



DDA Board of Directors Agenda

Friday, December 16, 2022 at 12:00 PM
27400 Southfield Road, Lathrup Village, Michigan 48076

1. **Call to Order**
2. **Approval of Agenda**
3. **Approval of Minutes**
 - [A.](#) 2022 11 18 DDA Board of Directors
4. **Financial Review**
 - [A.](#) Annual Audit Report for Fiscal Year Ending 6/30/2022
 - [B.](#) November 2022 Financial Reports
5. **Committee Reports**
6. **Other Business**
 - [A.](#) December 2022 CED Report
7. **Old Business**
8. **New Business**
 - [A.](#) 2022 Holiday Decorations invoice
 - [B.](#) 2023 Proposed Calendar of Meetings
9. **Public Comment** (speakers are limited to 3 minutes)
10. **Adjourn**



DDA Board of Directors Agenda

Friday, November 18, 2022 at 12:00 PM
27400 Southfield Road, Lathrup Village, Michigan 48076

1. **Call to Order by Ford at 12:02 pm**

Present: Bryan Ford, Kelly Garrett (arrived 12:09pm), Charlotte Jones, Bobbi Lovins, Scott McKee, Pam Shermeyer, Dan Sugg

Absent: Fred Prime

Staff: Susie Stec, Pam Bratschi, Sue Montenegro

2. **Approval of Agenda**

Motion to approve the agenda by McKee, seconded by Sugg. All in favor.

3. **Approval of Minutes**

Motion to approve the 2022 09 16 DDA Board of Directors & 2022 10 17 DDA - City Council Special Joint Meeting minutes by Jones, seconded by Shermeyer. All in favor.

4. **Financial Review**

Bratschi informed the board that she started to move the TIFA funds into the DDA accounts in October, and that the audit report is anticipated in November.

Motion to receive & file the September 2022 & October 2022 Financial Reports by Lovins, seconded by Sugg. All in favor.

5. **Committee Reports**

Dorsey provided an update on past & upcoming events.

6. **Other Business**

A. November CED Report: Stec provided an update.

B. October Code Enforcement Reports: Stec indicated that the city is seeking to fill the Code Enforcement position; McKenna will be providing those services until someone is hired.

7. **Old Business**

8. **New Business**

- A. Hubbell, Roth, & Clark Proposal for Design Engineering Services: Stec reviewed the proposal and answered questions.

Motion by Sugg to accept the proposal submitted by HRB in the amount of \$19,200 for design engineering services related to the installation of the HAWK signal, seconded by Lovins. All in favor.

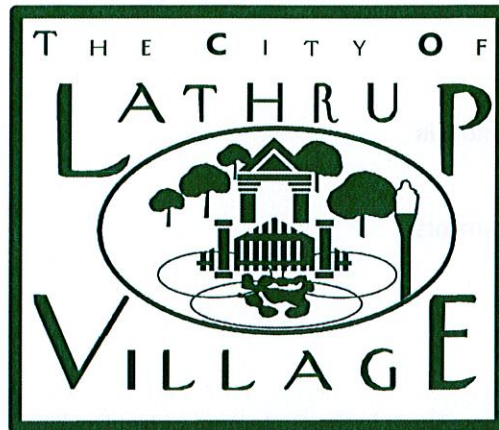
- B. 2023 DDA Alley & Approach Recommendation: Stec provided an overview of the discussion with the city's engineer and Economic Vitality Committee, and presented the 2023 Alley & Approach Recommendation which has an estimated cost of \$258,511.

Motion by Shermeyer to adopt the 2023 DDA Alley & Approach Recommendation as presented, seconded by Garrett. All in Favor.

9. **Public Comment**

10. **Adjourn at 12:39 pm**

Motion to adjourn by Garrett, seconded by Sugg. All in favor.



A HERITAGE OF GOOD LIVING

Financial Report
with Supplemental Information

June 30, 2022

Kelly Garrett, Mayor
Bruce Kantor, Mayor Pro Tem
Jalen Jennings, Council Member
Karen Miller, Council Member
Barbara Kenez, Council Member
Susan Montenegro, City Administrator

City of Lathrup Village, Michigan

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Independent Auditor's Report

To the City Council
City of Lathrup Village, Michigan

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Lathrup Village, Michigan (the "City") as of and for the year ended June 30, 2022 and the related notes to the financial statements, which collectively comprise the City's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of June 30, 2022 and the respective changes in its financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

To the City Council
City of Lathrup Village, Michigan

In performing an audit in accordance with GAAS, we:

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

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

Required Supplemental Information

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

Plante & Morse, PLLC

November 18, 2022

City of Lathrup Village, Michigan

Management's Discussion and Analysis

Our discussion and analysis of the City of Lathrup Village, Michigan's (the "City") financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2022. 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, 2022:

- The FY 2021/2022 General Fund property tax and related revenue increased by \$46,687, or 1.54 percent, as compared to the 2020/2021 fiscal year.

Property Taxes			
FY 2020/2021	FY 2021/2022	Change	Percent
\$ 3,022,636	\$ 3,069,323	\$ 46,687	1.54%

- Total General Fund revenue was \$75,884, or 1.74 percent, higher than the prior year.

General Fund Revenue			
FY 2020/2021	FY 2021/2022	Change	Percent
\$ 4,361,549	\$ 4,437,433	\$ 75,884	1.74%

- Overall, General Fund expenditures were \$515,402, or 12.39 percent, higher than the prior year.

General Fund Expenditures			
FY 2020/2021	FY 2021/2022	Change	Percent
\$ 4,160,347	\$ 4,675,749	\$ 515,402	12.39%

- The ending fund balance of the General Fund decreased by \$348,766, or 21.92 percent, from fiscal year 2020/2021.

General Fund - Ending Fund Balance			
FY 2020/2021	FY 2021/2022	Change	Percent
\$ 1,590,968	\$ 1,242,202	\$ (348,766)	(21.92)%

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.

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 following is an expanded discussion of the concept touched upon earlier in this analysis and includes this year's financial statement format and information about the government-wide financial statements and fund financial statements.

City of Lathrup Village, Michigan

Management's Discussion and Analysis (Continued)

The City as a Whole

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

The City's Net Position

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Assets						
Current and other assets	\$ 9,783,970	\$ 8,002,315	\$ 6,058,439	\$ 6,411,588	\$ 15,842,409	\$ 14,413,903
Capital assets	17,254,255	15,688,374	9,867,005	9,304,829	27,121,260	24,993,203
Total assets	27,038,225	23,690,689	15,925,444	15,716,417	42,963,669	39,407,106
Deferred Outflows of Resources - Related to pension and OPEB	143,591	99,095	23,290	13,513	166,881	112,608
Liabilities						
Current liabilities	996,258	333,436	395,210	313,159	1,391,468	646,595
Long-term liabilities	9,575,460	12,565,971	7,612,834	8,702,195	17,188,294	21,268,166
Total liabilities	10,571,718	12,899,407	8,008,044	9,015,354	18,579,762	21,914,761
Deferred Inflows of Resources - Related to pension and OPEB	2,898,347	245,880	63,202	35,233	2,961,549	281,113
Net Position						
Net investment in capital assets	15,389,513	14,566,445	8,041,444	7,461,202	23,430,957	22,027,647
Restricted	1,242,440	925,376	-	-	1,242,440	925,376
Unrestricted	(2,920,202)	(4,847,324)	(163,956)	(781,859)	(3,084,158)	(5,629,183)
Total net position	<u>\$ 13,711,751</u>	<u>\$ 10,644,497</u>	<u>\$ 7,877,488</u>	<u>\$ 6,679,343</u>	<u>\$ 21,589,239</u>	<u>\$ 17,323,840</u>

The City's combined net position is \$21.6 million compared to \$17.3 million for the prior year. This represents a 24.6 percent increase. The governmental activities portion of net position increased by \$3.1 million, or 28.8 percent, while the business-type activities increased by \$1.2 million, or 17.9 percent.

City of Lathrup Village, Michigan

Management's Discussion and Analysis (Continued)

The City's Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenue						
Program revenue:						
Charges for services	\$ 414,349	\$ 311,748	\$ 2,544,483	\$ 2,009,789	\$ 2,958,832	\$ 2,321,537
Operating grants and contributions	622,858	847,907	213,826	-	836,684	847,907
Capital grants and contributions	48,936	19,414	-	-	48,936	19,414
General revenue:						
Property taxes	3,675,092	3,005,007	-	-	3,675,092	3,005,007
State-shared revenue	512,936	445,949	-	-	512,936	445,949
Investment income	101,099	7,083	13,040	431	114,139	7,514
Other revenue:						
Cable franchise and cell tower fees	200,537	216,945	-	-	200,537	216,945
Other miscellaneous income	62,227	40,614	-	-	62,227	40,614
Total revenue	5,638,034	4,894,667	2,771,349	2,010,220	8,409,383	6,904,887
Expenses						
General government	1,492,497	1,570,417	-	-	1,492,497	1,570,417
Public safety	258,764	1,977,613	-	-	258,764	1,977,613
Public works	691,302	1,421,587	-	-	691,302	1,421,587
Recreation and culture	43,965	32,010	-	-	43,965	32,010
Debt service	84,252	-	-	-	84,252	-
Water and Sewer Fund	-	-	1,573,204	2,097,844	1,573,204	2,097,844
Total expenses	2,570,780	5,001,627	1,573,204	2,097,844	4,143,984	7,099,471
Change in Net Position	3,067,254	(106,960)	1,198,145	(87,624)	4,265,399	(194,584)
Net Position - Beginning of year	10,644,497	10,751,457	6,679,343	6,766,967	17,323,840	17,518,424
Net Position - End of year	\$ 13,711,751	\$ 10,644,497	\$ 7,877,488	\$ 6,679,343	\$ 21,589,239	\$ 17,323,840

Governmental Activities

As you read through the next several paragraphs, it is important to remember that governmental activities include not only the General Fund, but also the Major Streets and Local Streets funds, the Street Improvement Bond Fund, and the Capital Acquisition Fund. The table shown above was generated by pulling data from pages 9 and 10 of the financial report. You will find specific breakout data for the General, Major Streets, Local Streets, Street Improvement Bond, and Capital Acquisition funds on pages 11 and 13 of the financial report.

The City's governmental revenue totaled \$5.6 million, with the largest revenue source being property taxes (\$3 million). Property tax revenue represents 65 percent of total governmental revenue. The percentage of total revenue increased significantly from last year, as did expenses.

Our next largest single source of revenue is state-shared revenue. This revenue totals \$0.51 million. The City continues to work to maximize the statutory portion of revenue sharing (formerly EVIP and now CVTRS) by meeting requirements such as posting a citizen's guide and dashboard on our website and complying with other CVTRS requirements, as mandated by the State. The City enhances transparency and accountability by making available information utilizing the Munetrix platform that provides citizens with an easy to comprehend guide to finances.

The charges for services category, referred to as other revenue in our budget, is a listing of many other smaller revenue sources. Combined with the cable franchise and cell tower lease revenue, which is included in the other revenue category, the total for this revenue is \$0.3 million.

City of Lathrup Village, Michigan

Management's Discussion and Analysis (Continued)

Finally, the operating grants and contributions total \$0.65 million and reflect Act 51 funds for our major and local streets, as well as federal grants. Act 51 funding has been relatively stable over the past five fiscal years. We are unaware of any significant changes at the state level that will negatively affect this revenue in the near future, although the State has had discussions on different methods to fund roads.

As is typical of other communities in the area, a heavier reliance on property taxes will continue to pressure our tax base. The flattening of our revenue, being nearly 100 percent developed, coupled with falling property values, requires us to be cautious as we move forward. Encouraging redevelopment will be helpful in the long run.

Total governmental expenses for the City totaled \$2.6 million. Revenue exceeded expenses by \$3 million. Over the course of the year, the City amended the budget to take into account events during the year. Although programming and events are starting to return to normal, revenue for recreational programs and rentals remains reduced.

From an overall perspective, we continue to remain in good financial standing. The budgetary reductions implemented over the last few years have aided us in this effort. Since we are a service provider, the majority of our expenditures are for personnel. Therefore, it is imperative that we maintain an open and cooperative spirit with our employee unions and continually review the cost of doing business in order to provide services in a cost-effective manner.

Business-type Activities

The City's business-type activity consists of the Water and Sewer Fund. We provide water as a part of the Southeastern Oakland County Water Authority (SOCWA), which in turn purchases water from the Detroit water and sewerage department. Sewage treatment is provided through the Evergreen-Farmington sewage disposal system through the water resource commissioner's office, formerly the Oakland County Drain Commission, which is a customer of the Great Lakes Water Authority.

System revenue is provided primarily through the fees paid by consumers based on actual metered water usage. Also, within this fund is the debt for the retirement of capital improvement and SRF bonds for sanitary sewer system improvements.

The business-type activities revenue totaled \$2.8 million. Taking expenses totaling \$1.6 million into consideration, there was a net position increase of \$1.2 million.

General Fund Budgetary Highlights

The audited numbers included \$293,686 more revenue than the final amended budget, \$100,084 more revenue than the original budget, \$97,274 less expenditures than the final amended budget, and \$222,075 more expenditures than the original budget.

General Fund - FY Ended June 30, 2022				
	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Total revenue	\$ 4,337,349	\$ 4,143,747	\$ 4,437,433	\$ 293,686
Total expenditures	(4,453,674)	(4,773,023)	(4,675,749)	97,274
Excess of revenue over expenditures	<u>\$ (116,325)</u>	<u>\$ (629,276)</u>	<u>\$ (238,316)</u>	<u>\$ 390,960</u>

The beginning fund balance for fiscal year 2021/2022 was \$1,590,968. The audited numbers reflect an ending fund balance of \$1,242,202. This is an ending fund balance of \$390,960 more than the final amended budget and \$121,991 less than the original budget.

City of Lathrup Village, Michigan

Management's Discussion and Analysis (Continued)

	General Fund - Fund Balance - FY Ended June 30, 2021			
	Original Budget	Amended Budget	Actual	Variance from Amended Budget
Beginning fund balance	\$ 1,590,968	\$ 1,590,968	\$ 1,590,968	\$ -
Net change in fund balance	(226,775)	(739,726)	(348,766)	390,960
Ending fund balance	<u>\$ 1,364,193</u>	<u>\$ 851,242</u>	<u>\$ 1,242,202</u>	<u>\$ 390,960</u>

Capital Assets and Debt Administration

At the end of fiscal year 2021/2022, the City has \$27 million invested in a wide range of capital assets, including land, buildings, equipment, roads, and water and sewer lines. During the current year, the City added \$1,874,601 of governmental capital assets, including \$118,688 for tasers for the police department and park improvements. In June 2021 citizens voted to approve a \$4.7 million general obligation bond for street improvements and a \$5.38 million limited tax obligation bond for capital improvements for the water and sewer system. The majority of the additions related to improvements to the city infrastructure. Great progress was made this year on street, water, and sewer projects and will continue next year. This is the 17th year that such reporting has occurred with such specificity, which is attributable to GASB Statement No. 34 requirements.

Economic Factors and Next Year's Budgets and Rates

The City's budget for next year will require tough decisions by the City Council and the citizens of Lathrup Village. Being mindful of our long-term obligations, the fund balance has assigned \$50,000 to be applied towards the OPEB obligation.

There are several economic factors that will challenge the City. The challenges include potential cuts to personal property tax, health insurance increases, pension costs, potential prefunding of retiree health care (GASB Statement No. 45), our overall millage rate, and state laws limiting the growth in property taxes. The 1978 Headlee Amendment (Headlee) and Proposal A passed in 1993 both limit growth to the rate of inflation. Headlee requires a rollback in the overall millage rate if total property values grow at a rate higher than inflation, and Proposal A limits increases in individual property tax assessments to the rate of inflation. Previously, city residents approved a Headlee rollback in May 2010; however, the rollback expired, and the continued shortfalls in revenue have required the City to rely on its fund balances. This practice is not financially or fiscally responsible. A Headlee rollback will need to be considered by the City Council and voted on by the citizens to maintain the same level of services.

Contacting the City's Financial 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's administrator at (248) 557-2600, ext. 225, or the City's treasurer at (248) 557-2600, ext. 227. This report, city budgets, and other financial information are available on the City website at www.lathrupvillage.org.

City of Lathrup Village, Michigan

Statement of Net Position

June 30, 2022

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Downtown Development Authority
Assets				
Cash and investments (Note 3)	\$ 3,204,227	\$ 954,085	\$ 4,158,312	\$ 1,363,161
Receivables:				
Property taxes	6,749	-	6,749	23,504
Special assessments	43,686	-	43,686	-
Customer receivables	-	589,888	589,888	-
Leases receivable (Note 13)	2,489,856	-	2,489,856	-
Other receivables	32,175	-	32,175	-
Due from other governmental units	193,809	-	193,809	-
Due from primary government (Note 5)	-	-	-	4,513
Internal balances	202,704	(202,704)	-	-
Prepaid expenses	61,982	-	61,982	-
Restricted assets:				
Unspent bond proceeds	3,548,782	4,603,616	8,152,398	-
Cash on hand at the County	-	113,554	113,554	-
Capital assets: (Note 4)				
Assets not subject to depreciation	15,513,490	-	15,513,490	-
Assets subject to depreciation - Net	1,740,765	9,867,005	11,607,770	186,231
Total assets	27,038,225	15,925,444	42,963,669	1,577,409
Deferred Outflows of Resources				
Deferred pension costs (Note 8)	128,552	17,530	146,082	-
Deferred OPEB costs (Note 10)	15,039	5,760	20,799	-
Total deferred outflows of resources	143,591	23,290	166,881	-
Liabilities				
Accounts payable	283,010	348,351	631,361	160,329
Due to component units (Note 5)	4,513	-	4,513	-
Accrued liabilities and other	329,209	46,859	376,068	-
Unearned revenue	379,526	-	379,526	-
Noncurrent liabilities:				
Due within one year:				
Payable from restricted assets	222,472	-	222,472	-
Compensated absences (Note 6)	100,000	7,758	107,758	-
Current portion of long-term debt (Note 6)	457,774	324,352	782,126	-
Due in more than one year:				
Compensated absences (Note 6)	105,418	-	105,418	-
Net pension liability (Note 8)	1,254,500	171,068	1,425,568	-
Net OPEB liability (Note 10)	2,479,546	1,004,831	3,484,377	-
Long-term debt - Net of current portion (Note 6)	4,955,750	6,104,825	11,060,575	-
Total liabilities	10,571,718	8,008,044	18,579,762	160,329
Deferred Inflows of Resources				
Deferred pension cost reductions (Note 8)	463,480	63,202	526,682	-
Deferred inflow from leases (Note 13)	2,434,867	-	2,434,867	-
Total deferred inflows of resources	2,898,347	63,202	2,961,549	-
Net Position				
Net investment in capital assets	15,389,513	8,041,444	23,430,957	186,231
Restricted for:				
Streets and highways	1,191,923	-	1,191,923	-
Police forfeitures	4,326	-	4,326	-
Rubbish	46,191	-	46,191	-
Unrestricted	(2,920,202)	(163,956)	(3,084,158)	1,230,849
Total net position	\$ 13,711,751	\$ 7,877,488	\$ 21,589,239	\$ 1,417,080

See notes to financial statements.

City of Lathrup Village, Michigan

Statement of Activities

For the Year Ended 2017

Functions/Programs	Program Revenue			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 1,492,497	\$ 322,480	\$ 50,392	\$ -
Public safety	258,764	84,655	8,757	-
Public works	691,302	4,917	563,709	48,936
Recreation and culture	43,965	2,297	-	-
Interest on long-term debt	84,252	-	-	-
Total governmental activities	2,570,780	414,349	622,858	48,936
Business-type activities - Water and Sewer Fund	1,573,204	2,544,483	213,826	-
Total primary government	<u>\$ 4,143,984</u>	<u>\$ 2,958,832</u>	<u>\$ 836,684</u>	<u>\$ 48,936</u>
Component units - Downtown Development Authority	<u>\$ 621,368</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
General revenue:				
Property taxes				
Unrestricted state-shared revenue				
Unrestricted investment income				
Cable franchise and cell tower fees				
Other miscellaneous income				
Total general revenue				
Change in Net Position				
Net Position - Beginning of year				
Net Position - End of year				

Statement of Activities

Year Ended June 30, 2022

Net Revenue (Expense) and Changes in Net Position			
Primary Government			
Governmental Activities	Business-type Activities	Total	Component Unit
\$ (1,119,625)	\$ -	\$ (1,119,625)	\$ -
(165,352)	-	(165,352)	-
(73,740)	-	(73,740)	-
(41,668)	-	(41,668)	-
(84,252)	-	(84,252)	-
(1,484,637)	-	(1,484,637)	-
-	1,185,105	1,185,105	-
(1,484,637)	1,185,105	(299,532)	-
-	-	-	(621,368)
3,675,092	-	3,675,092	401,375
512,936	-	512,936	21,677
101,099	13,040	114,139	4,104
200,537	-	200,537	-
62,227	-	62,227	80
4,551,891	13,040	4,564,931	427,236
3,067,254	1,198,145	4,265,399	(194,132)
10,644,497	6,679,343	17,323,840	1,611,212
<u>\$ 13,711,751</u>	<u>\$ 7,877,488</u>	<u>\$ 21,589,239</u>	<u>\$ 1,417,080</u>

City of Lathrup Village, Michigan

Governmental Funds Balance Sheet

June 30, 2022

	General Fund	Major Streets Fund	Local Streets Fund	Street Improvement Bond Fund	Nonmajor Fund - Capital Acquisition Fund	Total
Assets						
Cash and investments (Note 3)	\$ 1,682,103	\$ 750,922	\$ 621,265	\$ 21,973	\$ 127,964	\$ 3,204,227
Receivables:						
Property taxes	6,749	-	-	-	-	6,749
Special assessments	43,686	-	-	-	-	43,686
Leases receivable (Note 13)	2,489,856	-	-	-	-	2,489,856
Other receivables	32,175	-	-	-	-	32,175
Due from other governmental units	106,749	59,347	27,713	-	-	193,809
Due from other funds (Note 5)	352,331	9,723	6,083	-	-	368,137
Prepaid expenditures	61,982	-	-	-	-	61,982
Restricted assets - Unspent bond proceeds	-	283,198	204,020	3,061,564	-	3,548,782
Total assets	\$ 4,775,631	\$ 1,103,190	\$ 859,081	\$ 3,083,537	\$ 127,964	\$ 9,949,403
Liabilities						
Accounts payable	\$ 233,348	\$ 22,027	\$ 25,202	\$ -	\$ 2,433	\$ 283,010
Due to component units (Note 5)	4,513	-	-	-	-	4,513
Due to other funds (Note 5)	-	17,701	17,701	-	28,501	63,903
Advances from other funds (Note 5)	101,530	-	-	-	-	101,530
Accrued liabilities and other	329,209	-	-	-	-	329,209
Unearned revenue	379,526	-	-	-	-	379,526
Payable from restricted assets - Capital acquisition payable from restricted assets	-	111,236	111,236	-	-	222,472
Total liabilities	1,048,126	150,964	154,139	-	30,934	1,384,163
Deferred Inflows of Resources						
Unavailable revenue	50,436	-	-	-	-	50,436
Deferred inflow from leases (Note 13)	2,434,867	-	-	-	-	2,434,867
Total deferred inflows of resources	2,485,303	-	-	-	-	2,485,303
Total liabilities and deferred inflows of resources	3,533,429	150,964	154,139	-	30,934	3,869,466
Fund Balances						
Nonspendable - Prepaids	61,982	-	-	-	-	61,982
Restricted:						
Roads and street improvements	-	952,226	704,942	3,083,537	-	4,740,705
Police forfeitures	4,326	-	-	-	-	4,326
Rubbish	46,191	-	-	-	-	46,191
Assigned:						
Subsequent year's budget	171,883	-	-	-	-	171,883
Capital expenditures	-	-	-	-	97,030	97,030
Unassigned	957,820	-	-	-	-	957,820
Total fund balances	1,242,202	952,226	704,942	3,083,537	97,030	6,079,937
Total liabilities, deferred inflows of resources, and fund balances	\$ 4,775,631	\$ 1,103,190	\$ 859,081	\$ 3,083,537	\$ 127,964	\$ 9,949,403

See notes to financial statements.

City of Lathrup Village, Michigan

Governmental Funds Reconciliation of the Balance Sheet to the Statement of Net Position

June 30, 2022

Fund Balances Reported in Governmental Funds	\$ 6,079,937
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	17,254,255
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	50,436
Bonds payable obligations are not due and payable in the current period and are not reported in the funds	(5,413,524)
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	(205,418)
Pension benefits	(1,254,500)
Other postemployment benefits	(2,479,546)
Deferred outflows of resources related to pension and other postemployment benefits	143,591
Deferred inflows of resources related to pension and other postemployment benefits	(463,480)
Net Position of Governmental Activities	<u>\$ 13,711,751</u>

City of Lathrup Village, Michigan

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

Year Ended June 30, 2022

	General Fund	Major Streets Fund	Local Streets Fund	Street Improvement Bond Fund	Nonmajor Fund - Capital Acquisition Fund	Total
Revenue						
Property taxes	\$ 3,069,323	\$ -	\$ -	\$ 563,640	\$ -	\$ 3,632,963
Intergovernmental:						
Federal grants	57,637	-	-	-	-	57,637
State-shared revenue and grants	514,448	384,226	201,244	-	-	1,099,918
Construction code fees	206,208	-	-	-	-	206,208
Fines and forfeitures	71,992	-	-	-	-	71,992
Licenses and permits	130,836	-	-	-	-	130,836
Interest and rentals:						
Investment income	87,737	1,876	2,063	9,206	217	101,099
Rental income	77,029	-	-	-	-	77,029
Special assessments	27,175	-	-	-	-	27,175
Other revenue:						
Michigan Broadband Authority	89,432	-	-	-	-	89,432
Other miscellaneous income	105,616	-	-	-	-	105,616
Total revenue	4,437,433	386,102	203,307	572,846	217	5,599,905
Expenditures						
Current services:						
General government:						
Government service	736,829	-	-	-	-	736,829
Buildings and grounds	131,460	-	-	-	-	131,460
Administration	778,098	-	-	-	-	778,098
Public safety	2,182,163	-	-	-	-	2,182,163
Public works	812,416	139,219	137,209	-	-	1,088,844
Recreation and culture	28,442	-	-	-	-	28,442
Capital outlay	-	607,763	608,013	-	62,520	1,278,296
Debt service	6,341	-	-	541,667	-	548,008
Total expenditures	4,675,749	746,982	745,222	541,667	62,520	6,772,140
Excess of Revenue (Under) Over Expenditures	(238,316)	(360,880)	(541,915)	31,179	(62,303)	(1,172,235)
Other Financing Sources (Uses)						
Transfers in (Note 5)	-	375,000	375,000	-	110,450	860,450
Transfers out (Note 5)	(110,450)	-	-	(750,000)	-	(860,450)
Total other financing (uses) sources	(110,450)	375,000	375,000	(750,000)	110,450	-
Net Change in Fund Balances	(348,766)	14,120	(166,915)	(718,821)	48,147	(1,172,235)
Fund Balances - Beginning of year	1,590,968	938,106	871,857	3,802,358	48,883	7,252,172
Fund Balances - End of year	\$ 1,242,202	\$ 952,226	\$ 704,942	\$ 3,083,537	\$ 97,030	\$ 6,079,937

See notes to financial statements.

City of Lathrup Village, Michigan

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

Year Ended June 30, 2022

Net Change in Fund Balances Reported in Governmental Funds \$ (1,172,235)

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:

Capital outlay	1,977,755
Depreciation expense	(411,874)
Total	1,565,881

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	42,129
--	--------

Repayment of bond principal is an expenditure in the governmental funds but not in the statement of activities (where it reduces long-term debt)	463,756
--	---------

Decrease in accumulated employee sick and vacation pay and other similar expenses reported in the statement of activities does not provide current resources and, therefore, are not reported in the fund statements until they come due for payment	24,898
--	--------

The change in the net OPEB liability and related deferrals does not require the use of current resources and is not reported in the governmental funds	2,160,034
--	-----------

The change in the net pension liability and related deferrals does not require the use of current resources and is not reported in the governmental funds	(17,209)
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Change in Net Position of Governmental Activities \$ 3,067,254

City of Lathrup Village, Michigan

Proprietary Fund Statement of Net Position

June 30, 2022

Major Enterprise
Fund
Water and Sewer
Fund

Assets

Current assets:

Cash and investments	\$ 954,085
Receivables	589,888
Due from other funds (Note 5)	35,402

Total current assets 1,579,375

Noncurrent assets:

Restricted assets:

Unspent bond proceeds	4,603,616
Cash on hand at the County	113,554
Advances to other funds (Note 5)	101,530
Capital assets - Net (Note 4)	9,867,005

Total noncurrent assets 14,685,705

Total assets 16,265,080

Deferred Outflows of Resources

Deferred pension costs (Note 8)	17,530
Deferred OPEB costs (Note 10)	5,760

Total deferred outflows of resources 23,290

Liabilities

Current liabilities:

Accounts payable	348,351
Due to other funds (Note 5)	339,636
Accrued liabilities and other	46,859
Compensated absences (Note 6)	7,758
Current portion of long-term debt (Note 6)	324,352

Total current liabilities 1,066,956

Noncurrent liabilities:

Net pension liability (Note 8)	171,068
Net OPEB liability (Note 10)	1,004,831
Long-term debt - Net of current portion (Note 6)	6,104,825

Total noncurrent liabilities 7,280,724

Total liabilities 8,347,680

Deferred Inflows of Resources - Deferred pension cost reductions (Note 8)

63,202

Net Position

Net investment in capital assets	8,041,444
Unrestricted	(163,956)

Total net position \$ 7,877,488

City of Lathrup Village, Michigan

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

Year Ended June 30, 2022

	Major Enterprise Fund
	Water and Sewer Fund
Operating Revenue	
Sale of water	\$ 708,405
Sewage disposal charges	1,378,674
Meter charge revenue	128,144
Industrial surcharge	30,670
Penalties	69,877
State grants	213,826
Total operating revenue	2,529,596
Operating Expenses	
Cost of water	395,597
Cost of sewage treatment	1,056,825
Industrial surcharge	16,829
Other operating and maintenance costs - Net of OPEB gain	(474,902)
General and administrative	80,103
Depreciation	325,056
Total operating expenses	1,399,508
Operating Income	1,130,088
Nonoperating Revenue (Expense)	
Investment income	13,040
Interest expense	(173,696)
CIP debt service surcharge	228,713
Total nonoperating revenue	68,057
Change in Net Position	1,198,145
Net Position - Beginning of year	6,679,343
Net Position - End of year	<u><u>\$ 7,877,488</u></u>

City of Lathrup Village, Michigan

Proprietary Fund Statement of Cash Flows

Year Ended June 30, 2022

	Major Enterprise Fund
	Water and Sewer Fund
Cash Flows from Operating Activities	
Receipts from customers	\$ 2,230,842
Payments to other funds	(522,720)
Payments to suppliers	(1,787,976)
Payments to employees	(185,690)
Receipts from state grants	213,826
Net cash used in operating activities	(51,718)
Cash Flows Provided by Noncapital Financing Activities - Repayment of loan made to the General Fund	50,764
Cash Flows from Capital and Related Financing Activities	
Purchase of capital assets	(934,245)
Principal and interest paid on capital debt	(257,100)
CIP debt service charge	228,713
Net cash used in capital and related financing activities	(962,632)
Cash Flows Provided by Investing Activities - Interest received on investments	12,596
Net Decrease in Cash	(950,990)
Cash - Beginning of year	6,299,122
Cash - End of year	\$ 5,348,132
Classification of Cash	
Cash and investments	\$ 954,085
Restricted cash	4,603,616
Less amounts classified as investments	(209,569)
Total cash	\$ 5,348,132
Reconciliation of Operating Income to Net Cash from Operating Activities	
Operating income	\$ 1,130,088
Adjustments to reconcile operating income to net cash from operating activities:	
Depreciation	325,056
Changes in assets and liabilities:	
Receivables	(84,928)
Due to and from other funds	(522,720)
Prepaid and other assets	6,500
Net pension and OPEB liability and related deferrals	(952,595)
Accounts payable	46,103
Compensated absences	778
Total adjustments	(1,181,806)
Net cash used in operating activities	\$ (51,718)

See notes to financial statements.

City of Lathrup Village, Michigan

Fiduciary Funds Statement of Fiduciary Net Position

June 30, 2022

	OPEB Trust Fund	Custodial Fund Tax Collection Fund
Assets - Deposits with MERS	\$ 336,320	\$ -
Net Position - Restricted for postemployment benefits other than pension	<u>\$ 336,320</u>	<u>\$ -</u>

City of Lathrup Village, Michigan

Fiduciary Funds Statement of Changes in Fiduciary Net Position

Year Ended June 30, 2022

	OPEB Trust Fund	Custodial Fund Tax Collection Fund
Additions		
Employer contributions	\$ 311,023	\$ -
Property tax collections	-	5,294,894
Total additions	311,023	5,294,894
Deductions		
Benefit payments	161,023	-
Administrative expenses	469	-
Tax distributions to other governments	-	5,294,894
Investment loss - Net decrease in fair value of investments	26,190	-
Total deductions	187,682	5,294,894
Net Increase in Fiduciary Net Position	123,341	-
Net Position - Beginning of year	212,979	-
Net Position - End of year	<u>\$ 336,320</u>	<u>\$ -</u>

City of Lathrup Village, Michigan

Notes to Financial Statements

June 30, 2022

Note 1 - Significant Accounting Policies

Accounting and Reporting Principles

The City of Lathrup Village, Michigan (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. The following is a summary of the significant accounting policies used by the City:

Reporting Entity

The City is governed by an elected five-member council. The accompanying financial statements present the City and its component units, entities for which the City is considered to be financially accountable. Blended component units are, in substance, part of the City's operations, even though they are separate legal entities. Thus, blended component units are appropriately presented as funds of the City. Discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the City (see discussion below for description).

Blended Component Unit

The Lathrup Village Building Authority is governed by a commission appointed by the City Council. Although it is legally separate from the City, the Lathrup Village Building Authority is reported as if it were part of the primary government because its sole purpose is to finance and construct the City's public buildings.

Discretely Presented Component Unit

The Downtown Development Authority (the "DDA") is reported within the component unit column in the financial statements. It is reported in a separate column to emphasize that it is legally separate from the City. The DDA was created to correct and prevent deterioration in the downtown district, encourage historical preservation, and promote economic growth within the downtown district. The DDA's governing body, which consists of eight individuals, is selected by the mayor with the City Council's approval. In addition, the Authority's budget is subject to approval by the City Council. The DDA does not issue separate financial statements.

Fiduciary Component Unit

The City of Lathrup Village OPEB plan is governed by the City Council. Although it is legally separate from the City, it is reported as a fiduciary component unit because the City appoints a voting majority to the board, and the plan imposes a financial burden to 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.

City of Lathrup Village, Michigan

Notes to Financial Statements

June 30, 2022

Note 1 - Significant Accounting Policies (Continued)

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.

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 City's primary operating fund. It accounts for all financial resources used to provide government services other than those specifically assigned to another fund. General Fund activities are financed by revenue from general property taxes, state-shared revenue, and other sources.
- The Major Streets Fund accounts for maintenance and improvement activities for streets designated as major within the City.
- The Local Streets Fund accounts for maintenance and improvement activities for streets designated as local within the City. Funding is provided primarily through state-shared gas and weight taxes. State law requires that these taxes be used for local street maintenance and construction.
- The Street Improvement Bond Fund is used to record the street improvement bond proceeds, the proceeds from the voter-approved bond millage, and payment of debt service interest and principal.

Proprietary Funds

Proprietary funds include enterprise funds (which provide goods or services to users in exchange for charges or fees). The City reports only the Water and Sewer Fund as a major enterprise fund. The Water and Sewer Fund is used to account for the results of operations that provide water and sewer services to citizens that are financed primarily by a user charge for the provision of those services.

City of Lathrup Village, Michigan

Notes to Financial Statements

June 30, 2022

Note 1 - Significant Accounting Policies (Continued)

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 OPEB Trust Fund accumulates resources for future retiree health care payments to retirees.
- The custodial fund, the Tax Collection Fund, collects taxes on behalf of all the taxing authorities (state, county, school district, township, 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.

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.

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: property taxes, state-shared revenue, state gas and weight tax revenue, and interest associated with the current fiscal period. Conversely, property taxes will be collected after the period of availability; receivables have been recorded for these, along with a deferred inflow.

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

Specific Balances and Transactions

Cash, Cash Equivalents, and Investments

Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value.

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.

City of Lathrup Village, Michigan

Notes to Financial Statements

June 30, 2022

Note 1 - Significant Accounting Policies (Continued)

Restricted Assets

Unspent bond proceeds of the Major Streets, Local Streets, Street Improvements Bond, and Water and Sewer funds are required to be set aside for construction. These amounts have also been classified as restricted assets.

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 \$1,000 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.

Infrastructure, intangibles, buildings, equipment, and vehicles are depreciated using the straight-line method over the following useful lives:

Capital Asset Class	Depreciable Life - Years
Infrastructure	10-50
Buildings and building improvements	80
Machinery, equipment, and vehicles	1-25
Utility system	50

Leases

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

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

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

- The City uses the 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.

Unearned Revenue

Unearned revenue represents amounts received through nonexchange transactions prior to all applicable eligibility criteria being met or amounts being received through exchange transactions prior to goods or services being provided. The City has one item, unearned revenue related to funds received from the American Rescue Plan Act, which qualifies for reporting in this category.

City of Lathrup Village, Michigan

Notes to Financial Statements

June 30, 2022

Note 1 - Significant Accounting Policies (Continued)

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 bonds 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, Street Improvement Bond Fund, and Water and Sewer Fund are generally used to liquidate 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 position that applies to future periods and will not be recognized as an outflow of resources (expense/expenditure) until then. The City has two items that qualify for reporting in this category, which are the deferred outflows of resources related to the defined benefit pension plan and OPEB plans. The deferred outflows of resources related to the defined benefit pension plan and OPEB plan are reported in the government-wide financial statements and the Water and Sewer Fund. The details can be found in Notes 8 and 10.

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 position that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time. The City has three items that qualify for reporting in this category: unavailable revenue, deferred inflows of resources related to the defined benefit pension plan, and deferred inflows from leases. Unavailable revenue arises only under a modified accrual basis of accounting and is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenue from property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available. The deferred inflows of resources related to the defined benefit pension plan are reported in the government-wide financial statements and the Water and Sewer Fund. The details can be found in Note 8. The deferred inflows of resources related to leases are reported in the government-wide financial statements and the General Fund. The details can be found in Note 13.

Net Position

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

Net Position Flow Assumption

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

City of Lathrup Village, Michigan

Notes to Financial Statements

June 30, 2022

Note 1 - Significant Accounting Policies (Continued)

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 City itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

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

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The City Council has, by resolution, authorized the city administrator 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

Properties are assessed as of December 31. Property taxes are levied the following July 1 and become a lien on December 1. The taxes are due on February 28, after which point they are added to the county tax rolls.

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

The 2021 taxable valuation of the City totaled \$155.9 million (a portion of which is abated and a portion of which is captured by the DDA), on which taxes levied consisted of 17.8783 mills for operating purposes, 2.6816 mills for refuse service, 3.9307 for debt service, and 1.8823 for DDA operations. This resulted in approximately \$2,564,000 for operating and approximately \$385,000 for refuse service recognized in the General Fund as tax revenue, approximately \$564,000 for debt service recognized in the Street Improvement Bond Fund, and approximately \$37,000 for the DDA.

City of Lathrup Village, Michigan

Notes to Financial Statements

June 30, 2022

Note 1 - Significant Accounting Policies (Continued)

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, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

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, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

Compensated Absences (Vacation and Sick Leave)

It is the City's policy to permit employees to accumulate earned but unused sick and vacation pay benefits. There is a liability for unpaid accumulated sick leave since the City has a policy to pay out 50 percent of accumulated sick time when employees separate from services with the City. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only for employee terminations as of year end. Compensated absences attributable to the governmental activities will be liquidated primarily by the General Fund and the Water and Sewer Fund.

Proprietary Funds Operating Classification

Proprietary funds distinguish operating revenue and expenses from nonoperating items. Operating revenue and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of proprietary funds is charges to customers for sales or services. Operating expenses for these funds include the cost of sales or services and administrative expenses, and may also 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.

City of Lathrup Village, Michigan

Notes to Financial Statements

June 30, 2022

Note 1 - Significant Accounting Policies (Continued)

Adoption of New Accounting Pronouncement

During the current year, the City adopted GASB Statement No. 87, *Leases*. As a result, the governmental activities and fund financial statements now include a receivable for the present value of payments expected to be received and deferred inflows of resources that will be recognized as revenue over the term of the lease. Lease activity is further described in Note 13.

Upcoming Accounting Pronouncements

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

In April 2022, the Governmental Accounting Standards Board issued Statement No. 99, *Omnibus 2022*, which establishes or amends accounting and financial reporting requirements for specific issues related to financial guarantees, derivative instruments, leases, public-public and public-private partnerships (PPPs), subscription-based information technology arrangements (SBITAs), the transition from the London Interbank Offered Rate (LIBOR), the Supplemental Nutrition Assistance Program (SNAP), nonmonetary transactions, pledges of future revenue, the focus of government-wide financial statements, and terminology. The standard has various effective dates. The City does not believe this pronouncement will have a significant impact on its financial statements but is still making a full evaluation.

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.

City of Lathrup Village, Michigan

Notes to Financial Statements

June 30, 2022

Note 2 - Stewardship, Compliance, and Accountability

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, 2021		\$	(350,567)
Current year building permit revenue			206,208
Related expenses:			
Direct costs	\$	113,128	
Estimated indirect costs		59,289	172,417
			<u>33,791</u>
Current year surplus			<u>33,791</u>
Cumulative shortfall June 30, 2022		\$	<u><u>(316,776)</u></u>

Note 3 - Deposits and Investments

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

The City Council has designated three 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 bonds and securities of the United States government and bank accounts and CDs but not the remainder of state statutory authority, as listed above. The City's deposits, investments, and investment policies are in accordance with statutory authority.

The OPEB Trust Fund is also authorized by Michigan Public Act 314 of 1965, as amended, to invest in certain reverse repurchase agreements, stocks, diversified investment companies, annuity investment contracts, real estate leased to public entities, mortgages, real estate (if the trust fund's assets exceed \$250 million), debt or equity of certain small businesses, certain state and local government obligations, and certain other specified investment vehicles.

The OPEB Trust has designated one bank for deposit of its funds. The Trust's deposits and investment policies are in accordance with statutory authority.

City of Lathrup Village, Michigan

Notes to Financial Statements

June 30, 2022

Note 3 - Deposits and Investments (Continued)

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 \$12,545,911 (certificates of deposit and checking and savings accounts), of which \$709,669 was covered by federal depository insurance, and the remainder was uninsured and uncollateralized. The Downtown Development Authority had bank deposits of \$1,363,161 (savings accounts), of which \$250,000 was covered by federal deposit insurance, and the remainder was uninsured and uncollateralized. The City believes that, due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits. As a result, the City evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

At year end, the OPEB Trust had no bank deposits (cash and money market accounts) that were uninsured and uncollateralized.

Interest Rate Risk

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

At year end, the City had the following investments:

Investment	Fair Value	Weighted-average Maturity (Years)
Fiduciary Fund		
MERS ISP Total Market Portfolio	\$ 336,320	N/A

Credit Risk

State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations. The City has no investment policy that would further limit its investment choices. As of June 30, 2022, the credit quality ratings of debt securities (other than the U.S. government) are as follows:

Investment	Fair Value	Rating	Rating Organization
Primary Government			
MERS ISP Total Market Portfolio	\$ 336,320	Not rated	N/A

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.

City of Lathrup Village, Michigan

Notes to Financial Statements

June 30, 2022

Note 3 - Deposits and Investments (Continued)

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 or liability.

The City had no investments that were valued at fair value as of June 30, 2022.

Investments in Entities that Calculate Net Asset Value per Share

The OPEB Trust fund 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, 2022, the fair value, unfunded commitments, and redemption rules of those investments are as follows:

	Carrying Value	Unfunded Commitments	Redemption Frequency, if Eligible	Redemption Notice Period
MERS ISP Total Market Portfolio	\$ 336,320	\$ -	No restrictions	None

The MERS ISP Total Market Portfolio is a fully diversified portfolio combining stocks and bonds with alternative asset classes, including real estate, private equity, and commodities. The objective is to provide current income and capital appreciation while minimizing the volatility of the capital markets. MERS manages asset allocation and monitors the underlying investment managers of the MERS ISP Total Market Portfolio.

City of Lathrup Village, Michigan

Notes to Financial Statements

June 30, 2022

Note 4 - Capital Assets

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

Governmental Activities

	Balance July 1, 2021	Reclassifications	Additions	Disposals	Balance June 30, 2022
Capital assets not being depreciated:					
Land	\$ 364,738	\$ -	\$ -	\$ -	\$ 364,738
Construction in progress	871,431	-	1,874,601	-	2,746,032
Right of ways	12,402,720	-	-	-	12,402,720
Subtotal	13,638,889	-	1,874,601	-	15,513,490
Capital assets being depreciated:					
Buildings and improvements	1,303,577	-	5,446	-	1,309,023
Machinery and equipment	1,815,292	-	56,739	-	1,872,031
Infrastructure	7,461,813	-	40,969	-	7,502,782
Subtotal	10,580,682	-	103,154	-	10,683,836
Accumulated depreciation:					
Buildings and improvements	901,916	-	30,753	-	932,669
Machinery and equipment	1,506,506	-	132,049	-	1,638,555
Infrastructure	6,122,775	-	249,072	-	6,371,847
Subtotal	8,531,197	-	411,874	-	8,943,071
Net capital assets being depreciated	2,049,485	-	(308,720)	-	1,740,765
Net governmental activities capital assets	<u>\$ 15,688,374</u>	<u>\$ -</u>	<u>\$ 1,565,881</u>	<u>\$ -</u>	<u>\$ 17,254,255</u>

Business-type Activities

	Balance July 1, 2021	Reclassifications	Additions	Disposals	Balance June 30, 2022
Capital assets being depreciated:					
Utility system	\$ 16,571,592	\$ -	\$ 887,232	\$ -	\$ 17,458,824
Machinery and equipment	564,704	-	-	-	564,704
Vehicles	69,487	-	-	-	69,487
Subtotal	17,205,783	-	887,232	-	18,093,015
Accumulated depreciation:					
Utility system	7,361,182	-	316,465	-	7,677,647
Machinery and equipment	470,285	-	8,591	-	478,876
Vehicles	69,487	-	-	-	69,487
Subtotal	7,900,954	-	325,056	-	8,226,010
Net business-type activities capital assets	<u>\$ 9,304,829</u>	<u>\$ -</u>	<u>\$ 562,176</u>	<u>\$ -</u>	<u>\$ 9,867,005</u>

City of Lathrup Village, Michigan

Notes to Financial Statements

June 30, 2022

Note 4 - Capital Assets (Continued)

Component Unit

	Balance July 1, 2021	Reclassifications	Additions	Disposals	Balance June 30, 2022
Capital assets being depreciated:					
Infrastructure	\$ 360,290	\$ -	\$ -	\$ -	\$ 360,290
Furniture and equipment	25,243	-	-	-	25,243
Subtotal	385,533	-	-	-	385,533
Accumulated depreciation:					
Infrastructure	154,613	-	27,106	-	181,719
Buildings and improvements	14,971	-	2,612	-	17,583
Subtotal	169,584	-	29,718	-	199,302
Net capital assets	<u>\$ 215,949</u>	<u>\$ -</u>	<u>\$ (29,718)</u>	<u>\$ -</u>	<u>\$ 186,231</u>

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

Governmental activities:	
General government	\$ 44,374
Public safety	24,451
Public works	321,766
Recreation and culture	21,283
Total governmental activities	<u>\$ 411,874</u>
Business-type activities - Water and Sewer Fund	<u>\$ 325,056</u>
Component unit activities - Downtown Development Authority	<u>\$ 29,718</u>

Construction Commitments

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

	Spent to Date	Remaining Commitment
Pavement Reconstruction Project	<u>\$ 262,658</u>	<u>\$ 904,682</u>

City of Lathrup Village, Michigan

Notes to Financial Statements

June 30, 2022

Note 5 - Interfund Receivables, Payables, and Transfers

The composition of interfund balances is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor governmental fund - Capital Acquisition Fund	\$ 12,695
	Water and Sewer Fund	339,636
	Total General Fund	352,331
Major Streets Fund	General Fund	717,913
	Nonmajor governmental fund - Capital Acquisition Fund	9,723
	Total Major Streets Fund	727,636
Local Streets Fund	General Fund	502,532
	Nonmajor governmental fund - Capital Acquisition Fund	6,083
	Total Local Streets Fund	508,615
Water and Sewer Fund	Major Streets Fund	17,701
	Local Streets Fund	17,701
	Total Water and Sewer Fund	35,402
Street Improvement Bond Fund	General Fund	21,973
	Total	\$ 1,645,957

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

Fund Borrowed From	Fund Loaned To	Amount
Water and Sewer Fund	General Fund	\$ 101,530

The balance of amounts loaned to the discretely presented component unit is as follows:

Receivable	Payable	Amount
Component unit - Downtown Development Authority	General Fund	\$ 4,513

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.

The long-term advance between the General Fund and Water and Sewer Fund resulted from a contribution to fund the City's unfunded pension liability. The Water and Sewer Fund paid more than its related portion and will be reimbursed by the General Fund over a period of 10 years.

City of Lathrup Village, Michigan

Notes to Financial Statements

June 30, 2022

Note 5 - Interfund Receivables, Payables, and Transfers (Continued)

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 fund - Capital Acquisition Fund	\$ 110,450
Street Improvement Bond Fund	Major Streets Fund	375,000
	Local Streets Fund	375,000
	Total Street Improvement Bond Fund	750,000
	Total	\$ 860,450

The transfers from the General Fund to the nonmajor governmental fund - Capital Acquisition Fund represent the use of unrestricted resources to finance those programs in accordance with budgetary authorizations. The transfer between the Street Improvement Bond Fund and the Major Streets and Local Streets funds represents a distribution of bond proceeds for major and local street projects.

Note 6 - Long-term Debt

The City issues bonds to provide for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the City. County contractual agreements and installment purchase agreements are also general obligations of the government.

City of Lathrup Village, Michigan

Notes to Financial Statements

June 30, 2022

Note 6 - Long-term Debt (Continued)

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

Governmental Activities

	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Bonds and contracts payable - Direct borrowings and direct placements:							
EECBG Multipurpose loan - Lighting upgrades - Amount of issue: \$26,672, maturing in 2022	N/A	\$982	\$ 982	\$ -	\$ (982)	\$ -	\$ -
Michigan Suburbs Alliance loan - Energy efficiency and renewable energy projects - Amount of issue: \$80,380, maturing in 2027	N/A	\$5,359	32,149	-	(5,359)	26,790	5,359
Total direct borrowings and direct placements principal outstanding			33,131	-	(6,341)	26,790	5,359
Unlimited General Obligation Bond - Amount of issue: \$4,720,000, maturing in 2031	5.00%	\$345,000 - \$655,000	4,720,000	-	(345,000)	4,375,000	340,000
Unamortized bond premiums	N/A	N/A	1,124,149	-	(112,415)	1,011,734	112,415
Total bonds and contracts payable			5,877,280	-	(463,756)	5,413,524	457,774
Other long-term obligations - Compensated absences			230,316	100,112	(125,010)	205,418	100,000
Total governmental activities long-term debt			<u>\$ 6,107,596</u>	<u>\$ 100,112</u>	<u>\$ (588,766)</u>	<u>\$ 5,618,942</u>	<u>\$ 557,774</u>

City of Lathrup Village, Michigan

Notes to Financial Statements

June 30, 2022

Note 6 - Long-term Debt (Continued)

Business-type Activities

	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Bonds and contracts payable - Direct borrowings and direct placements:							
State Revolving Fund Obligation - Amount of issue: \$626,570, maturing in 2028	2.50%	\$17,142 - \$45,000	\$ 342,142	\$ -	\$ (35,000)	\$ 307,142	\$ 40,000
Other debt:							
General obligations bonds - Amount of issue: \$995,000, maturing in 2027	4.25% - 4.75%	\$65,000 - \$75,000	420,000	-	(65,000)	355,000	65,000
2021 Capital Improvement Bonds - Amount of issue: \$5,380,000, maturing in 2042	2.00% - 5.00%	\$200,000 - \$350,000	5,380,000	-	-	5,380,000	200,000
Total other debt principal outstanding			5,800,000	-	(65,000)	5,735,000	265,000
Unamortized bond premiums	N/A	\$19,352	406,387	-	(19,352)	387,035	19,352
Total bonds and contracts payable			6,548,529	-	(119,352)	6,429,177	324,352
Other long-term obligations - Compensated absences			6,980	3,644	(2,866)	7,758	7,758
Total business-type activities long- term debt			<u>\$ 6,555,509</u>	<u>\$ 3,644</u>	<u>\$ (122,218)</u>	<u>\$ 6,436,935</u>	<u>\$ 332,110</u>

Debt Service Requirements to Maturity

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

Years Ending June 30	Governmental Activities					Business-type Activities				
	Other Debt		Direct Borrowings and Direct Placements			Direct Borrowings and Direct Placements		Other Debt		
	Principal	Interest	Principal	Interest	Total	Principal	Interest	Principal	Interest	Total
2023	\$ 5,359	\$ -	\$ 340,000	\$ 218,750	\$ 564,109	\$ 40,000	\$ 8,375	\$ 265,000	\$ 171,724	\$ 485,099
2024	5,359	-	375,000	201,750	582,109	40,000	7,375	275,000	158,425	480,800
2025	5,359	-	405,000	183,000	593,359	40,000	6,375	285,000	144,600	475,975
2026	5,359	-	440,000	162,750	608,109	40,000	5,375	295,000	130,281	470,656
2027	5,354	-	480,000	140,750	626,104	40,000	4,375	300,000	115,594	459,969
2028-2032	-	-	2,335,000	303,500	2,638,500	107,142	6,750	1,230,000	406,313	1,750,205
Thereafter	-	-	-	-	-	-	-	3,085,000	327,106	3,412,106
Total	<u>\$ 26,790</u>	<u>\$ -</u>	<u>\$ 4,375,000</u>	<u>\$ 1,210,500</u>	<u>\$ 5,612,290</u>	<u>\$ 307,142</u>	<u>\$ 38,625</u>	<u>\$ 5,735,000</u>	<u>\$ 1,454,043</u>	<u>\$ 7,534,810</u>

City of Lathrup Village, Michigan

Notes to Financial Statements

June 30, 2022

Note 7 - Risk Management

The City is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation), as well as medical benefits provided to employees. The City has purchased commercial insurance for medical benefits provided to employees. The City participates in the Michigan Municipal League (MML) risk pool for claims relating to property loss, torts, errors and omissions, and employee injuries. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

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

Note 8 - Defined Benefit Pension Plan

Plan Description

The City participates in an agent multiple-employer defined benefit pension plan administered by the Municipal Employees' Retirement System of Michigan (MERS) that covers certain general, nonunion, police, and patrol employees of the City. MERS was established as a statewide public employee pension plan by the Michigan Legislature under PA 135 of 1945 and is administered by a nine-member retirement board. MERS issues a publicly available financial report, which includes the financial statements and required supplemental information of this defined benefit plan. This report can be obtained at www.mersofmich.com or in writing to MERS at 1134 Municipal Way, Lansing, MI 48917.

Benefits Provided

The plan provides certain retirement, disability, and death benefits to plan members and beneficiaries. PA 427 of 1984, as amended, established and amends the benefit provisions of the participants in MERS.

The MERS plan covers general employees, police employees, and department heads. The plan is closed to new hired employees.

Retirement benefits for general employees and nonunion employees hired before January 1, 2008 are calculated as 2.5 percent (80 percent max) of the employee's final 3-year average salary times the employee's years of service. Normal retirement age is 60 with early retirement at 50 with 25 years of service or 55 with 15 years of service. The vesting period is 10 years.

Retirement benefits for police employees are calculated as 2.5 percent (80 percent max) of the employee's final 5-year average salary times the employee's years of service. Normal retirement age is 60, with early retirement at 50 with 25 years of service or 55 with 15 years of service. The vesting period is 10 years.

Retirement benefits for nonunion employees hired after January 1, 2008 are calculated as 2.0 percent of the employee's final 5-year average salary times the employee's years of service. Normal retirement age is 60, with early retirement at 50 with 25 years of service or 55 with 15 years of service. The vesting period is 10 years.

Retirement benefits for patrol employees are calculated as 2.8 percent (80 percent max) of the employee's final 5-year average salary times the employee's years of service. Normal retirement age is 60, with early retirement at 50 with 25 years of service or 55 with 15 years of service. The vesting period is 10 years.

Benefit terms provide for annual cost of living adjustments to each employee's retirement allowance subsequent to the employee's retirement date limited to increases in the Consumer Price Index.

Benefit terms, within the parameters established by MERS, are generally established and amended by authority of the City Council, generally after negotiations of these terms with the affected unions. Police employee benefit terms may be subject to binding arbitration in certain circumstances.

City of Lathrup Village, Michigan

Notes to Financial Statements

June 30, 2022

Note 8 - Defined Benefit Pension Plan (Continued)

Employees Covered by Benefit Terms

The following members were covered by the benefit terms:

Date of member count	December 31, 2021
Inactive plan members or beneficiaries currently receiving benefits	21
Inactive plan members entitled to but not yet receiving benefits	1
Active plan members	4
Total employees covered by the plan	26

Contributions

Article 9, Section 24 of the State of Michigan constitution requires that financial benefits arising on account of employee services rendered in each year be funded during that year. Accordingly, MERS retains an independent actuary to determine the annual contribution. The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by the MERS retirement board. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. The employer may establish contribution rates to be paid by its covered employees.

For the year ended June 30, 2022, the average active employee contribution rate was 6.49 percent of gross wages, and the City's minimum monthly required contribution was \$24,347.

Net Pension Liability

The City has chosen to use the December 31, 2021 measurement date as its measurement date for the net pension liability. The June 30, 2022 fiscal year end reported net pension liability was determined using a measure of the total pension liability and the pension net position as of the December 31, 2021 measurement date. The December 31, 2021 measurement date total pension liability was determined by an actuarial valuation performed as of that date.

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

Changes in Net Pension Liability	Increase (Decrease)		
	Total Pension Liability	Plan Net Position	Net Pension Liability
Balance at December 31, 2020	\$ 8,379,907	\$ 6,751,484	\$ 1,628,423
Changes for the year:			
Service cost	56,707	-	56,707
Interest	615,604	-	615,604
Differences between expected and actual experience	22,665	-	22,665
Changes in assumptions	270,517	-	270,517
Contributions - Employer	-	258,690	(258,690)
Contributions - Employee	-	28,427	(28,427)
Net investment income	-	891,818	(891,818)
Benefit payments, including refunds	(616,440)	(616,440)	-
Administrative expenses	-	(10,587)	10,587
Net changes	349,053	551,908	(202,855)
Balance at December 31, 2021	<u>\$ 8,728,960</u>	<u>\$ 7,303,392</u>	<u>\$ 1,425,568</u>

The plan's fiduciary net position represents 83.7 percent of the total pension liability.

City of Lathrup Village, Michigan

Notes to Financial Statements

June 30, 2022

Note 8 - Defined Benefit Pension Plan (Continued)

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

For the year ended June 30, 2022, the City recognized pension expense of \$309,744.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ (526,682)
Employer contributions to the plan subsequent to the measurement date	146,082	-
Total	<u>\$ 146,082</u>	<u>\$ (526,682)</u>

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

Years Ending June 30	Amount
2023	\$ (72,878)
2024	(220,552)
2025	(154,928)
2026	(78,324)
Total	<u>\$ (526,682)</u>

Actuarial Assumptions

The total pension liability in the December 31, 2021 actuarial valuation was determined using an inflation assumption of 2.5 percent, assumed salary increases (including inflation) of 3.00 percent, an investment rate of return (net of investment expenses but gross of administrative expenses) of 7.25 percent, and the Pub-2010 mortality tables using scale MP-2019. These assumptions were applied to all periods included in the measurement and are based on an experience study conducted from January 1, 2014 through December 31, 2018.

Discount Rate

The discount rate used to measure the total pension liability was 7.25 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.

Projected Cash Flows

Based on those assumptions, the pension 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 pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

City of Lathrup Village, Michigan

Notes to Financial Statements

June 30, 2022

Note 8 - Defined Benefit Pension Plan (Continued)

Investment Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return net of inflation as of the December 31, 2021 measurement date for each major asset class included in the pension plan's target asset allocation are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Global equity	60.00 %	4.50 %
Global fixed income	20.00	2.00
Private investments	20.00	7.00

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 discount rate of 7.25 percent, 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 or 1 percentage point higher than the current rate:

	1 Percentage Point Decrease (6.25%)	Current Discount Rate (7.25%)	1 Percentage Point Increase (8.25%)
Net pension liability of the City	\$ 2,286,811	\$ 1,425,568	\$ 689,479

Pension Plan Fiduciary Net Position

Detailed information about the plan's fiduciary net position is available in the separately issued financial report. For the purpose of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pension, and pension expense, information about the plan's fiduciary net position and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by the plan. The plan uses the economic resources measurement focus and the full accrual basis of accounting. Investments are stated at fair value. Contribution revenue is recorded as contributions are due, pursuant to legal requirements. Benefit payments and refunds of employee contributions are recognized as expense when due and payable in accordance with the benefit terms.

Assumption Changes

The investment rate of return assumption was updated from 7.60 percent to 7.25 percent from the December 31, 2020 to the December 31, 2021 actuarial valuation measurement dates.

Note 9 - Defined Contribution Pension Plan

The City provides additional pension benefits to all full-time employees hired after July 1, 2013 through a defined contribution plan administered by MERS. In a defined contribution plan, benefits depend solely on amounts contributed to the plan, plus investment earnings. Under the plan, all employees contribute 5 percent of gross earnings to the plan, and the City matches their contributions at a rate of 8 percent for police employees and 5 percent for all other employees. In accordance with these provisions, the City contributed \$16,465 and employees contributed \$30,352 for the year ended June 30, 2022.

City of Lathrup Village, Michigan

Notes to Financial Statements

June 30, 2022

Note 10 - Other Postemployment Benefit Plan

Plan Description

The City provides retiree health care benefits to eligible employees and their spouses. The benefits are provided through the City of Lathrup Village Retiree Healthcare Plan, a single-employer plan administered by the City of Lathrup Village, Michigan.

Management of the plan is vested in the OPEB board, which consists of the City Council.

The plan assets are reported in the City's financial statements as a fiduciary fund.

Benefits Provided

The City of Lathrup Village Retiree Healthcare Plan provides medical and pharmacy benefits for eligible retirees and their spouses. Benefits are provided through fully insured plans administered by Blue Cross Blue Shield of Michigan. The plan is closed to new employees hired after January 1, 2008.

Employees Covered by Benefit Terms

The following members were covered by the benefit terms:

	City of Lathrup Village Retiree Healthcare Plan
Date of member count	June 30, 2021
Inactive plan members or beneficiaries currently receiving benefits	21
Active plan members	3
Total plan members	24

Contributions

Retiree health care costs are paid by the City on a pay-as-you-go basis. The City has no obligation to make contributions in advance of when the insurance premiums are due for payment. For the fiscal year ended June 30, 2022, the City made payments for postemployment health benefit premiums of \$161,023.

Net OPEB Liability

The City has chosen to use the June 30, 2022 measurement date as its measurement date for the net OPEB liability. The June 30, 2022 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, 2022 measurement date. The June 30, 2022 measurement date total OPEB liability was determined by an actuarial valuation performed as of June 30, 2021 and was rolled forward to the measurement dated as of June 30, 2022.

City of Lathrup Village, Michigan

Notes to Financial Statements

June 30, 2022

Note 10 - 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
Balance at July 1, 2021	\$ 6,781,217	\$ 212,979	\$ 6,568,238
Changes for the year:			
Service cost	16,282	-	16,282
Interest	135,804	-	135,804
Differences between expected and actual experience	(141,665)	-	(141,665)
Changes in assumptions	(2,809,918)	-	(2,809,918)
Contributions - Employer	-	311,023	(311,023)
Net investment loss	-	(26,190)	26,190
Benefit payments, including refunds	(161,023)	(161,023)	-
Administrative expenses	-	(469)	469
Net changes	(2,960,520)	123,341	(3,083,861)
Balance at June 30, 2022	\$ 3,820,697	\$ 336,320	\$ 3,484,377

The plan's fiduciary net position represents 8.8 percent of the total OPEB liability.

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

For the year ended June 30, 2022, the City recognized OPEB gain of \$(2,801,974).

At June 30, 2022, the City reported deferred outflows of resources totaling \$20,799 related to OPEB from the net difference between projected and actual earnings on OPEB plan investments.

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

Years Ending June 30	Amount
2023	\$ 4,679
2024	4,679
2025	4,679
2026	6,762
Total	\$ 20,799

Actuarial Assumptions

The total OPEB liability as of the June 30, 2022 measurement date was determined using an inflation assumption of 2.5 percent; assumed salary increases (including inflation) of 2 percent; a discount rate of 4.91 percent; a health care cost trend rate of 7.75 percent for 2022, decreasing 0.25 percentage points per year to an ultimate rate of 4.5 percent for 2034 and later years; and the Pub-2010 mortality tables using scale MP-2021. These assumptions were applied to all periods included in the measurement.

City of Lathrup Village, Michigan

Notes to Financial Statements

June 30, 2022

Note 10 - Other Postemployment Benefit Plan (Continued)

Discount Rate

The discount rate used to measure the total OPEB liability was 4.91 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.

Investment Rate of Return

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and adding expected inflation. Best estimates of arithmetic real rates of return as of the June 30, 2022 measurement date for each major asset class included in the OPEB plan's target asset allocation, as disclosed in the investment section below, are summarized in the following tables:

Asset Class	Long-term Expected Real Rate of Return
Global equity	4.50 %
Global fixed income	2.00
Private investments	7.00

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

	1 Percentage Point Decrease (3.91%)	Current Discount Rate (4.91%)	1 Percentage Point Increase (5.91%)
Net OPEB liability of the City of Lathrup Village Retiree Healthcare Plan	\$ 3,998,612	\$ 3,484,377	\$ 3,065,890

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

The following presents the net OPEB liability of the City, calculated using the health care cost trend rate of 7.75 percent, as well as what the City's net OPEB liability would be if it were calculated using a health care cost trend rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1 Percentage Point Decrease (6.75%)	Current Health Care Cost Trend Rate (7.75%)	1 Percentage Point Increase (8.75%)
Net OPEB liability of the City of Lathrup Village Retiree Healthcare Plan	\$ 3,028,096	\$ 3,484,377	\$ 4,038,542

Assumption Changes

There were assumption changes from the June 30, 2021 to the June 30, 2022 measurement related to a discount rate increase from 2.65 percent to 4.91 percent, an expected investment rate of return decrease from 7.35 percent to 7.00 percent, an update to per capita costs to reflect experience since the previous valuation, and an update to the mortality improvement scale from MP-2020 to MP-2021.

City of Lathrup Village, Michigan

Notes to Financial Statements

June 30, 2022

Note 10 - Other Postemployment Benefit Plan (Continued)

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, 2022:

City of Lathrup Village Retiree Healthcare Plan

Asset Class	Target Allocation
Global equity	60.00 %
Global fixed income	20.00
Private investments	20.00
Total	100.00 %

Rate of Return

For the year ended June 30, 2022, the annual money-weighted rate of return on OPEB plan investments, net of OPEB plan investment expense, was (9.9) percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Note 11 - Retirement Health Care Savings Plan

The City provides additional other postemployment benefits to all full-time employees hired after July 1, 2008 through a retiree health care savings plan administered by ICMA - Meritain Health. Under the plan, there are no employee contributions, and the City contributes 2 percent of employees' base salaries into eligible employees' health savings accounts for retirement health care. Contributions to the health savings accounts by the City were \$22,752 for the year ended June 30, 2022.

Note 12 - Joint Venture

The City is a member of Southeastern Oakland County Resource Recovery Authority (the "Authority"), which consists of 12 municipalities in Oakland County. The Authority provides refuse disposal services for the benefit of member municipalities. The City appoints one member to the joint venture's governing board, which approves the annual budget. The participating communities provided annual funding for its operations. During the current year, the City expensed approximately \$355,000 related to payments to the Authority. The City is unaware of any circumstances that would cause any significant additional financial benefit or burden to the participating governments in the near future. Complete financial statements for the Authority can be obtained from the administrative offices at 3910 Webster, Royal Oak, MI 48073.

The City is a member of Southeastern Oakland County Water Authority (the "Water Authority"), which consists of 11 municipalities in Oakland County, Michigan. The City purchases water from the Water Authority. The City appoints one member to the joint venture's governing board, which approves the annual budget. The participating communities provide annual funding for its operations. During the current year, the City expensed approximately \$396,000 related to payments to the Water Authority. The City is unaware of any circumstances that would cause any significant additional financial benefit or burden to the participating governments in the near future. Complete financial statements for the Water Authority can be obtained from the administrative offices at 3910 Webster, Royal Oak, MI 48073.

City of Lathrup Village, Michigan

Notes to Financial Statements

June 30, 2022

Note 13 - Leases

The City leases certain assets to various third parties. The assets leased include cell towers. Payments are generally fixed monthly. As described in Note 1, the City implemented GASB 87, *Leases*, during the year ended June 30, 2022, which resulted in the City recording long-term receivables and deferred inflows of resources related to these leases totaling \$2,489,856 and \$2,434,867, respectively, at June 30, 2022.

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

Lease revenue	\$	106,916
Interest income related to its leases		36,700

Required Supplemental Information

City of Lathrup Village, Michigan

Required Supplemental Information

Schedule of Changes in the Net Pension Liability and Related Ratios

Years Ended December 31

	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability								
Service cost	\$ 56,707	\$ 58,205	\$ 59,127	\$ 61,401	\$ 65,460	\$ 82,950	\$ 84,814	\$ 102,340
Interest	615,604	610,908	623,086	623,735	637,504	612,822	588,230	576,312
Miscellaneous other charges	-	-	-	-	(93,953)	-	-	-
Differences between expected and actual experience	22,665	(263,611)	(83,540)	(73,176)	(211,835)	252,035	29,891	-
Changes in assumptions	270,517	267,386	264,344	-	-	-	377,460	-
Benefit payments, including refunds	(616,440)	(604,252)	(621,481)	(616,381)	(612,152)	(554,952)	(543,571)	(507,237)
Net Change in Total Pension Liability	349,053	68,636	241,536	(4,421)	(214,976)	392,855	538,824	171,415
Total Pension Liability - Beginning of year	8,379,907	8,311,271	8,069,735	8,074,156	8,289,132	7,896,277	7,359,453	7,188,038
Total Pension Liability - End of year	\$ 8,728,960	\$ 8,379,907	\$ 8,311,271	\$ 8,069,735	\$ 8,074,156	\$ 8,289,132	\$ 7,896,277	\$ 7,359,453
Plan Fiduciary Net Position								
Contributions - Employer	\$ 258,690	\$ 211,512	\$ 199,230	\$ 157,170	\$ 100,914	\$ 74,706	\$ 64,182	\$ 53,795
Contributions - Member	28,427	29,489	30,069	31,517	38,023	135,489	49,191	61,176
Net investment income (loss)	891,818	846,102	784,097	(244,887)	809,627	671,396	(94,420)	409,055
Administrative expenses	(10,587)	(12,378)	(13,498)	(12,458)	(12,866)	(13,283)	(14,080)	(14,946)
Benefit payments, including refunds	(616,440)	(604,252)	(621,481)	(616,381)	(612,152)	(554,952)	(543,571)	(507,237)
Miscellaneous other charges	-	-	-	-	(93,953)	-	-	-
Net Change in Plan Fiduciary Net Position	551,908	470,473	378,437	(685,039)	229,593	313,356	(538,698)	1,843
Plan Fiduciary Net Position - Beginning of year	6,751,484	6,281,011	5,902,574	6,587,613	6,358,020	6,044,664	6,583,362	6,581,519
Plan Fiduciary Net Position - End of year	\$ 7,303,392	\$ 6,751,484	\$ 6,281,011	\$ 5,902,574	\$ 6,587,613	\$ 6,358,020	\$ 6,044,664	\$ 6,583,362
City's Net Pension Liability - Ending	\$ 1,425,568	\$ 1,628,423	\$ 2,030,260	\$ 2,167,161	\$ 1,486,543	\$ 1,931,112	\$ 1,851,613	\$ 776,091
Plan Fiduciary Net Position as a Percentage of Total Pension Liability								
Covered Payroll	\$ 83.67 %	80.57 %	75.57 %	73.14 %	81.59 %	76.70 %	76.55 %	89.45 %
City's Net Pension Liability as a Percentage of Covered Payroll	\$ 385,192	\$ 447,808	\$ 457,801	\$ 477,215	\$ 504,653	\$ 647,096	\$ 723,381	\$ 877,424
	370.09 %	363.64 %	443.48 %	454.13 %	294.57 %	298.43 %	255.97 %	88.45 %

See notes to required supplemental information.

City of Lathrup Village, Michigan

Required Supplemental Information Schedule of Pension Contributions

Last Ten Fiscal Years
Years Ended June 30

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Actuarially determined contribution	\$ 292,164	\$ 225,216	\$ 197,808	\$ 200,652	\$ 113,688	\$ 88,140	\$ 64,182	\$ 67,092	\$ 81,305	\$ 121,932
Contributions in relation to the actuarially determined contribution	292,164	225,216	197,808	200,652	113,688	88,140	64,182	67,092	1,225,013	121,932
Contribution Excess	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,143,708	\$ -
Covered Payroll	\$ 321,064	\$ 461,803	\$ 457,801	\$ 477,215	\$ 504,653	\$ 647,096	\$ 723,381	\$ 877,424	\$ 840,997	\$ 1,102,601
Contributions as a Percentage of Covered Payroll	91.00 %	48.77 %	43.21 %	42.05 %	22.53 %	13.62 %	8.87 %	7.65 %	145.66 %	11.06 %

Notes to Schedule of Pension Contributions

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.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll - Closed
Remaining amortization period	17 years
Asset valuation method	5-year smoothed
Inflation	2.5 percent
Salary increase	3.0 percent
Investment rate of return	7.35 percent - Gross of pension plan investment expense, including inflation
Retirement age	60 years
Mortality	50 percent female/50 percent male RP-2014 Healthy Annuity Mortality Table (rates multiplied by 105 percent), RP-2014 Employee Mortality Table, and RP-2014 Juvenile Mortality Table. For disabled retirees, RP-2014 Disabled Retiree Mortality Table, 50 percent male and 50 percent female blend
Other information	None

See notes to required supplemental information.

City of Lathrup Village, Michigan

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

Fiscal Years Ended June 30

	2022	2021	2020	2019	2018
Total OPEB Liability					
Service cost	\$ 16,282	\$ 80,712	\$ 64,528	\$ 53,004	\$ 58,875
Interest	135,804	184,803	205,246	194,817	180,037
Differences between expected and actual experience	(141,665)	(48,359)	123,103	-	-
Changes in assumptions	(2,809,918)	(299,252)	688,405	307,745	(280,471)
Benefit payments, including refunds	(161,023)	(136,024)	(147,716)	(167,338)	(177,091)
Net Change in Total OPEB Liability	(2,960,520)	(218,120)	933,566	388,228	(218,650)
Total OPEB Liability - Beginning of year	6,781,217	6,999,337	6,065,771	5,677,543	5,896,193
Total OPEB Liability - End of year	\$ 3,820,697	\$ 6,781,217	\$ 6,999,337	\$ 6,065,771	\$ 5,677,543
Plan Fiduciary Net Position					
Contributions - Employer	\$ 311,023	\$ 336,024	\$ -	\$ -	\$ -
Net investment (loss) income	(26,190)	13,080	-	-	-
Administrative expenses	(469)	(101)	-	-	-
Benefit payments, including refunds	(161,023)	(136,024)	-	-	-
Net Change in Plan Fiduciary Net Position	123,341	212,979	-	-	-
Plan Fiduciary Net Position - Beginning of year	212,979	-	-	-	-
Plan Fiduciary Net Position - End of year	\$ 336,320	\$ 212,979	\$ -	\$ -	\$ -
Net OPEB Liability - Ending	\$ 3,484,377	\$ 6,568,238	\$ 6,999,337	\$ 6,065,771	\$ 5,677,543
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	8.80 %	3.14 %	- %	- %	- %
Covered-employee Payroll	\$ 264,171	\$ 340,772	\$ 340,935	\$ 311,227	\$ 316,913
Net OPEB Liability as a Percentage of Covered-employee Payroll	1,318.99 %	1,927.46 %	2,052.98 %	1,948.99 %	1,791.51 %

See notes to required supplemental information.

City of Lathrup Village, Michigan

Required Supplemental Information Schedule of OPEB Contributions

Last Ten Fiscal Years
Years Ended June 30

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Actuarially determined contribution	\$ 240,805	\$ 409,275	\$ 407,962	\$ 200,426	\$ 181,840	\$ 288,836	\$ 288,836	\$ 259,097	\$ 422,732	\$ 318,021
Contributions in relation to the actuarially determined contribution	311,023	336,024	147,716	167,338	177,091	143,679	138,020	165,208	183,783	191,083
Contribution Excess (Deficiency)	\$ 70,218	\$ (73,251)	\$ (260,246)	\$ (33,088)	\$ (4,749)	\$ (145,157)	\$ (150,816)	\$ (93,889)	\$ (238,949)	\$ (126,938)
Covered-employee Payroll	\$ 264,171	\$ 340,772	\$ 340,935	\$ 311,227	\$ 316,913	\$ 723,381	\$ 723,381	\$ 877,424	\$ 840,997	\$ 1,102,601
Contributions as a Percentage of Covered-employee Payroll	117.74 %	98.61 %	43.33 %	53.77 %	55.88 %	19.86 %	19.08 %	18.83 %	21.85 %	- %

Notes to Schedule of Contributions

Actuarial valuation information relative to the determination of contributions:

Valuation date

Actuarially determined contribution rates are calculated as of July 1, 2021.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal as a percentage of payroll
Amortization method	Level dollar over a closed 26 years
Remaining amortization period	25
Asset valuation method	N/A
Inflation	2.5 percent
Health care cost trend rates	7.5 percent for 2023, decreasing by 0.25 percent per year ultimately decreasing to 4.5 percent for 2036 and years later
Salary increase	2.0 percent
Investment rate of return	7.0 percent
Retirement age	Age 60 with 10 years of service; or age 55 with 15 years of service; or age 50 with 25 years of service
Mortality	For current employees, Pub-2010 General Employees Mortality Table, For healthy retirees, Pub-2010 General Retiree Mortality Table (scaled by a factor of 106 percent), For disabled retirees, PubNS-2010 Disabled Retiree Mortality Table
Other information	None

See notes to required supplemental information.

City of Lathrup Village, Michigan

Required Supplemental Information Schedule of OPEB Investment Returns

Last Two Fiscal Years
Years Ended June 30

	2022	2021
Annual money-weighted rate of return - Net of investment expense	(9.90)%	25.11 %

Note: The OPEB Trust fund was established during the fiscal year ended June 30, 2021. As a result, full 10-year information is not available. This schedule is being built prospectively.

City of Lathrup Village, Michigan

Required Supplemental Information Budgetary Comparison Schedule General Fund

Year Ended June 30, 2022

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget - (Unfavorable) Favorable
Revenue				
Property taxes	\$ 3,263,225	\$ 3,069,541	\$ 3,069,323	\$ (218)
Special assessments	15,000	27,000	27,175	175
Intergovernmental:				
Federal grants	8,000	-	57,637	57,637
State-shared revenue and grants	410,118	417,577	514,448	96,871
Local grants and contributions	8,700	-	-	-
Construction code fees	144,500	118,000	206,208	88,208
Fines and forfeitures	120,000	75,000	71,992	(3,008)
Licenses and permits	136,600	131,645	130,836	(809)
Interest and rentals	34,917	80,517	164,766	84,249
Other revenue:				
Michigan Broadband Authority	105,889	109,152	89,432	(19,720)
Other miscellaneous income	90,400	115,315	105,616	(9,699)
Total revenue	4,337,349	4,143,747	4,437,433	293,686
Expenditures				
Current services:				
General government:				
Government service	516,855	622,498	736,829	(114,331)
Buildings and grounds	141,100	135,600	131,460	4,140
Administration	743,506	783,365	778,098	5,267
Public safety	2,321,046	2,337,437	2,182,163	155,274
Public works	648,179	855,679	812,416	43,263
Recreation and culture	75,060	32,103	28,442	3,661
Capital outlay	7,928	-	-	-
Debt service	-	6,341	6,341	-
Total expenditures	4,453,674	4,773,023	4,675,749	97,274
Excess of Expenditures Over Revenue	(116,325)	(629,276)	(238,316)	390,960
Other Financing Uses - Transfers out	(110,450)	(110,450)	(110,450)	-
Net Change in Fund Balance	(226,775)	(739,726)	(348,766)	390,960
Fund Balance - Beginning of year	1,590,968	1,590,968	1,590,968	-
Fund Balance - End of year	<u>\$ 1,364,193</u>	<u>\$ 851,242</u>	<u>\$ 1,242,202</u>	<u>\$ 390,960</u>

See notes to required supplemental information.

City of Lathrup Village, Michigan

Required Supplemental Information Budgetary Comparison Schedules - Major Special Revenue Funds Major Streets Fund

Year Ended June 30, 2022

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget (Unaudited)
Revenue				
Intergovernmental - State-shared revenue and grants	\$ 357,000	\$ 357,000	\$ 384,226	\$ 27,226
Interest and rentals - Investment income	600	600	1,876	1,276
Total revenue	357,600	357,600	386,102	28,502
Expenditures				
Current services - Public works	172,392	164,324	139,219	25,105
Capital outlay	1,058,201	1,058,201	607,763	450,438
Debt service	98,333	98,333	-	98,333
Total expenditures	1,328,926	1,320,858	746,982	573,876
Excess of Expenditures Over Revenue	(971,326)	(963,258)	(360,880)	602,378
Other Financing Sources - Transfers in	1,058,201	967,400	375,000	(592,400)
Net Change in Fund Balance	86,875	4,142	14,120	9,978
Fund Balance - Beginning of year	938,106	938,106	938,106	-
Fund Balance - End of year	<u>\$ 1,024,981</u>	<u>\$ 942,248</u>	<u>\$ 952,226</u>	<u>\$ 9,978</u>

City of Lathrup Village, Michigan

Required Supplemental Information
 Budgetary Comparison Schedules - Major Special Revenue Funds
 (Continued)
 Local Streets Fund

Year Ended June 30, 2022

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget (Unaudited)
Revenue				
Intergovernmental - State-shared revenue and grants	\$ 182,603	\$ 182,603	\$ 201,244	\$ 18,641
Interest and rentals - Investment income	600	600	2,063	1,463
Total revenue	183,203	183,203	203,307	20,104
Expenditures				
Current services - Public works	391,752	409,364	137,209	272,155
Capital outlay	1,058,201	1,058,201	608,013	450,188
Debt service	98,333	98,333	-	98,333
Total expenditures	1,548,286	1,565,898	745,222	820,676
Excess of Expenditures Over Revenue	(1,365,083)	(1,382,695)	(541,915)	840,780
Other Financing Sources - Transfers in	1,058,201	1,386,797	375,000	(1,011,797)
Net Change in Fund Balance	(306,882)	4,102	(166,915)	(171,017)
Fund Balance - Beginning of year	871,857	871,857	871,857	-
Fund Balance - End of year	<u>\$ 564,975</u>	<u>\$ 875,959</u>	<u>\$ 704,942</u>	<u>\$ (171,017)</u>

City of Lathrup Village, Michigan

Notes to Required Supplemental Information

June 30, 2022

Budgetary Information

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

The budget document presents information by fund, function, department, and line items. The legal level of budgetary control adopted by the governing body is the activity level (i.e., the level at which expenditures may not legally exceed appropriations). The preceding schedules show the activity in more detail than the legal level of control. Amounts encumbered for purchase orders, contracts, etc. are not tracked during the year. Budget appropriations are considered to be spent once goods are delivered or the services rendered.

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

1. On or before the third Monday in April, the City shall submit to the City Council a recommended budget covering the next fiscal year.
2. A public hearing on the proposed budget shall be held before its final adoption at such time and place as the City Council shall direct.
3. The budget shall be adopted no later than the third Monday in May of each year.
4. The budget is adopted by department on an activity basis in the General Fund and in total in the special revenue funds. Subsequent amendments thereto shall be submitted from time to time by the city administrator for the consideration of the City Council.

The budgetary comparison schedule for the General Fund is presented on the same basis of accounting used in preparing the adopted budget.

Excess of Expenditures Over Appropriations in Budgeted Funds

During the year, the City incurred expenditures that were in excess of the amounts budgeted, as follows:

	Budget	Actual	Variance
General Fund - General government - Government service	\$ 622,498	\$ 736,829	\$ (114,331)

Pension Information

Changes in Assumptions

December 31, 2015 - The beginning of year total pension liability was based on a single discount rate of 8.25 percent, and the end of year total pension liability was based on a single discount rate of 8.0 percent.

December 31, 2019 - The beginning of year total pension liability was based on a single discount rate of 8.0 percent, and the end of year total pension liability was based on a single discount rate of 7.6 percent.

December 31, 2020 - The beginning of year total pension liability was based on the RP-2014 mortality tables, and the end of year total pension liability was based on the Pub-2010 mortality tables.

December 31, 2021 - The beginning of year total pension liability was based on a single discount rate of 7.6 percent, and the end of year total pension liability was based on a single discount rate of 7.25 percent.

OPEB Information

Changes in Assumptions

June 30, 2019 - The beginning of year total OPEB liability was based on a single discount rate of 3.45 percent, and the end of year total OPEB liability was based on a single discount rate of 3.36 percent.

City of Lathrup Village, Michigan

Notes to Required Supplemental Information

June 30, 2022

June 30, 2020 - The beginning of year total OPEB liability was based on a single discount rate of 3.36 percent, and the end of year total OPEB liability was based on a single discount rate of 2.66 percent.

June 30, 2021 - The beginning of year total OPEB liability was based on a single discount rate of 2.66 percent, health care cost trend rates of 8.0 percent for pre-65 and 6.25 percent for post-65, and the MP-2019 mortality improvement scale. The end of year total OPEB liability was based on a single discount rate of 2.65 percent, health care cost trend rates of 7.5 percent for pre-65 and 5.75 percent for post-65, and the MP-2020 mortality improvement scale. Additionally, during the June 30, 2021 measurement year, the OPEB Trust Fund was established with an assumed long-term rate of return of 7.35 percent.

June 30, 2022 - The beginning of year total OPEB liability was based on a single discount rate of 2.65 percent, rate of return of 7.35 percent, and the MP-2020 mortality improvement scale. The end of year total OPEB liability was based on a single discount rate of 4.91 percent, investment rate of return of 7 percent, and the MP-2021 mortality improvement scale. Additionally, per capita costs were updated to reflect experience since the previous valuation.

Fund 494 DOWNTOWN DEVELOPMENT AUTHORITY

GL Number	Description	PERIOD ENDED 11/30/2021	PERIOD ENDED 11/30/2022
*** Assets ***			
494-000.000-010.000	TRUST ACCOUNT-GENERAL	1,360,380.06	1,374,210.11
494-000.000-028.096	TAXES RECEIVABLE-PERSONAL PROP	25,491.00	23,503.93
494-000.000-042.000	ACCOUNTS RECEIVABLE-SPEC ASSES	12,600.00	0.00
494-000.000-084.101	DUE FROM GENERAL FUND	0.00	95,877.54
494-000.000-141.001	INFRASTRUCTURE	360,289.69	360,289.69
494-000.000-177.001	DEPRECIABLE ASSETS	25,243.25	25,243.25
494-000.000-193.000	ACCUMULATED DEPRECIATION	(169,584.22)	(199,302.22)
Total Assets		1,614,419.78	1,679,822.30
*** Liabilities ***			
494-000.000-214.101	DUE TO GENERAL FUND	102,152.53	333,020.97
Total Liabilities		102,152.53	333,020.97
*** Fund Balance ***			
494-000.000-390.000	FUND BALANCE	1,611,211.99	1,611,211.99
Total Fund Balance		1,611,211.99	1,611,211.99
Beginning Fund Balance		1,611,211.99	1,611,211.99
Net of Revenues VS Expenditures - 21-22			(194,131.66)
*21-22 End FB/22-23 Beg FB		1,417,080.33	
Net of Revenues VS Expenditures - Current Year		(98,944.74)	(70,279.00)
Ending Fund Balance		1,512,267.25	1,346,801.33
Total Liabilities And Fund Balance		1,614,419.78	1,679,822.30

* Year Not Closed

PERIOD ENDING 11/30/2022

GL NUMBER	DESCRIPTION	2022-23	2022-23	YTD BALANCE	ACTIVITY FOR	AVAILABLE	% BDGT USED
		ORIGINAL BUDGET	AMENDED BUDGET	11/30/2022 NORM (ABNORM)	MONTH 11/30/22 INCR (DECR)	BALANCE NORM (ABNORM)	
Fund 494 - DOWNTOWN DEVELOPMENT AUTHORITY							
Revenues							
Dept 000.000							
494-000.000-407.000	TIFA-CAPTURE TAXES	311,100.00	311,100.00	26,761.25	0.00	284,338.75	8.60
494-000.000-410.000	TAX COLLECTED OTHER	36,676.00	36,676.00	29,860.86	0.00	6,815.14	81.42
494-000.000-415.000	MISCELLANEOUS REVENUE	6,000.00	6,000.00	0.00	0.00	6,000.00	0.00
494-000.000-446.000	INVESTMENT INTEREST	10,000.00	10,000.00	11,048.80	3,222.76	(1,048.80)	110.49
Total Dept 000.000		363,776.00	363,776.00	67,670.91	3,222.76	296,105.09	18.60
TOTAL REVENUES		363,776.00	363,776.00	67,670.91	3,222.76	296,105.09	18.60
Expenditures							
Dept 000.000							
494-000.000-701.000	SALARIES FULL-TIME	157,595.00	157,595.00	70,515.56	11,185.30	87,079.44	44.74
494-000.000-702.000	SALARIES PART-TIME	5,000.00	5,000.00	0.00	0.00	5,000.00	0.00
494-000.000-703.000	EMPLOYEE TAXES & BENEFITS	34,000.00	34,000.00	21,677.73	4,660.79	12,322.27	63.76
494-000.000-722.000	LEGAL SERVICES	900.00	900.00	0.00	0.00	900.00	0.00
494-000.000-726.000	OFFICE SUPPLIES	3,360.00	3,360.00	307.35	0.00	3,052.65	9.15
494-000.000-802.000	TAX TRIBUNAL RETURNS	2,000.00	2,000.00	0.00	0.00	2,000.00	0.00
494-000.000-810.000	AUDITING & ACCOUNTING	800.00	800.00	800.00	0.00	0.00	100.00
494-000.000-822.000	TRAINING/MEMBERSHIP	8,175.00	8,175.00	1,307.40	0.00	6,867.60	15.99
494-000.000-844.000	MAIN STREET PROGRAM	22,200.00	22,200.00	697.21	170.43	21,502.79	3.14
494-000.000-845.000	STREETSCAPING	33,300.00	33,300.00	257.56	0.00	33,042.44	0.77
494-000.000-882.000	PLANNING/CONSULTING FEES	15,300.00	15,300.00	13,293.50	2,616.00	2,006.50	86.89
494-000.000-900.000	PRINTING/PUBLICATION COSTS	2,000.00	2,000.00	956.60	0.00	1,043.40	47.83
494-000.000-901.000	POSTAGE FEES	200.00	200.00	0.00	0.00	200.00	0.00
494-000.000-933.000	REPAIRS & MAINTENANCE	505,624.00	505,624.00	27,775.09	3,163.48	477,848.91	5.49
494-000.000-955.000	MISCELLANEOUS EXPENDITURES	8,457.00	8,457.00	361.91	0.00	8,095.09	4.28
494-000.000-971.000	SIGN GRANT PROGRAM	10,000.00	10,000.00	0.00	0.00	10,000.00	0.00
494-000.000-971.001	FACADE GRANT PROGRAM	20,000.00	20,000.00	0.00	0.00	20,000.00	0.00
Total Dept 000.000		828,911.00	828,911.00	137,949.91	21,796.00	690,961.09	16.64
TOTAL EXPENDITURES		828,911.00	828,911.00	137,949.91	21,796.00	690,961.09	16.64
Fund 494 - DOWNTOWN DEVELOPMENT AUTHORITY:							
TOTAL REVENUES		363,776.00	363,776.00	67,670.91	3,222.76	296,105.09	18.60
TOTAL EXPENDITURES		828,911.00	828,911.00	137,949.91	21,796.00	690,961.09	16.64
NET OF REVENUES & EXPENDITURES		(465,135.00)	(465,135.00)	(70,279.00)	(18,573.24)	(394,856.00)	15.11

User: PAM

FROM 494-000.000-000.000 TO 494-000.000-971.001

DB: Lathrup

TRANSACTIONS FROM 11/01/2022 TO 11/30/2022

JE #	Date	Description	Reference #	OFFSETTING GL	DEBIT	CREDIT
494-000.000-010.000 TRUST ACCOUNT-GENERAL						
Journal GJ: GJ						
129781	11/30/2022	INTEREST POSTING-MONTHLY	15580	Multiple	3,222.76	
Journal Totals					3,222.76	0.00
Totals for 494-000.000-010.000					3,222.76	0.00
Balance 11/01/22:				1,370,987.35		
Net Change:				3,222.76		
Balance 11/30/22:				1,374,210.11		
494-000.000-202.000 ACCOUNTS PAYABLE						
Journal AP: AP						
129425	11/09/2022	GIFFELS-WEBSTER ENG INCVnd: GWE127333		494-000.000-882.000		2,616.00
129358	11/10/2022	DTE ENERGYVnd: DTE EN STR InvoideCEMBER		494-000.000-933.000		1,843.48
129329	11/15/2022	BLUE CARE NETWORKVnd: BLUECARE DECEMBER		Multiple		1,570.91
129407	11/15/2022	SUSIE STECVnd: STEC Invoice: 1111152022		494-000.000-844.000		115.43
129412	11/15/2022	VANTAGEPOINTE TRANSFER 803046Vn11142022		Multiple		89.25
129695	11/28/2022	VANTAGEPOINTE TRANSFER 803046Vn11282022		Multiple		90.22
129663	11/29/2022	EXCELL SNOW & TURF MAINTENANCEVCLIP52074		494-000.000-933.000		880.00
129690	11/29/2022	STANDARD INSURANCE COMPANYVnd: 11142022		Multiple		65.15
129662	11/30/2022	DERRICK LOCKHARTVnd: LOCKHART D11072022		494-000.000-844.000		25.00
129664	11/30/2022	EXCELL SNOW & TURF MAINTENANCEVCLIP52075		494-000.000-933.000		440.00
129700	11/30/2022	ZINA LANGFORDVnd: LANGFORD Invc11292022		494-000.000-844.000		30.00
Journal Totals					0.00	7,765.44
Journal CD: CD						
129453	11/15/2022	Check: NBDC 47154	47154	Multiple	1,570.91	
129470	11/15/2022	Check: NBDC 47171	47171	Multiple	1,843.48	
129476	11/15/2022	Check: NBDC 47177	47177	Multiple	2,616.00	
129515	11/15/2022	Check: NBDC 47216	47216	Multiple	115.43	
129520	11/15/2022	Check: NBDC 47221	47221	Multiple	89.25	
129712	11/30/2022	Check: NBDC 47238	47238	Multiple	25.00	
129713	11/30/2022	Check: NBDC 47239	47239	Multiple	1,320.00	
129729	11/30/2022	Check: NBDC 47255	47255	Multiple	65.15	
129731	11/30/2022	Check: NBDC 47257	47257	Multiple	90.22	
129735	11/30/2022	Check: NBDC 47261	47261	Multiple	30.00	
Journal Totals					7,765.44	0.00
Totals for 494-000.000-202.000					7,765.44	7,765.44
Balance 11/01/22:				0.00		
Net Change:				0.00		
Balance 11/30/22:				0.00		
494-000.000-214.101 DUE TO GENERAL FUND						
Journal CD: CD						
129453	11/15/2022	Check: NBDC 47154	47154	Multiple		1,570.91
129470	11/15/2022	Check: NBDC 47171	47171	Multiple		1,843.48
129476	11/15/2022	Check: NBDC 47177	47177	Multiple		2,616.00
129515	11/15/2022	Check: NBDC 47216	47216	Multiple		115.43
129520	11/15/2022	Check: NBDC 47221	47221	Multiple		89.25
129712	11/30/2022	Check: NBDC 47238	47238	Multiple		25.00
129713	11/30/2022	Check: NBDC 47239	47239	Multiple		1,320.00
129729	11/30/2022	Check: NBDC 47255	47255	Multiple		65.15
129731	11/30/2022	Check: NBDC 47257	47257	Multiple		90.22
129735	11/30/2022	Check: NBDC 47261	47261	Multiple		30.00
Journal Totals					0.00	7,765.44
Journal GJ: GJ						
129832	11/30/2022	CITY AMOUNT FOR ICMA	15582	Multiple		310.53
129834	11/30/2022	MERS POSTING	15584	Multiple		1,082.20
129836	11/30/2022	MERS POSTING-NEW HIRES AFTER 0715586		Multiple		668.33
Journal Totals					0.00	2,061.06
Journal PR: Payroll						
129550	11/14/2022	PAYROLL	15567	Multiple		5,984.75
129775	11/30/2022	PAYROLL REPORT	15579	Multiple		5,984.75
Journal Totals					0.00	11,969.50
Totals for 494-000.000-214.101					0.00	21,796.00
Balance 11/01/22:				311,224.97		
Net Change:				21,796.00		
Balance 11/30/22:				333,020.97		
494-000.000-446.000 INVESTMENT INTEREST						
Journal GJ: GJ						

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ACTIVITY BY GL/JOURNAL REPORT FOR CITY OF LATHRUP VILLAGE

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Item 4B.

User: PAM

FROM 494-000.000-000.000 TO 494-000.000-971.001

DB: Lathrup

TRANSACTIONS FROM 11/01/2022 TO 11/30/2022

JE #	Date	Description	Reference #	OFFSETTING GL	DEBIT	CREDIT
494-000.000-446.000 INVESTMENT INTEREST						
Journal GJ: GJ						
129781	11/30/2022	INTEREST POSTING-MONTHLY	15580	Multiple		3,222.76
Journal Totals					0.00	3,222.76
Totals for 494-000.000-446.000					0.00	3,222.76
Balance 11/01/22:				7,826.04		
Net Change:				3,222.76		
Balance 11/30/22:				11,048.80		
494-000.000-701.000 SALARIES FULL-TIME						
Journal PR: Payroll						
129550	11/14/2022	PAYROLL	15567	Multiple	5,592.65	
129775	11/30/2022	PAYROLL REPORT	15579	Multiple	5,592.65	
Journal Totals					11,185.30	0.00
Totals for 494-000.000-701.000					11,185.30	0.00
Balance 11/01/22:				59,330.26		
Net Change:				11,185.30		
Balance 11/30/22:				70,515.56		
494-000.000-703.000 EMPLOYEE TAXES & BENEFITS						
Journal AP: AP						
129329	11/15/2022	BLUE CARE NETWORKEMPLOYEE TAXESDECEMBER		Multiple	1,570.91	
129412	11/15/2022	VANTAGEPOINTE TRANSFER 803046EM11142022		Multiple	89.25	
129695	11/28/2022	VANTAGEPOINTE TRANSFER 803046EM11282022		Multiple	90.22	
129690	11/29/2022	STANDARD INSURANCE COMPANYEMPLC11142022		Multiple	65.15	
Journal Totals					1,815.53	0.00
Journal GJ: GJ						
129832	11/30/2022	CITY AMOUNT FOR ICMA	15582	Multiple	310.53	
129834	11/30/2022	MERS POSTING	15584	Multiple	1,082.20	
129836	11/30/2022	MERS POSTING-NEW HIRES AFTER 0715586		Multiple	668.33	
Journal Totals					2,061.06	0.00
Journal PR: Payroll						
129550	11/14/2022	PAYROLL	15567	Multiple	392.10	
129775	11/30/2022	PAYROLL REPORT	15579	Multiple	392.10	
Journal Totals					784.20	0.00
Totals for 494-000.000-703.000					4,660.79	0.00
Balance 11/01/22:				17,016.94		
Net Change:				4,660.79		
Balance 11/30/22:				21,677.73		
494-000.000-844.000 MAIN STREET PROGRAM						
Journal AP: AP						
129407	11/15/2022	SUSIE STECMMAIN STREET PROGRAM 11152022		494-000.000-202.000	115.43	
129662	11/30/2022	DERRICK LOCKHARTMAIN STREET PRC11072022		494-000.000-202.000	25.00	
129700	11/30/2022	ZINA LANGFORDMAIN STREET PROGRA11292022		494-000.000-202.000	30.00	
Journal Totals					170.43	0.00
Totals for 494-000.000-844.000					170.43	0.00
Balance 11/01/22:				526.78		
Net Change:				170.43		
Balance 11/30/22:				697.21		
494-000.000-882.000 PLANNING/CONSULTING FEES						
Journal AP: AP						
129425	11/09/2022	GIFFELS-WEBSTER ENG INCPLANNING127333		494-000.000-202.000	2,616.00	
Journal Totals					2,616.00	0.00
Totals for 494-000.000-882.000					2,616.00	0.00
Balance 11/01/22:				10,677.50		
Net Change:				2,616.00		
Balance 11/30/22:				13,293.50		

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ACTIVITY BY GL/JOURNAL REPORT FOR CITY OF LATHRUP VILLAGE

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Item 4B.

User: PAM

FROM 494-000.000-000.000 TO 494-000.000-971.001

DB: Lathrup

TRANSACTIONS FROM 11/01/2022 TO 11/30/2022

JE #	Date	Description	Reference #	OFFSETTING GL	DEBIT	CREDIT
494-000.000-933.000 REPAIRS & MAINTENANCE						
Journal AP: AP						
129663	11/29/2022	EXCELL SNOW & TURF MAINTENANCE	CERCLIP52074	494-000.000-202.000	880.00	
129664	11/30/2022	EXCELL SNOW & TURF MAINTENANCE	CERCLIP52075	494-000.000-202.000	440.00	
Journal Totals					3,163.48	0.00
Totals for 494-000.000-933.000					3,163.48	0.00
Balance 11/01/22:				24,611.61		
Net Change:				3,163.48		
Balance 11/30/22:				27,775.09		



27400 Southfield Rd
 Lathrup Village, MI 48076
 (248) 557 - 2600
www.lathrupvillage.org

MEMORANDUM

To: LVDDA Board of Directors

From: Susie Stec, DDA and CED Director

Date: December 12, 2022

RE: Department/Director Report

In an effort to provide consistent updates to the DDA Board of Directors, City Administrator, and City Council the following monthly is submitted for your review.

Upcoming Events

- Informational Meeting: December 16th, 1 pm – 2 pm
- Small Business Financial Resources: January 18th, 8 – 10 am
 - * In partnership with MSOC, Oak Park & Southfield

Past Events

- Winter Artisan Market: November 19th
- Ambassadors Institute Ribbon Cutting: November 30th

Commercial Business/Property Updates

- 26727 Southfield Road (BP Gas) – Work is nearing completion
- 27777 Southfield (Panera Bread) – Building Plan review is complete. Engineering Review is in process. Panera is working to obtain required wrecking clearances
- 27000 Southfield Road (Discount Tire) – Final inspections are being completed
- 18411 W 12 Mile (LOGOS) – dumpster enclosure is being installed. Will be working on interior improvements over the winter
- 26647 Southfield Road (Ambassadors Institute) – OPEN

Infrastructure

- Project work is complete for the year. Any remaining restoration work will be completed in the spring.

Miscellaneous



27400 Southfield Rd
Lathrup Village, MI 48076
(248) 557 - 2600
www.lathrupvillage.org

- DDA was awarded a DTE Tree Planting Grant (\$4K). The city will be contributing to the required match. Trees will be planted throughout the city in the spring.



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MEMORANDUM

To: DDA Board of Directors
From: Susie Stec, DDA Director
Date: December 13, 2022
RE: 2022 Christmas Décor quote

For the past several years the DDA and City have shared the expense of decorating City Hall, Municipal Park and the light poles in the commercial district for the holidays. Attached is the quote/invoice from Christmas Décor in the amount of \$13,437.39. This is a 10% increase from last year. The City paid a \$5,000 deposit; the DDA is responsible for the balance of \$8,437.39.

Suggested Motion: To authorize the payment of \$8,437.39 to Christmas Décor for the 2022 holiday decorations.

Christopher Clough
Lathrup Village City Hall
27400 Southfield Rd.
Lathrup Village, MI 48076
recreation@lathrupvillage.org
W: (248) 557-2600 Ext. 224



Christmas Decor
4720 Hatchery Rd.
Waterford, MI 48329
rmock@marcduttonirr.com
W: (248) 674-4470
F: (248) 674-3091

Item 8A.

Decorating Renewal

Service Address: 27400 Southfield Rd.

Category	Description	Location	Color	N/R	Qty	Total Price
Your Current Display (Items Installed Last Season)						
Roof Lighting						
☐	Fascia/Gable C9 LED	Gazebo roof	Warm White LED	R	150	\$735.00
☐	Fascia C9 All N 1 LED	Front of bldg. far left to far right	Warm White LED	R	220	\$1,309.00
☐	Fascia C9 All N 1 LED	Pavillion Fascia	Warm White LED	R	138	\$696.90
Garland						
☐	4" Lit	Live Garland with lights around Gazebo	Warm White LED	R	130	\$804.70
☐	4" Lit	Live Garland with lights at Pavillion	Warm White LED	R	110	\$680.90
☐	4" Not Lit	Live Garland for 24 poles		R	600	\$3,108.00
☐	4" Not Lit	Live Garland for 10 poles in park		R	250	\$1,295.00
☐	Deluxe Wm White 14" LED	Four Pillar in front	Warm White LED	R	216	\$3,808.08
Wreath						
☐	Deluxe Wm White 48" LED	Pavillion peak	Warm White LED	R	1	\$281.01
☐	Deluxe Wm White 60" LED	Front of bldg. Peak	Warm White LED	R	1	\$623.84
Bow						
☐	Red 12" w/gold wire trim	6 Bows needed for Gazebo Garland	Red + Gold	R	6	\$91.92
☐	Red 12" w/gold wire trim	24 Bows needed for poles	Red + Gold	R	24	\$367.68
☐	Red 12" w/gold wire trim	10 Bows needed for poles in park	Red + Gold	R	10	\$153.20
☐	Red 12" w/gold wire trim	1 needed for wreath at Pavillion	Red + Gold	R	1	\$15.32
☐	Red 24" w/gold wire trim	1 for the Wreath in front of the Bldg.	Red + Gold	R	1	\$26.97
☐	Red 24" w/gold wire trim	4 needed for the garland	Red + Gold	R	4	\$107.88
Electrical						
☐	Timer - Mechanical	Cost for 1 timer (3 possible)		R	1	\$39.23
INITIAL PAYMENT OPTIONS: (based on incentive price)					Reinstallation Total	
Partial Down Payment		50.00%	\$6,718.70		\$14,144.63	
					*Less Loyalty Incentive	
					\$707.24	
					Sales Tax	
					\$0.00	
					YOUR Total	
					\$13,437.39	

Proposed Display Enhancements (Add Ons)

Tree/Shrub Light

Please tell us how we can improve your service at www.christmasdecor.net.

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Category	Description	Location	Color	N/R	Qty	Total Price
☐	T Canopy w/ Mini LED 6"	Wrapping 6 poles at Pavillion	Warm White LED	N	600	\$540.00
☐	T Branch Wrap w/ Mini LED	2 Pear trees both sides front of Bldg.	Warm White LED	N	1,000	\$800.00
☐	Shrubs Canopy w/ Mini LED	Boxwoods both sides front of Bldg.	Warm White LED	N	1,400	\$896.00
Garland						
☐	Deluxe Unlit 14"	Unlit artifical Garland on 37 poles		N	925	\$8,833.75
☐	Deluxe Unlit 14"	Unlit artifical Garland 15 poles in part		N	375	\$3,581.25
☐	Deluxe Wm White 14" LED	Garland around Gazebo	Warm White LED	N	130	\$2,007.20

Service Is Included

Your Holiday Decorating Service includes customized installation, service, take down, and removal.

Service Call Policy

Christmas Decor guarantees that your display will be functioning and looking great at the completion of installation. If you see that anything is not working, please call to let us know. Except for cases of vandalism, damage caused by acts of individuals or animals, and some extraordinary weather conditions, there is never an additional charge for service required to keep you display working properly.

Scheduling, Incentives, and Approvals

Our schedule fills very quickly. Please initial check boxes for approved items and sign. Call, mail, e-mail or fax in your order as soon as possible for timely scheduling and early incentives (if applicable).

New Quotes

Whether you are looking for an entirely new quote, or ideas to change/add to your current display, we are happy to meet with you.

Client Signature: _____

Check One:

____ Check # _____ or you may also pay with a Credit Card.

____ Visa ____ Master ____ Discover Card #: _____

Exp. Date: ____/____/____ CVV: ____ Deposit Amount: \$ _____ Signature: _____

Please tell us how we can improve your service at www.christmasdecor.net.

2023 DDA Meeting Dates

Board of Directors

3rd Friday at 12 Noon

January	20
February	17
March	17
April	21
May	19
June	16
July	21
August	18
September	15
October	20
November	17
December	15

Economic Vitality Committee

1st Thursday at 12 Noon

January	5
February	2
March	2
April	6
May	4
June	1
July	6
August	3
September	7
October	5
November	2
December	7

Promotions Comr

3rd Thursday at 9

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