             | 950,311,765              | 1,900,623,530             | 38.02%                                     |
| 746,406,715 | 21.3551             | 1,004,650,469            | 2,009,300,938             | 37.15%                                     |
| 767,141,507 | 21.8829             | 1,036,351,089            | 2,072,702,178             | 37.01%                                     |
| 807,097,094 | 21.4272             | 1,081,703,586            | 2,163,407,172             | 37.31%                                     |
| 861,276,936 | 21.3037             | 1,179,535,598            | 2,359,071,196             | 36.51%                                     |

## City of Grosse Pointe Woods

| Tax Year | Millage Rates - Direct City Taxes (1) |           |                    |                    |                          |                              |                       | Overlapping |
|----------|---------------------------------------|-----------|--------------------|--------------------|--------------------------|------------------------------|-----------------------|-------------|
|          | General<br>Operating                  | Voted EMS | Voted Park<br>Bond | Voted Road<br>Bond | Statutory<br>Solid Waste | Ch 20/21 Milk<br>River Drain | Total Direct<br>Taxes | County      |
| 2014     | 14.1063                               | -         | -                  | -                  | 2.0251                   | 2.7340                       | 18.8654               | 9.1220      |
| 2015     | 14.1051                               | -         | -                  | 0.3280             | 2.0251                   | 4.1509                       | 20.6091               | 9.1220      |
| 2016     | 13.8925                               | -         | -                  | 1.5000             | 2.0251                   | 4.1509                       | 21.5685               | 9.1220      |
| 2017     | 13.9732                               | -         | -                  | 1.5300             | 2.0251                   | 2.6070                       | 20.1353               | 9.1220      |
| 2018     | 13.6843                               | -         | -                  | 1.5000             | 2.6023                   | 3.3250                       | 21.1116               | 9.1220      |
| 2019     | 13.4990                               | -         | -                  | 1.5000             | 2.5674                   | 3.9550                       | 21.5214               | 9.1211      |
| 2020     | 13.3568                               | -         | -                  | 1.5000             | 2.5406                   | 3.9550                       | 21.3524               | 9.1211      |
| 2021     | 13.1944                               | -         | -                  | 1.5000             | 2.5099                   | 4.6786                       | 21.8829               | 9.0972      |
| 2022     | 12.9888                               | -         | -                  | 1.2761             | 2.4711                   | 4.6912                       | 21.4272               | 9.0655      |
| 2023     | 12.9849                               | -         | -                  | 1.5000             | 2.4711                   | 4.3477                       | 21.3037               | 9.0655      |

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

(2) Previously termed homestead and nonhomestead

Source: Comptroller's office

## Direct and Overlapping Property Tax Rates

**June 30, 2023**

**(Unaudited)**

| Overlapping Taxes |                      |                          |                                 |                              |                                 | Total Tax Rate (2) |              |
|-------------------|----------------------|--------------------------|---------------------------------|------------------------------|---------------------------------|--------------------|--------------|
| H.C.M.A.          | Community<br>College | Grosse Pointe<br>Library | Intermediate<br>School District | School District<br>Principal | School District<br>Nonprincipal | Principal          | Nonprincipal |
| 0.2146            | 3.2408               | 2.0512                   | 3.4643                          | 15.9166                      | 26.7550                         | 52.8749            | 63.7133      |
| 0.2146            | 3.2408               | 2.0712                   | 3.4643                          | 15.9166                      | 26.7550                         | 54.6386            | 65.4770      |
| 0.2146            | 3.2408               | 2.0613                   | 5.4643                          | 15.3770                      | 27.3955                         | 55.0485            | 67.0670      |
| 0.2141            | 3.2408               | 2.2186                   | 5.4643                          | 15.3770                      | 27.3955                         | 31.1500            | 31.1500      |
| 0.2129            | 3.2408               | 2.1925                   | 5.4643                          | 14.7127                      | 26.7127                         | 55.0616            | 66.7441      |
| 0.2117            | 3.2408               | 2.1707                   | 5.4643                          | 15.5975                      | 27.5975                         | 57.2594            | 69.7706      |
| 0.2104            | 3.2408               | 2.1504                   | 5.4643                          | 15.9353                      | 28.1307                         | 57.4747            | 69.6701      |
| 0.2089            | 3.2378               | 2.1235                   | 5.4643                          | 13.0458                      | 28.1189                         | 55.0604            | 70.1335      |
| 0.2070            | 3.2202               | 2.0970                   | 5.4275                          | 14.4586                      | 28.1061                         | 55.9030            | 69.5505      |
| 0.2070            | 3.2202               | 2.0970                   | 5.4275                          | 13.8124                      | 28.1011                         | 55.1333            | 69.4220      |



## City of Grosse Pointe Woods

### Principal Property Tax Payers

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

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

Source: City of Grosse Pointe Woods Assessing Department records

## City of Grosse Pointe Woods

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

(1) Personal income is not available

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

## Ratios of Outstanding Debt

Last Ten Fiscal Years

June 30, 2023

(Unaudited)

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



## City of Grosse Pointe Woods

### Pledged-revenue Coverage

June 30, 2023

(Unaudited)

| Fiscal<br>Year | Debt Service Requirements (3) |                            |             |           |          |         | Coverage |
|----------------|-------------------------------|----------------------------|-------------|-----------|----------|---------|----------|
|                | Gross<br>Revenue (1)          | Applicable<br>Expenses (2) | Net Revenue | Principal | Interest | Total   |          |
| 2014           | 6,311,280                     | 4,248,572                  | 2,062,708   | 305,000   | 92,188   | 397,188 | 519.33%  |
| 2015           | 6,213,080                     | 4,898,622                  | 1,314,458   | 310,000   | 87,850   | 397,850 | 330.39%  |
| 2016           | 7,174,578                     | 5,003,502                  | 2,171,076   | 320,000   | 76,851   | 396,851 | 547.08%  |
| 2017           | 7,789,824                     | 4,826,771                  | 2,963,053   | 325,000   | 74,850   | 399,850 | 741.04%  |
| 2018           | 8,735,644                     | 5,072,817                  | 3,662,827   | 335,000   | 68,250   | 403,250 | 908.33%  |
| 2019           | 8,186,600                     | 5,355,540                  | 2,831,060   | 350,000   | 59,650   | 409,650 | 691.09%  |
| 2020           | 7,993,080                     | 5,344,854                  | 2,648,226   | 365,000   | 48,925   | 413,925 | 639.78%  |
| 2021           | 7,803,033                     | 4,970,717                  | 2,832,316   | 375,000   | 35,950   | 410,950 | 689.21%  |
| 2022           | 7,595,174                     | 4,693,139                  | 2,902,035   | 395,000   | 22,525   | 417,525 | 695.06%  |
| 2023           | 7,970,731                     | 4,900,105                  | 3,070,626   | 415,000   | 8,300    | 423,300 | 725.40%  |

(1) Exclusive of nonoperating revenue

(2) Exclusive of depreciation charges and nonoperating expenditures

(3) Includes principal and interest of revenue bonds only

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

## City of Grosse Pointe Woods

### Ratios of General Bonded Debt Outstanding

Last Ten Fiscal Years

June 30, 2023

(Unaudited)

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

(1) Road Bonds approved by voters Nov 2014

(2) Road Bond Debt Issue #2 Added

(3) Capital Improvement Bonds

Source: Comptroller's office

## City of Grosse Pointe Woods

### Direct and Overlapping Governmental Activities Debt

June 30, 2023

(Unaudited)

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

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

Source: Municipal Advisory Council of Michigan



## City of Grosse Pointe Woods

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

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

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

Source: Comptroller's office

## Legal Debt Margin

June 30, 2023

(Unaudited)

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

## City of Grosse Pointe Woods

# Demographic and Economic Statistics

June 30, 2023

(Unaudited)

| Fiscal Year | Population | Personal Income<br>(in thousands) | Per Capita<br>Personal Income | Median<br>Age | Unemployment<br>Rate | School<br>Enrollment |
|-------------|------------|-----------------------------------|-------------------------------|---------------|----------------------|----------------------|
| 2014        | 16,135 (1) | (3)                               | 89,513                        | 44.9          | 7.80%                | 4,025                |
| 2015        | 16,135 (1) | (3)                               | 92,014                        | 44.9          | 5.70%                | 3,992                |
| 2016        | 16,135 (1) | (3)                               | 93,404                        | 45.0          | 5.80%                | 3,900                |
| 2017        | 16,135 (1) | (3)                               | 95,697                        | 45.4          | 5.80%                | 3,662                |
| 2018        | 15,785 (1) | (3)                               | 95,697                        | 45.4          | 5.80%                | 3,662                |
| 2019        | 15,412 (1) | (3)                               | 95,697                        | 45.4          | 5.80%                | 3,662                |
| 2020        | 15,332 (2) | (3)                               | 97,711                        | 45.8          | 3.70%                | 3,613                |
| 2021        | 15,332 (2) | (3)                               | 104,848                       | 45.6          | 5.60%                | 3,613                |
| 2022        | 16,487 (4) | (3)                               | 111,392                       | 45.1          | 5.60%                | 2,962                |
| 2023        | 16,487 (4) | (3)                               | 115,247                       | 45.1          | 5.60%                | 2,843                |

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

(2) US Census Bureau, 2018 American Community Survey

(3) Data not available

(4) 2020 Census

Source: Comptroller's office



## City of Grosse Pointe Woods

## Principal Employers

June 30, 2023

(Unaudited)

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

Source: City Business License Registry

## City of Grosse Pointe Woods

## Full-time Government Employees (1)

Last Ten Fiscal Years

June 30, 2023

(Unaudited)

| Department               | As of June 30, |           |           |           |           |           |           |           |           |           | Percent of<br>Total for<br>2023 |
|--------------------------|----------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|---------------------------------|
|                          | 2014           | 2015      | 2016      | 2017      | 2018      | 2019      | 2020      | 2021      | 2022      | 2023      |                                 |
| Supervisor/Administrator | 2              | 2         | 2         | 2         | 2         | 2         | 2         | 2         | 2         | 2         | 3%                              |
| Assessing                | 1              | -         | -         | -         | -         | -         | -         | -         | -         | -         | 0%                              |
| Clerk's Office           | 3              | 3         | 3         | 3         | 3         | 3         | 3         | 3         | 3         | 3         | 4%                              |
| Treasurer's Office       | 4              | 4         | 4         | 4         | 4         | 4         | 4         | 4         | 4         | 4         | 5%                              |
| Municipal Court          | 3              | 3         | 3         | 3         | 3         | 3         | 3         | 3         | 3         | 3         | 4%                              |
| Information Systems      | 2              | 2         | 2         | 2         | 1         | 1         | 1         | 2         | 2         | 2         | 3%                              |
| Building                 | 3              | 4         | 4         | 4         | 4         | 4         | 4         | 4         | 5         | 0         | 0%                              |
| Parks and Recreation     | 2              | 2         | 2         | 2         | 2         | 2         | 2         | 2         | 2         | 2         | 3%                              |
| Public Safety            | 39             | 35        | 34        | 34        | 35        | 32        | 36        | 36        | 35        | 38        | 48%                             |
| Public Works             | 22             | 23        | 23        | 24        | 22        | 25        | 25        | 25        | 25        | 25        | 32%                             |
| <b>Total</b>             | <b>81</b>      | <b>78</b> | <b>77</b> | <b>78</b> | <b>76</b> | <b>76</b> | <b>80</b> | <b>81</b> | <b>81</b> | <b>79</b> | <b>100%</b>                     |
|                          | (2)            | (3)       |           |           | (4)       | (5)       | (5)       | (6)       | (7)       | (8)       |                                 |

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

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

(3) 2015 shows the loss of EMTs.

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

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

(6) Information Systems position added

(7) Building Department position added

(8) Building Department outsourced

(8) Public Safety added (1) dispatcher

(8) Public Safety (1) PSO vacancy filled

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

Source: City personnel records

## City of Grosse Pointe Woods

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

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

Source: City Departmental Operational Reports



## Operating Indicators

**Last Ten Fiscal Years**

**June 30, 2023**

**(Unaudited)**

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

## City of Grosse Pointe Woods

## Capital Asset Statistics

Last Ten Fiscal Years

June 30, 2023

(Unaudited)

| Function/Program                 | As of June 30, |      |      |      |      |      |      |      |      |      |
|----------------------------------|----------------|------|------|------|------|------|------|------|------|------|
|                                  | 2014           | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 |
| Public safety:                   |                |      |      |      |      |      |      |      |      |      |
| Stations                         | 1              | 1    | 1    | 1    | 1    | 1    | 1    | 1    | 1    | 1    |
| Patrol units                     | 8              | 8    | 8    | 8    | 8    | 8    | 8    | 8    | 8    | 8    |
| Fire trucks                      | 3              | 3    | 3    | 3    | 3    | 3    | 3    | 3    | 2    | 2    |
| Ambulances                       | 1              | 1    | 1    | 1    | 1    | 1    | -    | -    | -    | -    |
| Parks and recreation:            |                |      |      |      |      |      |      |      |      |      |
| Acreage                          | 92             | 92   | 92   | 92   | 92   | 92   | 92   | 92   | 92   | 92   |
| Playgrounds                      | 5              | 5    | 5    | 5    | 5    | 5    | 5    | 5    | 5    | 5    |
| Soccer fields                    | 2              | 2    | 2    | 2    | 2    | 2    | 2    | 2    | 2    | 2    |
| Baseball/Softball diamonds       | 5              | 5    | 5    | 5    | 5    | 5    | 5    | 5    | 5    | 5    |
| Water:                           |                |      |      |      |      |      |      |      |      |      |
| Mains (miles)                    | 63             | 63   | 63   | 63   | 63   | 63   | 63   | 63   | 68   | 68   |
| Fire hydrants                    | 603            | 608  | 608  | 608  | 608  | 608  | 608  | 608  | 605  | 605  |
| Sewer - Miles of sanitary sewers | 78             | 78   | 78   | 78   | 78   | 78   | 78   | 78   | 95   | 95   |

Source: Departmental annual reports

## City of Grosse Pointe Woods

## State-shared Revenue

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

| Fiscal Year | Modified Accrual and<br>Accrual Basis of<br>Accounting |
|-------------|--------------------------------------------------------|
| 2014        | 1,413,776                                              |
| 2015        | 1,431,780                                              |
| 2016        | 1,394,687                                              |
| 2017        | 1,389,170                                              |
| 2018        | 1,599,713                                              |
| 2019        | 1,670,593                                              |
| 2020        | 1,640,435                                              |
| 2021        | 1,840,319                                              |
| 2022        | 2,027,099                                              |
| 2023        | 2,052,736                                              |

Source: Comptroller's office



## City of Grosse Pointe Woods

## Gas and Weight Taxes

Last Ten Fiscal Years

June 30, 2023

(Unaudited)

| Fiscal year | Type of Street |         | Total                                      |
|-------------|----------------|---------|--------------------------------------------|
|             | Major          | Local   | Gas and Weight<br>Tax (Act 51)<br>Receipts |
| 2014        | 648,809        | 265,806 | 914,615                                    |
| 2015        | 662,419        | 271,424 | 933,843                                    |
| 2016        | 697,972        | 433,599 | 1,131,571                                  |
| 2017        | 802,672        | 364,938 | 1,167,610                                  |
| 2018        | 961,831        | 394,264 | 1,356,095                                  |
| 2019        | 1,038,109      | 456,650 | 1,494,759                                  |
| 2020        | 1,111,874      | 452,402 | 1,564,276                                  |
| 2021        | 1,193,060      | 524,688 | 1,717,748                                  |
| 2022        | 1,277,672      | 559,615 | 1,837,288                                  |
| 2023        | 1,314,394      | 536,585 | 1,850,979                                  |

Source: Comptroller's office

## City of Grosse Pointe Woods

## Labor Agreements

June 30, 2023

(Unaudited)

| Bargaining Unit                                                                                                                                | Expiration Date | Number of Employees at June 30, 2023 |
|------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|--------------------------------------|
| <b>Police Officers Association of Michigan</b><br>Represents Public Safety Officers                                                            | 6/30/2026       | 20                                   |
| <b>Command Officers Association of Michigan</b><br>Represents Public Safety Sergeants and Lieutenants                                          | 6/30/2027       | 9                                    |
| <b>Police Officers Labor Council</b><br>Represents all Communications Dispatchers                                                              | 6/30/2026       | 4                                    |
| <b>Technical, Professional, and Office Workers Assn of MI</b><br>Represents clerical, public works employees, building, and ordinance officers | 6/30/2026       | 28                                   |
| <b>Nonunion Employees (Full-time)</b>                                                                                                          |                 |                                      |
| City Administrator                                                                                                                             | N/A             | 1                                    |
| Assistant City Administrator                                                                                                                   | N/A             | 1                                    |
| City Assessor                                                                                                                                  | N/A             | 0                                    |
| Treasurer/Comptroller                                                                                                                          | N/A             | 1                                    |
| Deputy Treasurer/Comptroller                                                                                                                   | N/A             | 1                                    |
| Water Billing Specialist                                                                                                                       | N/A             | 1                                    |
| City Clerk                                                                                                                                     | N/A             | 1                                    |
| Public Safety Director                                                                                                                         | N/A             | 1                                    |
| Court Clerk                                                                                                                                    | N/A             | 1                                    |
| Deputy Court Clerk                                                                                                                             | N/A             | 1                                    |
| Information Technology Manager                                                                                                                 | N/A             | 1                                    |
| System Administrator                                                                                                                           | N/A             | 1                                    |
| Building Official                                                                                                                              | N/A             | 0                                    |
| Property Maintenance Inspector                                                                                                                 | N/A             | 0                                    |
| Director of Public Works                                                                                                                       | N/A             | 1                                    |
| Assistant Director of PW                                                                                                                       | N/A             | 1                                    |
| Foreman                                                                                                                                        | N/A             | 1                                    |
| Recreation Supervisor                                                                                                                          | N/A             | 1                                    |
| Confidential Administrative Assistant                                                                                                          | N/A             | 3                                    |

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Source: Comptroller's office

## City of Grosse Pointe Woods

### Water and Sewer Customers and Consumption

June 30, 2023

(Unaudited)

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

Source: Comptroller's office



## City of Grosse Pointe Woods

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

June 30, 2023

(Unaudited)

| Fiscal Year | Operating Expense | Operating Expenses Exclusive of Depreciation | Net Operating Income | Other Nonoperating Income (1) | Annual Income Available for Debt Service | Annual Revenue Debt Service Requirements | Annual Coverage |
|-------------|-------------------|----------------------------------------------|----------------------|-------------------------------|------------------------------------------|------------------------------------------|-----------------|
| 2014        | 5,029,027         | 4,248,572                                    | 1,282,253            | 16,430                        | 1,298,683                                | 397,188                                  | 3.27%           |
| 2015        | 5,640,641         | 4,898,622                                    | 572,439              | 25,876                        | 598,315                                  | 397,850                                  | 1.50%           |
| 2016        | 5,805,365         | 5,003,502                                    | 1,369,213            | 86,421                        | 1,455,634                                | 396,851                                  | 3.67%           |
| 2017        | 5,631,186         | 4,826,771                                    | 2,158,639            | 74,058                        | 2,232,697                                | 399,850                                  | 5.58%           |
| 2018        | 5,885,978         | 5,072,817                                    | 2,849,666            | 156,326                       | 3,005,992                                | 403,250                                  | 7.45%           |
| 2019        | 6,197,856         | 5,355,540                                    | 1,988,744            | 260,554                       | 2,249,298                                | 409,650                                  | 5.49%           |
| 2020        | 6,224,296         | 5,344,854                                    | 1,768,784            | 248,323                       | 2,017,107                                | 410,950                                  | 4.91%           |
| 2021        | 5,878,466         | 4,970,717                                    | 1,924,567            | 70,377                        | 1,994,944                                | 417,525                                  | 4.78%           |
| 2022        | 6,014,247         | 5,068,032                                    | 1,580,927            | 75,402                        | 1,656,329                                | 423,300                                  | 3.91%           |
| 2023        | 5,854,782         | 4,900,105                                    | 2,115,949            | 291,348                       | 2,407,297                                | -                                        | n/a             |

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

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

## City of Grosse Pointe Woods

### Water Usage and Revenue of the Largest Customers

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

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

Source: City of Grosse Pointe Woods Finance

## City of Grosse Pointe Woods

## Metered Water Rates

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

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

(1) Commercial rate includes churches, schools, and government  
Source: Comptroller's office



## City of Grosse Pointe Woods

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

June 30, 2023  
(Unaudited)

## State Equalized Value

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

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

## Taxable Value

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

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

Source: Comptroller's office



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Report on Compliance for the U.S. Department of the Treasury Coronavirus State and Local Fiscal Recovery Funds Program (CSLFRF) Requirements for an Alternative CSLFRF Compliance Examination Engagement

**Independent Accountant's Report**

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

We have examined the City of Grosse Pointe Woods, Michigan's (the "City") compliance with the compliance requirements "activities allowed or unallowed" and "allowable cost/cost principles" (the "specified requirements"), as described in Part IV, "Requirements for an Alternative Compliance Examination Engagement for Recipients That Would Otherwise be Required to Undergo a Single Audit or Program-Specific Audit as a Result of Receiving Coronavirus State and Local Fiscal Recovery Funds" of the CSLFRF section of the 2023 OMB Compliance Supplement (referred to herein as "Requirements for an Alternative CSLFRF Compliance Examination Engagement") during the year ended June 30, 2023. Management of the City of Grosse Pointe Woods, Michigan is responsible for the City's compliance with the specified requirements. Our responsibility is to express an opinion on the City of Grosse Pointe Woods, Michigan's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the AICPA; the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and in the "Requirements for an Alternative CSLFRF Compliance Examination Engagement." Those standards and requirements require that we plan and perform the examination to obtain reasonable assurance about whether the City of Grosse Pointe Woods, Michigan complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the City of Grosse Pointe Woods, Michigan complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

Our examination does not provide a legal determination on the City of Grosse Pointe Woods, Michigan's compliance with specified requirements.

In our opinion, the City of Grosse Pointe Woods, Michigan complied, in all material respects, with the specified requirements referenced above during the year ended June 30, 2023.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we are required to report all deficiencies that are considered to be significant deficiencies or material weaknesses in internal control; fraud; and noncompliance with provisions of laws, regulations, contracts, or grant agreements that have a material effect on the City's compliance with the specified requirements and any other instances that warrant the attention of those charged with governance. We are also required to obtain and report the views of responsible officials concerning the findings, conclusions, and recommendations, as well as any planned corrective actions. We performed our examination to express an opinion on the City's compliance with the specified requirements and not for the purpose of expressing an opinion on the internal control over the specified requirements or on compliance and other matters; accordingly, we express no such opinion. The results of our tests disclosed no matters that are required to be reported under *Government Auditing Standards*.

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

***Intended Purpose***

The purpose of this examination report is solely to express an opinion on whether the City of Grosse Pointe Woods, Michigan complied, in all material respects, with the specified requirements referenced above during the year ended June 30, 2023. Accordingly, this report is not suitable for any other purpose.

*Plante & Moran, PLLC*

November 13, 2023




**Plante & Moran, PLLC**

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November 13, 2023

To the Honorable Mayor and Members  
 of the City Council  
 City of Grosse Pointe Woods, Municipal Court

We have audited the financial statements of the City of Grosse Pointe Woods, Municipal Court (the "Court") as of and for the year ended June 30, 2023 and have issued our report thereon dated November 13, 2023. Professional standards require that we provide you with the following information related to our audit.

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

As stated in our engagement letter dated July 10, 2023, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities. Our responsibility is to plan and perform the audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement.

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

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

**Planned Scope and Timing of the Audit**

We performed the audit according to the planned scope and timing previously communicated to you in our meeting about planning matters on July 10, 2023.

**Significant Audit Findings**

***Qualitative Aspects of Accounting Practices***

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

No new accounting policies were adopted, and the application of existing policies was not changed during 2023.

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

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

To the Honorable Mayor and Members  
of the City Council  
City of Grosse Pointe Woods, Municipal Court

November 13, 2023

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There were no significant balances, amounts, or disclosures in the financial statements based on sensitive management estimates.

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

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

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

***Disagreements with Management***

For the purpose of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

***Corrected and Uncorrected Misstatements***

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management.

We did not detect any misstatements as a result of audit procedures.

***Significant Findings or Issues***

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

***Management Representations***

We have requested certain representations from management that are included in the management representation letter dated November 13, 2023.

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

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

To the Honorable Mayor and Members  
of the City Council  
City of Grosse Pointe Woods, Municipal Court

November 13, 2023

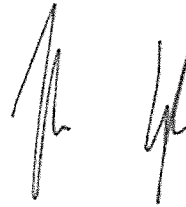
This information is intended solely for the use of the honorable mayor, members of the City Council, and management of the Court and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

**Plante & Moran, PLLC**



William E. Brickey  
Partner



Joshua L. Yde  
Principal



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# City of Grosse Pointe Woods, Municipal Court

(a component unit of the City of Grosse Pointe Woods, Michigan)

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**Financial Report  
with Supplementary Information  
June 30, 2023**

## City of Grosse Pointe Woods, Municipal Court

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## Independent Auditor's Report

To the Honorable Mayor and Members  
 of the City Council  
 City of Grosse Pointe Woods, Municipal Court

### **Opinions**

We have audited the financial statements of the bond account/governmental activities and fiduciary activities of the City of Grosse Pointe Woods, Municipal Court (the "Court"), a component unit of the City of Grosse Pointe Woods, Michigan, as of and for the year ended June 30, 2023 and the related notes to the financial statements, which collectively comprise the Court'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 financial position of the bond account/governmental activities and fiduciary activities of the Court as of June 30, 2023 and the respective changes in its financial position 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 Court and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

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

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

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

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



To the Honorable Mayor and Members  
of the City Council  
City of Grosse Pointe Woods, Municipal Court

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 Court'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 Court's ability to continue as a going concern for a reasonable period of time.

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

***Required Supplementary Information***

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

*Plante & Moran, PLLC*

November 13, 2023

## City of Grosse Pointe Woods, Municipal Court

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### Management's Discussion and Analysis

---

Our discussion and analysis of the City of Grosse Pointe Woods, Municipal Court's (the "Court") financial performance provides an overview of the Court's financial activities for the fiscal year ended June 30, 2023. Please read it in conjunction with the Court's financial statements.

#### ***Using This Financial Report***

This financial report represents the activities of the funds of the Court during the year. The funds are custodial in nature. Therefore, the activities are limited to collection of amounts that are subsequently returned or paid to third parties. The bond account holds the bonds that have not yet been remitted to the third parties, and the general account collects the fines and fees and remits them to other governmental units.

#### ***The Court as a Whole***

##### **General Account**

For the year ended June 30, 2023, the Court collected fines and fees of \$41,063 and remitted them to the State of Michigan and Wayne County, Michigan. This represented a decrease from \$44,123 collected and remitted for the year ended June 30, 2022.

##### **Bond Account**

At June 30, 2023 and 2022, the Court had \$800 and \$9,075, respectively, of cash to refund outstanding bonds. During the year ended June 30, 2023, the Court collected and distributed \$1,260 in forfeitures. There were no significant changes in court operations during the year.

#### ***Contacting the Court's Management***

This financial report is intended to provide our citizens and customers with a general overview of the Court's activities and to show the Court's accountability for the money it receives. If you have questions about this report or need additional information, we welcome you to contact the Court directly.

## City of Grosse Pointe Woods, Municipal Court

### Statement of Net Position/Governmental Fund Balance Sheet

June 30, 2023

|                                                 | Bond Account  |
|-------------------------------------------------|---------------|
| <b>Assets - Cash</b>                            | <b>\$ 800</b> |
| <b>Liabilities - Returnable bonds</b>           | <b>\$ 800</b> |
| <b>Fund Balance/Net Position</b>                | <b>-</b>      |
| Total liabilities and fund balance/net position | <b>\$ 800</b> |



## City of Grosse Pointe Woods, Municipal Court

### Statement of Activities/Statement of Revenue, Expenditures, and Changes in Fund Balance

Year Ended June 30, 2023

|                                                      | <u>Bond Account</u> |
|------------------------------------------------------|---------------------|
| <b>Revenue - Bond receipts</b>                       | \$ 1,260            |
| <b>Expenditures - Bond forfeitures</b>               | <u>1,260</u>        |
| <b>Net Change in Fund Balance</b>                    | -                   |
| <b>Fund Balance/Net Position - Beginning of year</b> | <u>-</u>            |
| <b>Fund Balance/Net Position - End of year</b>       | <u><u>\$ -</u></u>  |

**City of Grosse Pointe Woods, Municipal Court****Statement of Fiduciary Net Position****June 30, 2023**Custodial Fund -  
General Account**Assets - Cash**

\$ -

**Liabilities - Due to other governmental units**-**Net Position**\$ -

## City of Grosse Pointe Woods, Municipal Court

### Statement of Changes in Fiduciary Net Position

Year Ended June 30, 2023

|                                                          | <u>Custodial Fund -<br/>General Account</u> |
|----------------------------------------------------------|---------------------------------------------|
| <b>Additions</b> - Fines and fees collected              | \$ 424,693                                  |
| <b>Deductions</b>                                        |                                             |
| Transfers to the State of Michigan                       | 36,416                                      |
| Transfers to Wayne County, Michigan                      | 4,647                                       |
| Transfers to the City of Grosse Pointe Woods, Michigan   | <u>383,630</u>                              |
| Total deductions                                         | <u>424,693</u>                              |
| <b>Net Increase (Decrease) in Fiduciary Net Position</b> | -                                           |
| <b>Net Position</b> - Beginning of year                  | <u>-</u>                                    |
| <b>Net Position</b> - End of year                        | <u><u>\$ -</u></u>                          |



## City of Grosse Pointe Woods, Municipal Court

### Notes to Financial Statements

June 30, 2023

#### Note 1 - Significant Accounting Policies

The following is a summary of the significant accounting policies used by the City of Grosse Pointe Woods, Municipal Court (the "Court"):

##### ***Reporting Entity***

The City of Grosse Pointe Woods, Municipal Court is governed by an elected judge.

The Court is a component unit of the City of Grosse Pointe Woods, Michigan (the "City") and is included in the basic financial statements of the City of Grosse Pointe Woods, Michigan at June 30, 2023.

The operations of the Court are included as a separate activity in the General Fund of the City of Grosse Pointe Woods, Michigan.

As required by accounting principles generally accepted in the United States of America, these financial statements present the Court. The accompanying basic financial statements have been prepared in accordance with criteria established by the Governmental Accounting Standards Board for determining the various governmental organizations to be included in the reporting entity. The Court is responsible for traffic and moving violations, certain civil matters, and misdemeanors.

##### ***Accounting and Reporting Principles***

The Court 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. Revenue is recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of the cash flows.

In the case of the bond account, there are no differences between the two perspectives; therefore, all activity is reported within a single column.

Separate financial statements are provided for fiduciary funds, and they are excluded from the governmental activities statements.

##### ***Basis of Accounting***

The governmental fund uses 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 Court 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.



## City of Grosse Pointe Woods, Municipal Court

### Notes to Financial Statements

June 30, 2023

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

##### Governmental Fund

Governmental funds include all activities that provide general governmental services that are not business-type activities. The only governmental fund is the Court's bond account. The bond account receives and holds bond money from defendants as a promise to appear on an appointed court date, as well as restitution amounts paid by defendants. After the court date, the moneys are applied to fines and costs, bond costs, forfeitures, restitutions, and refunds, as appropriate. All operating costs related to the Court are paid by the City of Grosse Pointe Woods, Michigan.

##### Fiduciary Fund

Fiduciary funds include amounts held in a fiduciary capacity for others. These amounts are not used to operate the Court's programs. Activities that are reported as fiduciary include the custodial fund, which is used to record the shares of fines and fees collected and remitted to the State of Michigan; Wayne County, Michigan; and the City of Grosse Pointe Woods, Michigan.

##### *Specific Balances and Transactions*

##### Cash and Bank Deposits

Cash includes cash on hand and demand deposits.

#### Note 2 - 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 Court has designated one bank for the deposit of its funds. The investment policy adopted by the City of Grosse Pointe Woods, Michigan 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 Court's deposits and investments are in accordance with statutory authority.

The Court's cash and investments are subject to one type of risk, which is 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 Court's deposits may not be returned to it. The Court does not have a deposit policy for custodial credit risk. At year end, the Court had no uninsured or uncollateralized deposits.

#### Note 3 - Court Operations

All of the costs related to the operations of the Court are budgeted items of the City of Grosse Pointe Woods, Michigan's General Fund, and, accordingly, such costs are paid by the City's General Fund. The Court's personnel are considered to be employees of the City, and, as such, they participate in the City's pension and health care plans. The wage and fringe benefit costs for the Court's personnel are budgeted line items of the City.

## City of Grosse Pointe Woods, Municipal Court

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### Notes to Financial Statements

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June 30, 2023

#### Note 4 - Risk Management

The Court 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 Court, through the City of Grosse Pointe Woods, Michigan, has purchased commercial general liability insurance for claims relating to property loss claims, torts, and errors and omissions. The City of Grosse Pointe Woods, Michigan is self-insured for medical claims with other communities. Under the workers' compensation program and medical program, the City is held liable for the first \$400,000 and \$25,000, respectively, of any occurrence. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.