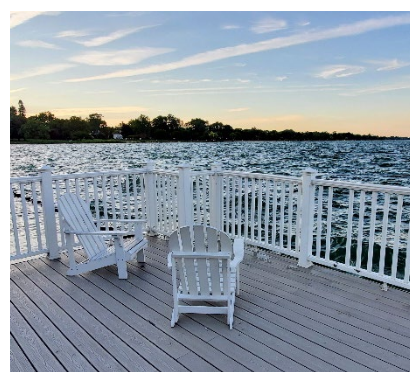
City of Grosse Pointe Farms, Michigan

Comprehensive Annual Financial Report



For The Year Ended

June 30, 2021

City of Grosse Pointe Farms, Michigan

Comprehensive Annual Financial Report
with Supplemental Information
Fiscal Year Ended June 30, 2021

Mayor
Louis Theros, Mayor

City Council
Joe Ricci, Mayor Pro Tem
James C. Farquhar Jr.
John J. Gillooly
Beth Konrad-Wilberding
Neil Sroka
Lev Wood

Audit Committee
Lev Wood
John J. Gillooly
Louis Theros

City Manager
Shane L. Reeside

Director of Finance and Operations
Debra Peck Lichtenberg

Prepared by:
City's Finance Department

Contents

Contents (Continued)

City of Grosse Pointe Farms
90 Kerby Road, Grosse Pointe Farms, Michigan 48236-3161
phone 313 885.6600 *fax* 313 885.0917
www.grossepointefarms.org

October 18, 2021

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

With this letter, we transmit the City of Grosse Pointe Farms' Comprehensive Annual Financial Report (CAFR) for the fiscal year which ended June 30, 2021. These statements are in compliance with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards. This transmittal letter is designed to complement the Management's Discussion and Analysis (MD&A) section of this report and should be used in conjunction with it. The MD&A immediately follows the report of the independent auditors.

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

The City of Grosse Pointe Farms' financial statements have been audited by Plante & Moran, PLLC. The purpose of an independent audit is to provide reasonable assurance that the financial statements are free of material misstatement. The independent audit involves examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The audit concluded that there was a reasonable basis for rendering an unmodified opinion that the City of Grosse Pointe Farms' financial statements for the year ended June 30, 2021 are fairly presented in conformity with GAAP. Plante & Moran, PLLC's report is presented as the first component of the financial section of this report.

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

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

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

ECONOMIC CONDITION & OUTLOOK

The City of Grosse Pointe Farms is an affluent, suburban community located in the northeast corner of Wayne County and nestled among its four Grosse Pointe neighbors between the City of Detroit on its west and Lake St. Clair on its east. Its population of 9,479 (per the 2010 census figures) is distributed among approximately 3,950 households, having a median household income of $154,199 and an average per capita income of $73,011. The average value of an owner-occupied residence in the City is $422,400. The labor force is composed largely of managerial and professional personnel, of which over 70 percent has a bachelor's, graduate or a post graduate degree. The unemployment rate among Farms' residents is considerably lower than the rest of the region.

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

Approximately 3.5 percent of the City's total revenues come from sales tax that is collected by the State and shared with local units of government. In recent years, the distribution stopped declining due to increases in statewide collections of state taxes but is still far below the amount received at the high point in 2002. It is unclear at this time how the COVID-19 pandemic will impact this funding moving forward. The City continues to take a conservative approach in estimating the revenue source. Grosse Pointe Farms' reliance on state-shared revenue is a relatively small portion of the City's budget.

The residential tax base makes up approximately 92 percent of the tax roll or 72 percent of the City's total governmental revenue. The past year and continuing through this fiscal year there has been a marked improvement in residential property values and a corresponding shorter time that homes are on the market. Under State Law, the City does have the ability to levy an additional 0.0447 mills for general operations.

Impacts of COVID-19 Pandemic

The global COVID-19 pandemic has resulted in far reaching economic and operating impacts during the fiscal years ended June 30, 2020 and 2021. These impacts are expected to carry forward for the near future, with the full magnitude still unknown. During the prior fiscal year, the City of Grosse Pointe Farms purchased personal protective equipment, installed social distancing barriers, created remote work environments and moved many City functions to virtual platforms. Many activities including residential construction projects and recreation programming were curtailed in the past two years, impacting the City's revenue streams. However, by seeking federal grant funding and carefully managing expenditures, the City has continued to provide all the essential services residents expect, while providing a safe work environment for our employees.

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

MAJOR INITIATIVES

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

- The City has invested more than a million dollars in capital outlay that includes new vehicles and equipment for Public Safety and Public Works. As part of the Capital Project Fund, the City continues to set aside funds, in separate reserves, for new firefighting equipment, rubbish packer truck replacements and City Hall building improvements.

- The City has continued to clean and televise critical sewers and is making assessments for long term operations, maintenance and capital improvement needs. Over the past six years, the City has spent over $3,000,000 in repairs and relining of sewers deemed to need rehabilitation.

- Continuing the annual road resurfacing program, the City repaved approximately 0.4 miles of roadway. This is part of more than $4.8 million invested in roadwork over the past ten years.

- The City replaced the iconic gazebo this year and the new structure adds to the premier appointments at Pier Park. In addition, a portion of the harbor docks were replaced utilizing committed fund balance accumulated in the General Fund.

The Kercheval (The Hill) and Mack Avenue Business Districts

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

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

For the Future

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

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

FINANCIAL INFORMATION

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

Budgeting Controls

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

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

Long-term Financial Planning

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

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

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

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

General Fund Balance

The total fund balance of the General Fund increased $196.540, to $6,682,882. A total of $42,221 was reserved for inventories and prepaid items, $560,065 was committed for parking and harbor, and $750,000 was assigned for subsequent year's expenditures, future healthcare, and post-retirement benefit contributions, and an additional $520,000 received from federal CARES Act grants has been assigned for future projects, leaving an unassigned fund balance of $4,510,596.

Enterprise Operations

The City operates its own water supply and sewage pumping system. The operating revenue of the Water and Sewer Fund amounted to $7,787,690 which is an increase of $268,563 from the preceding year. During the same period, operating expenses, excluding depreciation, were $5,058,185. After providing for depreciation and non-operating revenues and expenses, the system experienced a positive change in net position of $2,456,374.

Pension Trust Fund Operations

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

The General Employees plan is closed to all new hires of the City. The City and new hires instead make contributions into a defined contribution plan. As a matter of policy, the City fully funds each year's annual required contribution to the pension plan, which for the fiscal year ended June 30, 2021 totaled $566,175 for the PSRS and $621,511 for the GERS.

The operations of the Public Safety Officers and General Employees' Retirement Systems posted a return on investments of approximately 26.2 percent for PSRS and 26.3 percent for GERS. The systems' reserves increased $9,962,542 PSRS and $4,771,673 GERS, respectively. The annual actuarial valuation is strong, as the funding level for PSRS is approximately 123.6 percent and 96.9 percent for GERS.

The City also provides retiree health-care benefits to qualifying full-time employees. All new hires after July 1, 2007 are not eligible for the post-retirement health-care plan. Instead, new employees and the City are contributing annually to a Health Savings Account (HSA), which will be available for health-care needs upon retirement. The City has been pre-funding for retiree health-care for several years and is currently funded 60 percent for PSRS and 61 percent for GERS.

Debt Administration

At June 30, 2021, the City had $13,668,673 of general obligation debt outstanding, which is also the net direct tax-supported debt. This is the equivalent of $1,442 per capita and represents about 1.6 percent of the City's taxable valuation. Under current state statutes, the City's general obligation bonded debt issues are subject to a legal limitation based on 10 percent of total equalized value of real and personal property. As of June 30, 2021, the City's general obligation bonded debt was well below the legal limit of $104,153,000.

Independent Audit

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

Awards and Acknowledgements

The Government Finance Officer's Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Grosse Pointe Farms for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2020. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local government financial reports.

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

A Certificate of Achievement is valid for a period of one year only. The City of Grosse Pointe Farms has received a Certificate for the last 28 consecutive years (fiscal years 1993-2020). We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and are submitting it to the GFOA.

In addition, the City has also received the GFOA's Award for Outstanding Achievement in Popular Annual Financial Reporting for its fiscal year 2020 Financial Summary. This was the tenth consecutive year that the City has received this award. In order to qualify for the Popular Annual Financial Reporting Award, the government unit must publish a Popular Financial Report, whose contents conform to program standards of creativity, presentation, understandability and reader appeal.

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

Respectfully submitted,

Shane L. Reeside
City Manager

Debra A. Lichtenberg
City Controller/Treasurer

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

**City of Grosse Pointe Farms
Michigan**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

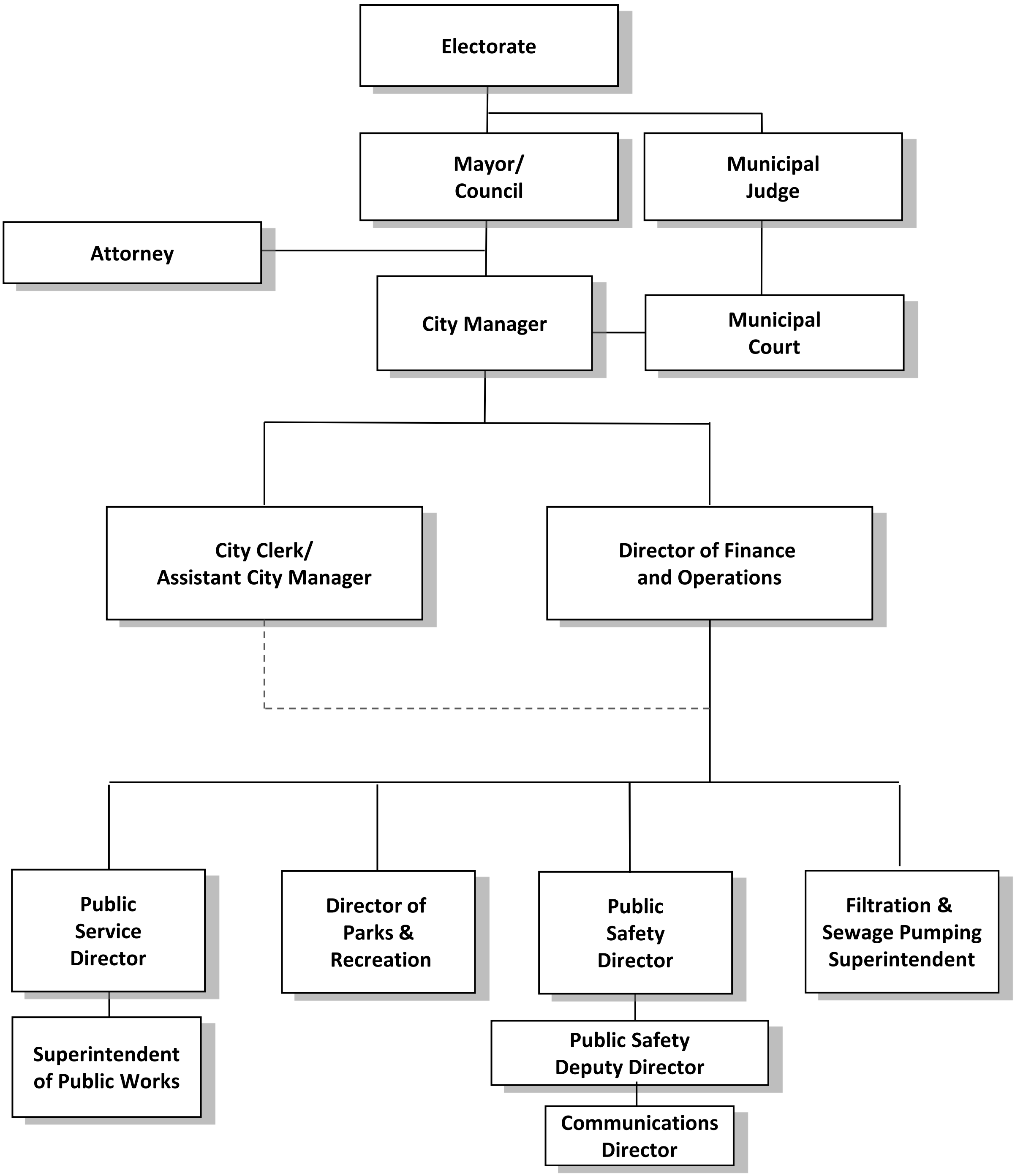
June 30, 2021

Executive Director/CEO

City of Grosse Pointe Farms

June 30, 2021

Organizational Chart



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

Independent Auditor's Report

To the City Council
City of Grosse Pointe Farms, Michigan

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Grosse Pointe Farms, Michigan (the "City") as of and for the year ended June 30, 2021 and the related notes to the financial statements, which collectively comprise the City of Grosse Pointe Farms, Michigan's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Grosse Pointe Farms, Michigan as of June 30, 2021 and the respective changes in its financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 1 to the financial statements, the City adopted the provisions of GASB Statement No. 84, *Fiduciary Activities*, as of June 30, 2021. Our opinion is not modified with respect to this matter.

To the City Council
City of Grosse Pointe Farms, Michigan

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplemental information, as identified in the table of contents, be presented to supplement the basic financial statements. Such information, 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Grosse Pointe Farms, Michigan's basic financial statements. The other supplemental information, as identified in the table of contents, and the introductory and statistical sections are presented for the purpose of additional analysis and are not a required part of the basic financial statements.

The other supplemental information, as identified in the table of contents, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplemental information, as identified in the table of contents, is fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections, as identified in the table of contents, have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we do not express an opinion or provide any assurance on them.

Plante & Moran, PLLC

October 18, 2021

As management of City of Grosse Pointe Farms, Michigan (the "City"), we offer readers this narrative overview and analysis of the financial activities for the year ended June 30, 2021.

Using This Annual Report

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

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

The City's Net Position

The following table shows, in a condensed format, the net position as of June 30, 2021 compared to the prior year:

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Assets						
Current and other assets	$ 24,250,162	$ 13,153,235	$ 5,912,807	$ 5,163,249	$ 30,162,969	$ 18,316,484
Capital assets	19,750,881	19,780,189	20,560,125	21,077,673	40,311,006	40,857,862
Total assets	44,001,043	32,933,424	26,472,932	26,240,922	70,473,975	59,174,346
Deferred Outflows of Resources	1,640,098	2,589,475	311,967	509,846	1,952,065	3,099,321
Liabilities						
Current liabilities	1,046,532	778,115	475,154	610,306	1,521,686	1,388,421
Noncurrent liabilities	17,485,089	22,495,825	8,583,020	11,662,205	26,068,109	34,158,030
Total liabilities	18,531,621	23,273,940	9,058,174	12,272,511	27,589,795	35,546,451
Deferred Inflows of Resources	12,525,433	3,106,399	1,423,776	533,558	13,949,209	3,639,957
Net Position						
Net investment in capital assets	13,271,299	16,814,817	13,423,490	12,884,088	26,694,789	29,698,905
Restricted	3,517,301	1,803,729	-	-	3,517,301	1,803,729
Unrestricted	(2,204,513)	(9,475,986)	2,879,459	1,060,611	674,946	(8,415,375)
Total net position	**$ 14,584,087**	**$ 9,142,560**	**$ 16,302,949**	**$ 13,944,699**	**$ 30,887,036**	**$ 23,087,259**

For governmental activities, the City's net position increased due to the increases in deferred inflows of resources and decreases in deferred outflows of resources related to pension and OPEB liabilities.

For business-type activities, the City's net position increased due to the decrease in the long-term debt and net OPEB liability.

The City's Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenue						
Program revenue:						
Charges for services	$ 2,175,532	$ 2,134,879	$ 8,266,043	$ 8,097,486	$ 10,441,575	$ 10,232,365
Operating grants and contributions	548,714	20,000	-	-	548,714	20,000
Capital grants and contributions	1,160,195	1,284,008	-	-	1,160,195	1,284,008
General revenue:						
Property taxes	13,933,374	11,746,322	746,213	758,702	14,679,587	12,505,024
State-shared revenue	1,003,200	892,638	-	-	1,003,200	892,638
Investment earnings	(125,931)	183,439	5	32	(125,926)	183,471
Franchise fees and other	590,488	708,909	-	-	590,488	708,909
Total revenue	19,285,572	16,970,195	9,012,261	8,856,220	28,297,833	25,826,415
Expenses						
General government	3,603,999	3,272,487	-	-	3,603,999	3,272,487
Municipal court	376,150	341,440	-	-	376,150	341,440
Public safety	4,748,188	7,289,638	-	-	4,748,188	7,289,638
Public works	3,137,926	3,501,450	-	-	3,137,926	3,501,450
Community and economic development	31,590	643,699	-	-	31,590	643,699
Parks and recreation	1,712,614	1,098,192	-	-	1,712,614	1,098,192
Debt service	233,578	248,020	-	-	233,578	248,020
Water and sewer	-	-	6,077,535	7,409,278	6,077,535	7,409,278
Municipal Radio System	-	-	376,697	427,685	376,697	427,685
Recycling program	-	-	199,779	186,764	199,779	186,764
Total expenses	13,844,045	16,394,926	6,654,011	8,023,727	20,498,056	24,418,653
Change in Net Position	5,441,527	575,269	2,358,250	832,493	7,799,777	1,407,762
Net Position - Beginning of year	9,142,560	8,567,291	13,944,699	13,112,206	23,087,259	21,679,497
Net Position - End of year	**$ 14,584,087**	**$ 9,142,560**	**$ 16,302,949**	**$ 13,944,699**	**$ 30,887,036**	**$ 23,087,259**

Governmental Activities

The City's total governmental activities revenue increased from the previous fiscal year. In November 2020, residents approved a dedicated road levy of 2.0 mills, which was then collected on the December 2020 tax bills. This millage rate increase, combined with a 3.5 percent increase in taxable value of property, resulted in a corresponding increase in property tax revenue. Operating grants and contributions increased due to the receipt of additional grant funds. In the prior year, a one-time private grant was included in capital grants and contributions. Investment earnings were impacted negatively by the fair market value decline at June 30, 2021.

The following represents some of the more significant financial highlights for the year ended June 30, 2021:

- The City's taxable value increased 3.5 percent compared to a 4.4 percent increase the year before due to uncapping of property values on sales and an overall increase in local real estate market values.

- The City has assigned the $1,818,726 fund balance in the Capital Projects Fund for future fire department equipment, road improvements, and city hall improvements.

- The City received $519,920 in COVID-19 CARES Act funding through federal grants.

Business-type Activities

The City's business-type activities consist of the Water and Sewer Fund, Recycling Program Fund, and Municipal Radio System Fund. The City provides water to our residents and the residents of the City of Grosse Pointe, Michigan through our municipal water filtration plant. The City pumps its sewage to the Great Lakes Water Authority for treatment and disposal. The City's expenses for water and sewer decreased by approximately $1,332,000, or 17.9 percent, mainly attributable to decreased expenses for employee insurance, pension, and other postretirement benefit. Water and sewer rates were increased, not only to cover projected operational costs, but also to recover a portion of the subsidy from other city operating funds.

Financial Analysis of Individual Funds

Our analysis of the City's major funds begins following the government-wide financial statements. The fund financial statements provide detailed information about the most significant funds, not the City as a whole. The City Council creates funds to help manage money for specific purposes and show accountability for certain activities, such as the Healthcare Retention Fund, Insurance Retention Fund, and the Recycling Program Fund. The City's major funds are the General Fund, Capital Projects Fund, and Water and Sewer Fund.

The General Fund pays for most of the City's governmental services. The most significant are public safety, which incurred expenses of $5,217,117 during fiscal year 2021. The General Fund is supported primarily by property taxes and state-shared revenue. The Major Streets Fund maintains the City's major streets (as contrasted with the neighborhood streets, which are maintained by the Local Streets Fund) and is supported by state gas and weight taxes. The Local Streets Fund also receives gas and weight taxes, as well as transfers from the City's General Fund and Major Streets Fund. The Municipal Street Fund receives and tracks the dedicated road improvement millage levy and the related project spending. The Healthcare Retention Fund accounts for expenditures for the City's self-insured employee health insurance. The Insurance Retention Fund accounts for expenditures for the City's self-insured workers' compensation. The Capital Projects Fund is utilized to account for purchases of individual items greater than $5,000.

General Fund Budgetary Highlights

Approaching the end of the year, the City's administration and City Council amended the budget to account for any increased expenditures. The most significant budget amendments were due to expected decreases in revenue due to COVID-19-related executive order shutdowns, offset by increases in tax revenue and federal grant revenue received from CARES Act funding. Expenditures were increased for planned capital project spending. Overall, the additional expenditures were offset by additional revenue received.

Capital Assets and Debt Administration

At the end of fiscal year 2021, the City had approximately $40,311,000 invested in a wide range of capital assets, including land; buildings; fire equipment; vehicles; and water, sewer, and storm sewer lines (see Note 4 to the financial statements for additional information).

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

Economic Factors and Next Year's Budgets and Rates

The City's budget for next year reflects a decrease in the City's total millage rate to 16.7912 mills from the 16.9500 mills levied in the current year. The overall property tax revenue was higher due to the increase in taxable values. Cost-cutting measures undertaken by the city administration and the utilization of $300,000 of fund balance for capital improvements made a balanced budget possible.

Requests for Further Information

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

City of Grosse Pointe Farms, Michigan

Statement of Net Position

June 30, 2021

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents (Note 3)	$ 8,568,591	$ 3,723,994	$ 12,292,585
Investments (Note 3)	4,220,180	-	4,220,180
Receivables:			
Property taxes receivable	10,644	958	11,602
Customer receivables	-	1,991,665	1,991,665
Accrued interest receivable	9,956	-	9,956
Other receivables	95,178	61,417	156,595
Due from other governmental units	351,549	134,773	486,322
Inventory	29,357	-	29,357
Prepaid expenses and other assets	785,630	-	785,630
Investment in joint ventures (Note 13)	45,066	-	45,066
Net pension asset (Note 8)	10,134,011	-	10,134,011
Capital assets:			
Assets not subject to depreciation (Note 4)	5,968,178	441,799	6,409,977
Assets subject to depreciation - Net (Note 4)	13,782,703	20,118,326	33,901,029
Total assets	44,001,043	26,472,932	70,473,975
Deferred Outflows of Resources			
Deferred charges on bond refunding	45,974	6,484	52,458
Deferred pension costs (Note 8)	968,143	280,256	1,248,399
Deferred OPEB costs (Note 10)	625,981	25,227	651,208
Total deferred outflows of resources	1,640,098	311,967	1,952,065
Liabilities			
Accounts payable	487,319	366,927	854,246
Refundable deposits, bonds, etc.	150,042	19,777	169,819
Accrued liabilities and other	360,652	88,450	449,102
Unearned revenue	8,519	-	8,519
Other current liabilities	40,000	-	40,000
Noncurrent liabilities:			
Due within one year:			
Compensated absences (Note 6)	576,407	87,358	663,765
Current portion of long-term debt (Note 6)	723,801	363,027	1,086,828
Due in more than one year:			
Compensated absences (Note 6)	958,780	136,855	1,095,635
Other liabilities	120,000	-	120,000
Net pension liability (Note 8)	695,876	257,623	953,499
Net OPEB liability (Note 10)	8,242,508	958,065	9,200,573
Long-term debt (Note 6)	5,801,755	6,780,092	12,581,847
Provision for uninsured losses (Note 6)	365,962	-	365,962
Total liabilities	18,531,621	9,058,174	27,589,795
Deferred Inflows of Resources			
Deferred pension cost reductions (Note 8)	9,936,610	1,026,975	10,963,585
Deferred OPEB cost reductions	2,588,823	396,801	2,985,624
Total deferred inflows of resources	12,525,433	1,423,776	13,949,209
Net Position			
Net investment in capital assets	13,271,299	13,423,490	26,694,789
Restricted - Roads	3,517,301	-	3,517,301
Unrestricted	(2,204,513)	2,879,459	674,946
Total net position	**$ 14,584,087**	**$ 16,302,949**	**$ 30,887,036**

See notes to financial statements.

		Program Revenue		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Functions/Programs				
Primary government:				
Governmental activities:				
General government	$ 3,603,999	$ 319,276	$ -	$ -
Municipal court	376,150	133,883	-	-
Public safety	4,748,188	634,191	528,714	-
Public works	3,137,926	399,875	-	1,105,496
Community and economic development	31,590	-	20,000	-
Parks and recreation	1,712,614	688,307	-	54,699
Interest on long-term debt and bond issuance costs	233,578	-	-	-
Total governmental activities	13,844,045	2,175,532	548,714	1,160,195
Business-type activities:				
Water and sewer	6,077,535	7,787,693	-	-
Municipal Radio System	376,697	257,126	-	-
Recycling program	199,779	221,224	-	-
Total business-type activities	6,654,011	8,266,043	-	-
Total primary government	**$ 20,498,056**	**$ 10,441,575**	**$ 548,714**	**$ 1,160,195**

General revenue:
- Property taxes
- Unrestricted state-shared revenue
- Unrestricted investment income
- Cable franchise fees
- Other miscellaneous income

Total general revenue

Change in Net Position

Net Position - Beginning of year

Net Position - End of year

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business-type Activities	Total
$ (3,284,723)	$ -	$ (3,284,723)
(242,267)	-	(242,267)
(3,585,283)	-	(3,585,283)
(1,632,555)	-	(1,632,555)
(11,590)	-	(11,590)
(969,608)	-	(969,608)
(233,578)	-	(233,578)
(9,959,604)	-	(9,959,604)
-	1,710,158	1,710,158
-	(119,571)	(119,571)
-	21,445	21,445
-	1,612,032	1,612,032
(9,959,604)	1,612,032	(8,347,572)
13,933,374	746,213	14,679,587
1,003,200	-	1,003,200
(125,931)	5	(125,926)
231,475	-	231,475
359,013	-	359,013
15,401,131	746,218	16,147,349
5,441,527	2,358,250	7,799,777
9,142,560	13,944,699	23,087,259
$ 14,584,087	**$ 16,302,949**	**$ 30,887,036**

Governmental Funds Balance Sheet

June 30, 2021

	General Fund	Capital Projects Fund	Nonmajor Funds	Total
Assets				
Cash and cash equivalents (Note 3)	$ 3,519,972	$ 1,519,034	$ 3,307,427	$ 8,346,433
Investments (Note 3)	3,546,636	422,569	120,000	4,089,205
Receivables:				
Property taxes receivable	10,479	-	165	10,644
Accrued interest receivable	7,250	1,287	1,017	9,554
Other receivables	59,212	35,966	-	95,178
Due from other governmental units	182,715	-	168,834	351,549
Inventory	29,357	-	-	29,357
Prepaid expenses and other assets	12,864	625,114	-	637,978
Total assets	**$ 7,368,485**	**$ 2,603,970**	**$ 3,597,443**	**$ 13,569,898**
Liabilities				
Accounts payable	$ 245,731	$ 160,130	$ 61,525	$ 467,386
Refundable deposits, bonds, etc.	150,042	-	-	150,042
Accrued liabilities and other	289,832	-	10,098	299,930
Unearned revenue	-	-	8,519	8,519
Total liabilities	685,605	160,130	80,142	925,877
Fund Balances				
Nonspendable:				
Inventory	29,357	-	-	29,357
Prepaids	12,864	625,114	-	637,978
Restricted - Roads	-	-	3,517,301	3,517,301
Committed:				
Parking	352,650	-	-	352,650
Harbor	207,415	-	-	207,415
Assigned:				
Subsequent year's budget	300,000	-	-	300,000
Future postretirement benefits	720,000	-	-	720,000
Future health care costs	250,000	-	-	250,000
Capital projects	300,000	1,818,726	-	2,118,726
Unassigned	4,510,594	-	-	4,510,594
Total fund balances	6,682,880	2,443,840	3,517,301	12,644,021
Total liabilities and fund balances	**$ 7,368,485**	**$ 2,603,970**	**$ 3,597,443**	**$ 13,569,898**

See notes to financial statements.

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

		June 30, 2021
Fund Balances Reported in Governmental Funds	$	12,644,021
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		19,750,881
Certain changes in pension plan net position are reported as deferred inflows of resources in the statement of net position but are not reported as revenue in the governmental funds		(9,936,610)
Deferred charges on bond refunding associated with long-term debt payable are not reported in the funds		45,974
Certain pension contributions and changes in pension plan net position are reported as deferred outflows of resources in the statement of net position but are not reported as expenses in the governmental funds		968,143
Accrued interest is not due and payable in the current period and is not reported in the funds		(60,720)
Some employee fringe benefits are payable over a long period of years and do not represent a claim on current financial resources; therefore, they are not reported as fund liabilities:		
Employee compensated absences		(1,535,187)
Pension benefits		9,438,135
Retiree health care benefits		(8,242,508)
Total employee fringe benefits not reported as fund liabilities		(339,560)
Investments in joint ventures are not financial resources and are not reported in the funds		45,066
Bonds payable and unamortized premium are not due and payable in the current period and are not reported in the funds		(6,685,556)
Internal service funds are included as part of governmental activities		115,290
Certain changes in OPEB plan net position are reported as deferred inflows of resources in the statement of net position but are not reported as revenue in the governmental funds		(2,588,823)
Certain OPEB contributions and changes in OPEB plan net position are reported as deferred outflows of resources in the statement of net position but are not reported as expenses in the governmental funds		625,981
Net Position of Governmental Activities	**$**	**14,584,087**

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

Year Ended June 30, 2021

	General Fund	Capital Projects Fund	Nonmajor Funds	Total
Revenue				
Property taxes	$ 12,260,444	$ -	$ 1,672,930	$ 13,933,374
Intergovernmental:				
Federal grants	528,714	-	20,000	548,714
State sources	1,030,513	-	1,078,183	2,108,696
Charges for services	1,674,177	-	-	1,674,177
Fines and forfeitures	269,124	-	-	269,124
Licenses and permits	558,273	-	-	558,273
Investment loss	(101,698)	(17,901)	(3,306)	(122,905)
Other revenue	243,805	54,699	7,200	305,704
Total revenue	16,463,352	36,798	2,775,007	19,275,157
Expenditures				
Current services:				
General government	1,874,223	-	-	1,874,223
Municipal court	318,111	-	58,039	376,150
Public safety	5,217,117	-	-	5,217,117
Public works	2,122,015	-	1,159,748	3,281,763
Other functions - Other services	3,229,139	-	1,148	3,230,287
Community and economic development	-	-	20,000	20,000
Parks and recreation	1,150,665	-	-	1,150,665
Capital outlay	-	942,177	-	942,177
Debt service	-	-	703,044	703,044
Total expenditures	13,911,270	942,177	1,941,979	16,795,426
Excess of Revenue Over (Under) Expenditures	2,552,082	(905,379)	833,028	2,479,731
Other Financing Sources (Uses)				
Transfers in (Note 5)	-	1,550,000	955,544	2,505,544
Transfers out (Note 5)	(2,355,544)	(75,000)	(75,000)	(2,505,544)
Total other financing (uses) sources	(2,355,544)	1,475,000	880,544	-
Net Change in Fund Balances	196,538	569,621	1,713,572	2,479,731
Fund Balances - Beginning of year	6,486,342	1,874,219	1,803,729	10,164,290
Fund Balances - End of year	**$ 6,682,880**	**$ 2,443,840**	**$ 3,517,301**	**$ 12,644,021**

See notes to financial statements.

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

Year Ended June 30, 2021

Net Change in Fund Balances Reported in Governmental Funds	$	2,479,731
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures; however, in the statement of activities, these costs are allocated over their estimated useful lives as depreciation:		
Depreciation expense		(1,345,039)
Loss on sale of capital assets		(7,721)
Capital outlay		1,323,452
Deferred charge on debt refunding is a deferred outflow in the governmental activities but not in the governmental funds		(7,510)
Change in health care incurred but not reported liability		22,447
Repayment of bond principal is an expenditure in the governmental funds but not in the statement of activities (where it reduces long-term debt)		526,926
Change in accrued interest and other		3,842
Decreases in net pension liability/asset and deferred outflows/inflows related to pensions reported in the statement of activities do not require the use of current resources and, therefore, are not reported in the fund statements until they come due for payment		1,791,778
Increase in accumulated employee sick and vacation pay and other similar expenses reported in the statement of activities do not require the use of current resources and, therefore, are not reported in the fund statements until they come due for payment		(2,728)
Decreases in net OPEB liability and deferred outflows/inflows related to OPEB reported in the statement of activities reported in the prior year require use of current resources and, therefore, are reported in the fund statements		834,548
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		(1,240)
Legal settlement on property annexation is recorded as an expenditure in the governmental activities due to the liability being incurred; it is not reported as an expenditure in the governmental funds because the payments will be made in future years		(160,000)
Change in investment in Grosse Pointes-Clinton Refuse Disposal Authority joint venture is recorded in the governmental funds		1,200
Internal service funds are included as part of governmental activities		(18,159)
Change in Net Position of Governmental Activities	**$**	**5,441,527**

Proprietary Funds
Statement of Net Position

June 30, 2021

	Enterprise Funds			Governmental Activities
	Water and Sewer	Nonmajor Enterprise	Total	Internal Service Funds
Assets				
Current assets:				
Cash and cash equivalents (Note 3)	$ 3,438,602	$ 285,392	$ 3,723,994	$ 222,158
Investments (Note 3)	-	-	-	130,975
Receivables:				
Property taxes receivable	958	-	958	-
Customer receivables	1,991,665	-	1,991,665	-
Accrued interest receivable	-	-	-	402
Other receivables	34,297	27,120	61,417	-
Due from other governmental units	-	134,773	134,773	-
Prepaids and other assets	-	-	-	147,652
Total current assets	5,465,522	447,285	5,912,807	501,187
Noncurrent assets - Capital assets:				
Assets not subject to depreciation (Note 4)	441,799	-	441,799	-
Assets subject to depreciation - Net (Note 4)	20,013,314	105,012	20,118,326	-
Total noncurrent assets	20,455,113	105,012	20,560,125	-
Total assets	25,920,635	552,297	26,472,932	501,187
Deferred Outflows of Resources				
Deferred charges on bond refunding	6,484	-	6,484	-
Deferred pension costs (Note 8)	224,135	56,121	280,256	-
Deferred OPEB costs	20,175	5,052	25,227	-
Total deferred outflows of resources	250,794	61,173	311,967	-
Liabilities				
Current liabilities:				
Accounts payable	365,162	1,765	366,927	19,933
Refundable deposits, bonds, etc.	-	19,777	19,777	-
Accrued liabilities and other	86,326	2,124	88,450	-
Compensated absences (Note 6)	76,943	10,415	87,358	-
Current portion of long-term debt (Note 6)	363,027	-	363,027	-
Total current liabilities	891,458	34,081	925,539	19,933
Noncurrent liabilities:				
Compensated absences (Note 6)	121,795	15,060	136,855	-
Net pension liability (Note 8)	206,034	51,589	257,623	-
Net OPEB liability (Note 10)	766,215	191,850	958,065	-
Long-term debt (Note 6)	6,780,092	-	6,780,092	-
Provision for uninsured losses (Note 6)	-	-	-	365,962
Total noncurrent liabilities	7,874,136	258,499	8,132,635	365,962
Total liabilities	8,765,594	292,580	9,058,174	385,895
Deferred Inflows of Resources				
Deferred pension cost reductions (Note 8)	821,324	205,651	1,026,975	-
Deferred OPEB cost reductions (Note 10)	317,342	79,459	396,801	-
Total deferred inflows of resources	1,138,666	285,110	1,423,776	-
Net Position				
Net investment in capital assets	13,318,478	105,012	13,423,490	-
Unrestricted	2,948,691	(69,232)	2,879,459	115,292
Total net position	**$ 16,267,169**	**$ 35,780**	**$ 16,302,949**	**$ 115,292**

See notes to financial statements.

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

Year Ended June 30, 2021

	Enterprise Funds			Governmental Activities
	Water and Sewer	Nonmajor Enterprise	Total	Internal Service Funds
Operating Revenue				
Sale of water	$ 4,259,719	$ -	$ 4,259,719	$ -
Sewage disposal charges	3,378,941	-	3,378,941	-
Interest and penalty charges	-	3,384	3,384	-
Charges for services	-	-	-	2,462,781
Recycling charges	-	217,840	217,840	-
Radio system charges	-	257,126	257,126	-
Other	149,033	-	149,033	-
Total operating revenue	7,787,693	478,350	8,266,043	2,462,781
Operating Expenses				
Cost of water	1,658,642	-	1,658,642	-
Cost of sewage treatment	3,549,971	-	3,549,971	-
Other operating and maintenance costs	-	471,141	471,141	-
Billing and administrative costs	409,969	-	409,969	-
Pension and OPEB expense/recovery	(618,284)	-	(618,284)	-
Benefit payments	-	-	-	2,477,913
Depreciation	844,794	105,335	950,129	-
Total operating expenses	5,845,092	576,476	6,421,568	2,477,913
Operating Income (Loss)	1,942,601	(98,126)	1,844,475	(15,132)
Nonoperating Revenue (Expense)				
Property tax revenue	746,213	-	746,213	-
Investment interest and FMV changes	5	-	5	(3,026)
Interest and amortization expense	(232,443)	-	(232,443)	-
Total nonoperating revenue (expense)	513,775	-	513,775	(3,026)
Change in Net Position	2,456,376	(98,126)	2,358,250	(18,158)
Net Position - Beginning of year	13,810,793	133,906	13,944,699	133,450
Net Position - End of year	**$ 16,267,169**	**$ 35,780**	**$ 16,302,949**	**$ 115,292**

See notes to financial statements.

Proprietary Funds
Statement of Cash Flows

Year Ended June 30, 2021

	Enterprise Funds			Governmental Activities
	Water and Sewer	Nonmajor Enterprise	Total	Internal Service Funds
Cash Flows from Operating Activities				
Receipts from customers	$ 7,810,242	$ 644,825	$ 8,455,067	$ 2,462,781
Payments to (from) suppliers	(4,428,694)	(219,573)	(4,648,267)	48,689
Payments to employees and fringes	(1,561,325)	(323,969)	(1,885,294)	(2,369,330)
Net cash and cash equivalents provided by operating activities	1,820,223	101,283	1,921,506	142,140
Cash Flows from Capital and Related Financing Activities				
Property taxes restricted for capital items	746,141	-	746,141	-
Purchase of capital assets	(432,581)	-	(432,581)	-
Principal and interest paid on capital debt	(1,304,512)	-	(1,304,512)	-
Net cash and cash equivalents used in capital and related financing activities	(990,952)	-	(990,952)	-
Cash Flows from Investing Activities				
Interest received on investments	5	-	5	597
Purchase of investment securities	-	-	-	(135,000)
Net cash and cash equivalents provided by (used in) investing activities	5	-	5	(134,403)
Net Increase in Cash and Cash Equivalents	829,276	101,283	930,559	7,737
Cash and Cash Equivalents - Beginning of year	2,609,326	184,109	2,793,435	214,421
Cash and Cash Equivalents - End of year	**$ 3,438,602**	**$ 285,392**	**$ 3,723,994**	**$ 222,158**
Reconciliation of Operating Income (Loss) to Net Cash from Operating Activities				
Operating income (loss)	$ 1,942,601	$ (98,126)	$ 1,844,475	$ (15,132)
Adjustments to reconcile operating income (loss) to net cash from operating activities:				
Depreciation and amortization	844,794	105,335	950,129	-
Changes in assets and liabilities:				
Receivables	22,549	166,475	189,024	-
Prepaid and other assets	-	-	-	(47,652)
Net pension or OPEB asset	(934,866)	12,584	(922,282)	-
Other	(54,855)	(81,145)	(136,000)	204,924
Accrued and other liabilities	-	(3,840)	(3,840)	-
Net cash and cash equivalents provided by operating activities	**$ 1,820,223**	**$ 101,283**	**$ 1,921,506**	**$ 142,140**
Significant Noncash Transactions - Fair market value adjustment	$ -	$ -	$ -	$ 4,025

Fiduciary Funds
Statement of Fiduciary Net Position

June 30, 2021

	Pension and Other Postemployment Benefit Trust Funds	Custodial Fund - Tax Collections
Assets		
Cash and cash equivalents	$ 1,934,199	$ 15
Investments:		
Collective investment trust	60,961,439	-
Mutual funds	34,160,413	-
Receivables - Accrued interest receivable	6,491	-
Prepaid expenses and other assets	13,715	-
Total assets	97,076,257	15
Liabilities - Accounts payable	42,631	15
Net Position		
Pension	82,833,039	-
Postemployment benefits other than pension	14,200,587	-
Total net position	**$ 97,033,626**	**$ -**

See notes to financial statements.

Fiduciary Funds
Statement of Changes in Fiduciary Net Position

Year Ended June 30, 2021

	Pension and Other Postemployment Benefit Trust Funds	Custodial Fund - Tax Collection
Additions		
Investment income:		
Interest and dividends	$ 1,266,510	$ -
Net increase in fair value of investments	19,134,245	-
Net investment income	20,400,755	-
Contributions:		
Employer contributions	2,884,548	-
Employee contributions	344,506	-
Total contributions	3,229,054	-
Property tax collections	-	30,967,014
Total additions	23,629,809	30,967,014
Deductions		
Benefit payments	5,306,420	-
Administrative expenses	199,690	-
Tax disbursements	-	30,967,014
Total deductions	5,506,110	30,967,014
Net Increase in Net Position Restricted for Pensions and OPEB	18,123,699	-
Net Position Restricted for Pensions and OPEB - Beginning of year	78,909,927	-
Net Position Restricted for Pensions and OPEB - End of year	**$ 97,033,626**	**$ -**

See notes to financial statements.

Note 1 - Nature of Business and Significant Accounting Policies

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

Reporting Entity

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

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

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

Accounting and Reporting Principles

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

Report Presentation

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

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

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

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

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

Fund Accounting

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

Governmental Funds

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

- The General Fund is the primary operating fund because it accounts for all financial resources used to provide government services other than those specifically assigned to another fund.
- The Capital Projects Fund is used to record bond proceeds or other revenue and the disbursement of invoices specifically designated for acquiring buildings, equipment, and technology upgrades, as well as for remodeling and repairs.

Proprietary Funds

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

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

The City's internal service funds are used to allocate insurance costs to the various funds on a full accrual basis, so that the full costs are recognized and allocated to the various funds in the year that the costs are incurred.

Fiduciary Funds

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

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

Interfund Activity

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

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

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

Basis of Accounting

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

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

Revenue is not recognized until it is collected or collected soon enough after the end of the year that it is available to pay for obligations outstanding at the end of the year. For this purpose, the City considers amounts collected within 60 days of year end to be available for recognition. The following major revenue sources meet the availability criterion: state-shared revenue and interest associated with the current fiscal period.

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

Specific Balances and Transactions

Cash, Cash Equivalents, and Investments

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

Inventories and Prepaid Items

Inventories are valued at cost on a first-in, first-out basis. Inventories are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both government-wide and fund financial statements, when applicable.

Capital Assets

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

Interest incurred during the construction of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

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

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

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

Long-term Obligations

In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund-type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the 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 and debt service funds are generally used to liquidate governmental long-term debt.

Deferred Outflows/Inflows of Resources

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

The City reports deferred outflows related to deferred charges on bond refunding. The City also reports deferred outflows of resources related to the defined benefit pension and other postemployment benefit (OPEB) plans. The deferred outflows of resources related to these defined benefit plans are reported in the government-wide financial statements, Water and Sewer Fund, and Municipal Radio System Fund. The deferred outflows of resources result from the variance between expected and actual experience, changes in assumptions, and the variance between the plans' actual investment earnings compared to the plans' assumed investment earnings.

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 two items that qualify for reporting in this category. Deferred inflows related to unavailable revenue are reported only in the governmental funds balance sheet. The governmental funds report unavailable revenue from grants. The amount is deferred and recognized as an inflow of resources in the period that the amount becomes available. The City also reports a deferred inflow of resources related to the defined benefit pension and other postemployment benefit (OPEB) plans. The deferred inflow of resources related to the defined benefit plans is reported in the government-wide financial statements, Water and Sewer Fund, and Municipal Radio System Fund. The deferred inflows of resources result from the variance between expected and actual experience, changes in assumptions, and the variance between the plans' actual investment earnings compared to the plans' assumed investment earnings.

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

Net Position

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

Net Position Flow Assumption

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

Fund Balance Flow Assumptions

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

Fund Balance Policies

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

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

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

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

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

Property Tax Revenue

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

The City's 2020 property tax revenue was levied and collectible on July 1, 2020 and is recognized as revenue in the year ended June 30, 2021, when the proceeds of the levy are budgeted and available for the financing of operations.

The initial 2020 taxable valuation of the City totaled $836,808,769, on which taxes levied consisted of 11.5000 mills for operating purposes, 2.3666 mills for rubbish removal, 1.0834 mills for debt service, and 2.000 mills for road improvements. This resulted in $9,619,415 for operating, $1,979,547 for rubbish removal, $906,213 for debt service, and $1,672,930 for road improvement. The operating and rubbish removal amounts are recognized in the General Fund, and the debt service amount is recognized in the General Fund and Water and Sewer Fund as tax revenue.

Pension

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

Other Postemployment Benefit Costs

The City offers defined benefit other postemployment benefits (OPEB) plans to retirees. The City records a net OPEB liability for the difference between the total OPEB liability calculated by the actuary and the OPEB plans' fiduciary net position. For the purpose of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the General Employees' Retirement Health Plan and Public Safety Retirement Health Plan and additions to/deductions from the OPEB plans' fiduciary net position have been determined on the same basis as they are reported by the OPEB plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Compensated Absences (Vacation and Sick Leave)

It is the City's policy to permit employees to accumulate earned but unused sick and vacation pay benefits. All vacation pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds as it comes due for payment (when the time is taken off or employees terminate). The governmental fund that pays out the vacation and sick time is the General Fund.

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

Proprietary Funds Operating Classification

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

Use of Estimates

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

Implementation of Accounting Pronouncement

During the current year, the City adopted GASB Statement No. 84, *Fiduciary Activities*, which establishes criteria for identifying and reporting fiduciary activities. As a result of implementing this standard, the custodial fund now reports additions and deductions within the fiduciary statement of changes in net position, which were not previously reported.

Upcoming Accounting Pronouncements

In June 2017, the GASB issued Statement No. 87, *Leases*, which improves accounting and financial reporting for leases by governments. This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The City is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement were originally effective for the City's financial statements for the year ended June 30, 2021 but were extended to June 30, 2022 with the issuance of GASB Statement No. 95, *Postponement of the Effective Date of Certain Authoritative Guidance*.

In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period,* which simplifies accounting for interest cost incurred before the end of construction and requires those costs to be expensed in the period incurred. As a result, interest cost incurred before the end of a construction period will not be capitalized and included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. This statement also reiterates that, in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles. The requirements of the standard will be applied prospectively and result in increased interest expense during periods of construction. The provisions of this statement are effective for the City's financial statements for the June 30, 2022 fiscal year.

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

In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*, which clarifies the existing definition of conduit debt, provides a single method of reporting conduit debt obligations by issuers, and eliminates diversity in practice associated with commitments extended by issuers, arrangements associated with conduit debt obligations, and related note disclosures. As a result, issuers should not recognize a liability for items meeting the definition of conduit debt; however, a liability should be recorded for additional or voluntary commitments to support debt service if certain recognition criteria are met. The standard also addresses the treatment of arrangements where capital assets are constructed or acquired with the proceeds of a conduit debt obligation and used by a third-party obligor. The requirements of the standard will be applied retrospectively and are effective for the City's financial statements for the June 30, 2023 fiscal year.

In January 2020, the GASB issued Statement No. 92, *Omnibus 2020*. This statement addresses eight unrelated practice issues and technical inconsistencies in authoritative literature. The standard addresses leases, intraentity transfers of assets, postemployment benefits, government acquisitions, risk financing and insurance-related activities of public entity risk pools, fair value measurements, and derivative instruments. 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.

Note 2 - Stewardship, Compliance, and Accountability

Excess of Expenditures Over Appropriations in Budgeted Funds

The City did not have significant expenditure budget variances.

Construction Code Fees

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

Cumulative shortfall at July 1, 2020	$ (378,289)
Current year permit revenue	342,756
Related expenses	261,283
Current year excess	81,473
Cumulative shortfall at June 30, 2021	$ (296,816)

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.

Note 3 - Deposits and Investments (Continued)

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

The City has designated 11 banks for the deposit of its funds. The investment policy adopted by the board in accordance with Public Act 196 of 1997 has authorized investment in bonds and securities of the United States government and bank accounts and CDs but not the remainder of state statutory authority, as listed above. The City's deposits and investments are in accordance with statutory authority.

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

Custodial Credit Risk of Bank Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a deposit policy stated for custodial credit risk. At year end, the City had $15,142,018 of bank deposits (certificates of deposit and checking and savings accounts) that were uninsured and uncollateralized. The City believes that, due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits. As a result, the City evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

Interest Rate Risk

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

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

Investment	Fair Value	Weighted-average Maturity (Years)
Primary government:		
U.S. government agency securities	$ 2,054,436	22.63
Asset-backed securities	391,529	22.63
Bank investment pool	154,112	0.15
Total	2,600,077	
Fiduciary funds - Mutual funds	34,160,413	4.02
Total	$ 36,760,490	

Note 3 - Deposits and Investments (Continued)

Credit Risk

State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations. The City has no investment policy that would further limit its investment choices. As of June 30, 2021, the credit quality ratings of debt securities (other than the U.S. government) are as follows:

Investment	Fair Value	Rating	Rating Organization
Primary government:			
U.S. government agency securities	$ 391,529	AA+	S&P
Asset-backed securities	2,054,436	N/A	N/A
Bank investment pool	154,112	AAAM	S&P
Total primary government	2,600,077		
Fiduciary funds - Pension and other postemployment benefit trust funds:			
Collective investment trust	22,457,407	A	S&P
Collective investment trust	38,504,031	Not rated	N/A
Mutual funds	6,775,287	A	S&P
Mutual funds	8,598,927	B	S&P
Mutual funds	1,954,025	BB	S&P
Mutual funds	16,832,175	Not rated	N/A
Total fiduciary funds	95,121,852		
Total	$ 97,721,929		

Concentration of Credit Risk

The City places no limit on the amount it may invest in any one issuer; however, the City's funds are limited by law in that investments in any one issuer (other than the U.S. government) may not exceed 5 percent of total investments. At June 30, 2021, there were no investments in any one issuer (other than the U.S. government) that exceeded 5 percent of total investments for the primary government or fiduciary funds.

Fair Value Measurements

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

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

Note 3 - Deposits and Investments (Continued)

The City has the following recurring fair value measurements as of June 30, 2021:

	Assets Measured at Fair Value on a Recurring Basis			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at June 30, 2021
Investments by fair value level:				
Money market funds	$ 2,472,771	$ -	$ -	$ 2,472,771
U.S. government obligations	-	2,445,965	-	2,445,965
Registered investment companies	34,160,413	-	-	34,160,413
Total investments by fair value level	$ 36,633,184	$ 2,445,965	$ -	39,079,149
Investments measured at NAV:				
Collective trusts				60,961,439
Michigan CLASS investment pool				154,112
Total investments measured at NAV				61,115,551
Total investments				$ 100,194,700

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

The fair value of debt securities at June 30, 2021 was determined primarily based on Level 2 inputs. The City estimates the fair value of these investments using quoted market prices and other market data for the same or comparable instruments and transactions in establishing prices, discounted cash flow models, and other pricing models.

Investments in Entities That Calculate Net Asset Value per Share

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

The Michigan CLASS investment pool invests in U.S. Treasury obligations, federal agency obligations of the U.S. government, high-grade commercial paper (rated "A1" or better), collateralized bank deposits, repurchase agreements (collateralized at 102 percent by treasuries and agencies), and approved money market funds. The program is designed to meet the needs of Michigan public sector investors. It purchases securities that are legally permissible under state statutes and are available for investment by Michigan counties, cities, townships, school districts, authorities, and other public agencies. There are no unfunded commitments or significant redemption restrictions as of June 30, 2021.

Collective trusts are valued at net asset value. Net asset value is used as a practical expedient to estimate fair value. This practical expedient would not be used if it is probable that the investment will be sold for an amount different from the reported net asset value. Transactions may occur daily. The collective investment trusts invest in U.S domestic core fixed-income securities. There are no unfunded commitments or significant redemption restrictions as of June 30, 2021.

Note 4 - Capital Assets

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

Governmental Activities

	Balance July 1, 2020	Additions	Disposals and Adjustments	Balance June 30, 2021
Capital assets not being depreciated - Land	$ 5,968,178	$ -	$ -	$ 5,968,178
Capital assets being depreciated:				
Infrastructure	12,340,673	447,466	-	12,788,139
Buildings and improvements	10,646,671	25,549	(28,605)	10,643,615
Machinery and equipment	901,089	30,063	-	931,152
Vehicles	3,689,844	212,484	(87,283)	3,815,045
Office furnishings	762,714	37,470	(4,965)	795,219
Land improvements	11,222,225	570,420	-	11,792,645
Subtotal	39,563,216	1,323,452	(120,853)	40,765,815
Accumulated depreciation:				
Infrastructure	7,106,656	387,790	-	7,494,446
Buildings and improvements	6,129,732	269,988	(28,573)	6,371,147
Machinery and equipment	543,388	44,817	-	588,205
Vehicles	2,918,598	228,346	(79,594)	3,067,350
Office furnishings	619,997	23,512	(4,965)	638,544
Land improvements	8,432,834	390,586	-	8,823,420
Subtotal	25,751,205	1,345,039	(113,132)	26,983,112
Net capital assets being depreciated	13,812,011	(21,587)	(7,721)	13,782,703
Net governmental activities capital assets	$ 19,780,189	$ (21,587)	$ (7,721)	$ 19,750,881

Note 4 - Capital Assets (Continued)

Business-type Activities

	Balance July 1, 2020	Additions	Disposals and Adjustments	Balance June 30, 2021
Capital assets not being depreciated:				
Land	$ 441,799	$ -	$ -	$ 441,799
Construction in progress	26,950	432,579	(459,529)	-
Subtotal	468,749	432,579	(459,529)	441,799
Capital assets being depreciated:				
Water and sewer lines	21,502,267	-	459,531	21,961,798
Buildings and improvements	8,144,163	-	-	8,144,163
Machinery and equipment	3,221,974	-	-	3,221,974
Vehicles	328,012	-	-	328,012
Office furnishings	139,800	-	-	139,800
Land improvements	69,106	-	-	69,106
Subtotal	33,405,322	-	459,531	33,864,853
Accumulated depreciation:				
Water and sewer lines	6,340,142	318,394	-	6,658,536
Buildings and improvements	3,963,891	370,386	-	4,334,277
Machinery and equipment	2,092,751	232,968	-	2,325,719
Vehicles	244,107	18,930	-	263,037
Office furnishings	107,318	5,996	-	113,314
Land improvements	48,189	3,455	-	51,644
Subtotal	12,796,398	950,129	-	13,746,527
Net capital assets being depreciated	20,608,924	(950,129)	459,531	20,118,326
Net business-type activities capital assets	$ 21,077,673	$ (517,550)	$ 2	$ 20,560,125

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

Governmental activities:	
General government	$ 108,165
Public safety	149,861
Public works	501,277
Recreation and culture	585,736
Total governmental activities	$ 1,345,039
Business-type activities:	
Water and sewer	$ 844,794
Municipal radio system	105,335
Total business-type activities	$ 950,129

Note 4 - Capital Assets (Continued)

Construction Commitments

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

	Spent to Date	Remaining Commitment
2020 Water Main Replacement Program	$ 374,588	$ 455,180
2020 Emergency Sewer Repairs Program	966,552	374,619
2021 Road Resurfacing Program	-	1,680,429
Pier Park Gazebo	177,373	67,583

Note 5 - Interfund Receivables, Payables, and Transfers

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

Paying Fund (Transfer Out)	Receiving Fund (Transfer In)	Amount
General Fund	Capital Projects Fund	$ 1,550,000
	Nonmajor governmental funds	805,544
Capital Projects Fund	Nonmajor governmental funds	75,000
Nonmajor governmental funds	Nonmajor governmental funds	75,000
	Total	$ 2,505,544

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

Note 6 - Long-term Debt

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

Note 6 - Long-term Debt (Continued)

Long-term debt activity for the year ended June 30, 2021 can be summarized as follows:

Governmental Activities

	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Other debt - General obligation bonds:							
2014 General Obligation Refunding Bond:							
Amount of issue - $1,840,625 Maturing through 2025	2.29%	$187,500 - $237,500	$ 1,043,750	$ -	$ (190,625)	$ 853,125	$ 187,500
2015 Harbor Project Refunding Bond:							
Amount of issue - $2,780,000 Maturing through 2026	3.00% - 5.00%	$275,000 - $330,000	1,795,000	-	(275,000)	1,520,000	285,000
Unamortized premium of issuance			180,106	-	(36,022)	144,084	36,022
2017 General Obligation Unlimited Tax Bonds:							
Amount of issue - $3,705,000 Maturing through 2033	4.00%	$190,000 - $450,000	3,705,000	-	-	3,705,000	190,000
Unamortized premium of issuance			328,626	-	(25,279)	303,347	25,279
Total general obligation bonds			7,052,482	-	(526,926)	6,525,556	723,801
Compensated absences			1,532,459	912,185	(909,457)	1,535,187	576,407
Provision for uninsured losses			198,900	2,206,577	(2,039,515)	365,962	-
Due to Grosse Pointe Woods, Michigan			-	160,000	-	160,000	40,000
Other long-term liabilities			1,731,359	3,278,762	(2,948,972)	2,061,149	616,407
Total governmental activities long-term debt			$ 8,783,841	$ 3,278,762	$ (3,475,898)	$ 8,586,705	$ 1,340,208

Note 6 - Long-term Debt (Continued)

Business-type Activities

	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Bonds and contracts payable:							
Direct borrowings -							
2015 Sewer Relief Fund Bond							
Amount of issue - $250,000							
Maturing through 2032	2.50%	$10,000 - $10,098	$ 140,098	$ -	$ (10,000)	$ 130,098	$ 10,000
Other debt:							
1999 Lakeside Sewer Separation Bond:							
Amount of issue - $7,625,000							
Maturing through 2021	2.50%	0	480,000	-	(480,000)	-	-
2007 General Obligation Refunding Bond:							
Amount of issue - $2,295,000							
Maturing through 2021	4.00%	0	245,000	-	(245,000)	-	-
2012 Sewer Pumping Plant Improvement Bond:							
Amount of issue - $4,500,000							
Maturing through 2033	2.00% - 3.05%	$225,000- $300,000	3,275,000	-	(200,000)	3,075,000	225,000
Unamortized discount of issuance			4,184	-	(349)	3,835	349
2014 General Obligation Refunding Bond:							
Amount of issue - $1,104,375							
Maturing through 2025	2.29%	$112,500 - $142,500	626,250	-	(114,375)	511,875	112,500
2015 Water Improvement Bond:							
Amount of issue - $3,225,000							
Maturing through 2036	2.70% - 4.00%	$275,000 - $380,000	3,225,000	-	-	3,225,000	-
Unamortized premium of issuance			212,488	-	(15,177)	197,311	15,178
Total other debt principal outstanding			8,067,922	-	(1,054,901)	7,013,021	353,027
Total bonds and contracts payable			8,208,020	-	(1,064,901)	7,143,119	363,027
Compensated absences			249,293	108,070	(133,150)	224,213	87,358
Total business-type activities long-term debt			$ 8,457,313	$ 108,070	$ (1,198,051)	$ 7,367,332	$ 450,385

The City had deferred outflows of $52,458 related to deferred charges on bond refundings at June 30, 2021. Total interest expense was approximately $472,000 for the year ended June 30, 2021.

Note 6 - Long-term Debt (Continued)

Other Long-term Liabilities

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

Debt Service Requirements to Maturity

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

	Governmental Activities			Business-type Activities				
	Other Debt			Direct Borrowings		Other Debt		
Years Ending June 30	Principal	Interest	Total	Principal	Interest	Principal	Interest	Total
2022	$ 723,801	$ 217,339	$ 941,140	$ 10,000	$ 3,127	$ 353,027	$ 214,411	$ 580,565
2023	781,926	194,599	976,525	10,000	2,877	369,902	206,861	589,640
2024	803,801	171,972	975,773	10,000	2,627	368,027	198,577	579,231
2025	853,797	145,069	998,866	10,000	2,377	383,027	189,860	585,264
2026	620,279	116,150	736,429	10,000	2,127	265,527	181,978	459,632
2027-2031	1,821,395	353,500	2,174,895	50,000	6,887	2,867,635	670,726	3,595,248
2032-2036	920,557	35,400	955,957	30,098	1,131	2,405,876	199,625	2,636,730
Total	$ 6,525,556	$ 1,234,029	$ 7,759,585	$ 130,098	$ 21,153	$ 7,013,021	$ 1,862,038	$ 9,026,310

Note 7 - Risk Management

The City is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation), as well as medical benefits provided to employees. The City has purchased commercial insurance for medical claims in excess of $175,000. The City participates in the Michigan Municipal League risk pool for claims relating to property loss and general liability. The City is uninsured for workers' compensation claims up to $400,000. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past five fiscal years.

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

Medical

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

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

Note 7 - Risk Management (Continued)

Workers' Compensation

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

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

The City's estimates of the liability for workers' compensation and medical claims at June 30, 2021 and 2020 are as follows:

	Workers' Compensation		Medical Claims	
	2021	2020	2021	2020
Unpaid claims - Beginning of year	$ 176,453	$ 202,773	$ 22,447	$ 22,804
Incurred claims, including claims incurred but not yet reported	133,715	183,971	2,072,861	1,960,998
Claim payments	(158,848)	(210,291)	(1,880,666)	(1,961,355)
Unpaid claims - End of year	$ 151,320	$ 176,453	$ 214,642	$ 22,447

Note 8 - Pension Plans

Plan Description

Public Safety Retirement Pension System

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

General Employees' Retirement Pension System

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

Benefits Provided

Public Safety Retirement Pension System

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

Note 8 - Pension Plans (Continued)

General Employees' Retirement Pension System

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

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

Employees Covered by Benefit Terms

At the June 30, 2021 measurement date, the following members were covered by the benefit terms:

	Public Safety Retirement Pension System	General Employees' Retirement Pension System
Inactive plan members or beneficiaries currently receiving benefits	40	63
Inactive plan members entitled to but not yet receiving benefits	1	3
Active plan members	36	19
Total employees covered by the plan	77	85

Contributions

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

Public Safety Retirement Pension System

For the year ended June 30, 2021, the average active employee contribution rate was 7.81 percent of annual pay, and the City's average contribution rate was 16.01 percent of annual payroll.

General Employees' Retirement Pension System

For the year ended June 30, 2021, the average active employee contribution rate was 6.0 percent of annual pay, and the City's average contribution rate was 52.12 percent of annual payroll.

Note 8 - Pension Plans (Continued)

Net Pension Asset/Liability

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

	Public Safety Retirement Pension System	General Employees' Retirement Pension System
Measurement date used for the City's NPA/NPL	June 30, 2021	June 30, 2021
Based on a comprehensive actuarial valuation as of	June 30, 2021	June 30, 2021

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

<u>Public Safety Retirement Pension System</u>

	Increase (Decrease)		
Changes in Net Pension Asset	Total Pension Liability	Plan Net Position	Net Pension Asset
Balance at July 1, 2020	$ 41,102,360	$ 43,019,270	$ (1,916,910)
Changes for the year:			
Service cost	914,522	-	914,522
Interest	2,912,861	-	2,912,861
Differences between expected and actual experience	(199,053)	-	(199,053)
Contributions - Employer	-	566,175	(566,175)
Contributions - Employee	-	259,230	(259,230)
Net investment income	-	11,060,948	(11,060,948)
Benefit payments, including refunds	(1,882,889)	(1,882,889)	-
Administrative expenses	-	(40,922)	40,922
Net changes	1,745,441	9,962,542	(8,217,101)
Balance at June 30, 2021	$ 42,847,801	$ 52,981,812	$ (10,134,011)

The plan's fiduciary net position represents 123.65 percent of the total pension liability.

Note 8 - Pension Plans (Continued)

General Employees' Retirement Pension System

Changes in Net Pension Liability	Increase (Decrease) Total Pension Liability	Plan Net Position	Net Pension Liability
Balance at July 1, 2020	$ 29,848,668	$ 25,079,554	$ 4,769,114
Changes for the year:			
Service cost	328,124	-	328,124
Interest	2,079,194	-	2,079,194
Differences between expected and actual experience	930,663	-	930,663
Contributions - Employer	-	721,511	(721,511)
Contributions - Employee	-	85,276	(85,276)
Net investment income	-	6,375,301	(6,375,301)
Benefit payments, including refunds	(2,381,923)	(2,381,923)	-
Administrative expenses	-	(28,492)	28,492
Net changes	956,058	4,771,673	(3,815,615)
Balance at June 30, 2021	$ 30,804,726	$ 29,851,227	$ 953,499

The plan's fiduciary net position represents 96.90 percent of the total pension liability.

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

For the year ended June 30, 2021, the City recognized pension expense of $(816,523) from all plans.

At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Public Safety Retirement Pension System		General Employees' Retirement Pension System	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ -	$ 771,965	$ 1,026,842	$ 31,805
Changes in assumptions	221,557	-	-	-
Net difference between projected and actual earnings on pension plan investments	-	6,404,528	-	3,755,287
Total	$ 221,557	$ 7,176,493	$ 1,026,842	$ 3,787,092

Note 8 - Pension Plans (Continued)

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

Years Ending June 30	Public Safety Retirement Pension System	General Employees' Retirement Pension System
2022	$ (1,717,951)	$ (130,158)
2023	(1,886,059)	(791,382)
2024	(1,703,451)	(919,354)
2025	(1,643,572)	(919,356)
2026	(3,903)	-
Total	$ (6,954,936)	$ (2,760,250)

Actuarial Assumptions

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

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

Discount Rate

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

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

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

Note 8 - Pension Plans (Continued)

Investment Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and adding expected inflation. Best estimates of arithmetic real rates of return as of the June 30, 2021 measurement date for each major asset class included in both pension plans' target asset allocation, as disclosed in the investment footnote, are summarized in the following table:

Asset Class	Long-term Expected Real Rate of Return
Domestic equity	7.06 %
International equity	7.48
U.S. government or agency fixed income	2.25
Fixed income	3.56
Private equity	9.87
Real estate	6.59
Cash or cash equivalents	2.25

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

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

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

	1 Percentage Point Decrease (6.25%)	Current Discount Rate (7.25%)	1 Percentage Point Increase (8.25%)
Net pension asset of the Public Safety Retirement Pension System	$ (4,329,106)	$ (10,134,011)	$ (14,909,275)
Net pension liability (asset) of the General Employees' Retirement Pension System	4,824,553	953,499	(2,277,941)

Assumption Changes

Public Safety Retirement Pension System

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

General Employees' Retirement Pension System

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

Note 9 - Pension Plan Reserves

Public Safety Retirement Pension System

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

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

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

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

The balances of the reserve accounts at June 30, 2021 are as follows:

	Required Reserve	Amount Funded
Retiree reserve	$ 6,039,871	$ 6,039,871
Employee reserve	6,188,001	6,188,001
Employer reserve	40,753,940	40,753,940

General Employees' Retirement Pension System

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

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

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

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

The balances of the reserve accounts at June 30, 2021 are as follows:

	Required Reserve	Amount Funded
Retiree reserve	$ 6,911,317	$ 6,911,317
Employee reserve	2,880,682	2,880,682
Employer reserve	20,059,228	20,059,228

Note 10 - Other Postemployment Benefit Plans

Plan Description

Public Safety Retirement Health Plan

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

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

General Employees' Retirement Health Plan

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

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

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

Benefits Provided

Public Safety Retirement Health Plan

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

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

General Employees' Retirement Health Plan

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

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

Employees Covered by Benefit Terms

The following members were covered by the benefit terms:

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

Note 10 - Other Postemployment Benefit Plans (Continued)

Contributions

Public Safety Retirement Health Plan

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

General Employees' Retirement Health Plan

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

Net OPEB Liability

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

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

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

Public Safety Retirement Health Plan

	Increase (Decrease)		
Changes in Net OPEB Liability	Total OPEB Liability	Plan Net Position	Net OPEB Liability
Balance at July 1, 2020	$ 13,516,733	$ 6,674,626	$ 6,842,107
Changes for the year:			
Service cost	252,632	-	252,632
Interest	981,187	-	981,187
Differences between expected and actual experience	(310,000)	-	(310,000)
Changes in assumptions	274,243	-	274,243
Contributions - Employer	-	638,800	(638,800)
Net investment income	-	1,746,749	(1,746,749)
Benefit payments, including refunds	(479,904)	(479,904)	-
Net changes	718,158	1,905,645	(1,187,487)
Balance at June 30, 2021	$ 14,234,891	$ 8,580,271	$ 5,654,620

The plan's fiduciary net position represents 60.28 percent of the total OPEB liability.

Note 10 - Other Postemployment Benefit Plans (Continued)

General Employees' Retirement Health Plan

Changes in Net OPEB Liability	Increase (Decrease) Total OPEB Liability	Plan Net Position	Net OPEB Liability
Balance at June 30, 2020	$ 9,442,133	$ 4,136,478	$ 5,305,655
Changes for the year:			
Service cost	112,982	-	112,982
Interest	672,740	-	672,740
Differences between expected and actual experience	(600,956)	-	(600,956)
Changes in assumptions	101,075	-	101,075
Contributions - Employer	-	958,062	(958,062)
Net investment income	-	1,087,481	(1,087,481)
Benefit payments, including refunds	(561,705)	(561,705)	-
Net changes	(275,864)	1,483,838	(1,759,702)
Balance at June 30, 2021	$ 9,166,269	$ 5,620,316	$ 3,545,953

The plan's fiduciary net position represents 61.32 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, 2021, the City recognized OPEB expense of $165,686 from all plans.

At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Public Safety Retirement Health Plan		General Employees' Retirement Health Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ -	$ 387,390	$ -	$ 745,101
Changes in assumptions	553,610	119,376	70,722	104,749
Net difference between projected and actual earnings on OPEB plan investments	4,237	1,010,234	22,639	618,774
Total	$ 557,847	$ 1,517,000	$ 93,361	$ 1,468,624

Note 10 - Other Postemployment Benefit Plans (Continued)

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

Years Ending June 30	Public Safety Retirement Health Plan	General Employees' Retirement Health Plan
2022	$ (285,806)	$ (725,554)
2023	(171,186)	(296,868)
2024	(250,725)	(198,149)
2025	(251,433)	(154,692)
Total	$ (959,150)	$ (1,375,263)

Actuarial Assumptions

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

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

Discount Rate

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

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

Note 10 - Other Postemployment Benefit Plans (Continued)

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, 2021 measurement date for each major asset class included in both OPEB plans' target asset allocation, as disclosed in the investment note, are summarized in the following table:

Asset Class	Long-term Expected Real Rate of Return
Domestic equity	7.06 %
International equity	7.48
U.S. government or agency fixed income	2.25
Fixed income	3.56
Private equity	9.87
Real estate	6.59
Cash or cash equivalents	2.25

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

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

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

	1 Percentage Point Decrease (6.25%)	Current Discount Rate (7.25%)	1 Percentage Point Increase (8.25%)
Net OPEB liability of the Public Safety Retirement Health Plan	$ 7,573,935	$ 5,654,620	$ 4,084,126
Net OPEB liability of the General Employees' Retirement Health Plan	4,886,059	3,545,953	2,454,358
Total	$ 12,459,994	$ 9,200,573	$ 6,538,484

Note 10 - Other Postemployment Benefit Plans (Continued)

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

The following presents the net OPEB liability of the City, calculated using the health care cost trend rate of 7.25 percent decreasing to 4.5 percent, as well as what the City's net OPEB liability would be if it were calculated using a health care cost trend rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1 Percentage Point Decrease (6.0% Decreasing to 3.5%)	Current Health Care Cost Trend Rate (7.0% Decreasing to 4.5%)	1 Percentage Point Increase (8.0% Decreasing to 5.5%)
Net OPEB liability of the Public Safety Retirement Health Plan	$ 3,978,759	$ 5,654,620	$ 7,710,111
Net OPEB liability of the General Employees' Retirement Health Plan	2,357,048	3,545,953	5,029,359
Total	$ 6,335,807	$ 9,200,573	$ 12,739,470

Assumption Changes

<u>Public Safety Retirement Health Plan</u>

Since the prior measurement date, there were changes to the assumed rates of health care inflation used to project per capita costs reflected in the June 30, 2021 valuation.

<u>General Employees' Retirement Health Plan</u>

Since the prior measurement date, there were changes to the assumed rates of health care inflation used to project per capita costs reflected in the June 30, 2021 valuation.

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

Public Safety Retirement Pension System and Health Plan

<u>Investment Policy</u>

The policy in regard to the allocation of invested assets is established and may be amended by the retirement board by a majority vote of its members. It is the policy of the retirement board to pursue an investment strategy that manages risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the board's adopted asset allocation policy as of June 30, 2021:

Asset Class	Target Allocation
Domestic equity	45.00 %
International equity	15.00
Fixed income	40.00

<u>Rate of Return</u>

For the year ended June 30, 2021, the annual money-weighted rate of return on investments, net of investment expense, was 26.20 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. The time-weighted rate of return as of June 30, 2021 was 26.21 percent.

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

General Employees' Retirement Pension System and Health Plan

Investment Policy

The policy in regard to the allocation of invested assets is established and may be amended by the retirement board by a majority vote of its members. It is the policy of the retirement board to pursue an investment strategy that manages risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the board's adopted asset allocation policy as of June 30, 2021:

Asset Class	Target Allocation
Domestic equity	45.00 %
International equity	15.00
Fixed income	40.00

Rate of Return

For the year ended June 30, 2021, the annual money-weighted rate of return on investments, net of investment expense, was 26.29 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. The time-weighted rate of return as of June 30, 2021 was 26.35 percent.

Note 12 - Pension and Other Postemployment Benefit Trust Funds

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

	General Employees' Retirement Pension System	General Employees' Retirement Health Plan	Total General Employees'	Public Safety Retirement Pension System	Public Safety Retirement Health Plan	Total Public Safety	Total
Statement of Net Position							
Assets:							
Cash and cash equivalents	$ 498,337	$ -	$ 498,337	$ 1,435,861	$ -	$ 1,435,861	$ 1,934,198
Investments:							
Collective investment trusts	18,934,545	3,480,616	22,415,160	33,224,163	5,322,116	38,546,279	60,961,439
Mutual funds	10,432,250	2,128,381	12,560,631	18,345,401	3,254,381	21,599,782	34,160,413
Receivables	-	6,491	6,491	-	-	-	6,491
Prepaids and other	-	9,143	9,143	-	4,572	4,572	13,715
Total assets	29,865,132	5,624,631	35,489,762	53,005,425	8,581,069	61,586,494	97,076,256
Liabilities - Accounts payable	13,904	4,316	18,220	23,613	798	24,411	42,631
Net position restricted for pensions and OPEB	$ 29,851,228	$ 5,620,315	$ 35,471,542	$ 52,981,812	$ 8,580,271	$ 61,562,083	$ 97,033,625
Statement of Changes in Net Position							
Additions:							
Investment income:							
Interest and dividends	$ 255,609	$ 208,146	$ 463,756	$ 379,676	$ 423,080	$ 802,754	$ 1,266,510
Net increase in fair value of investments	6,167,732	879,334	7,047,066	10,763,510	1,323,669	12,087,179	19,134,245
Investment income	6,423,341	1,087,480	7,510,822	11,143,186	1,746,749	12,889,933	20,400,755
Contributions:							
Employer	721,511	958,062	1,679,573	566,175	638,800	1,204,975	2,884,548
Employee	85,276	-	85,276	259,230	-	259,230	344,506
Total contributions	806,787	958,062	1,764,849	825,405	638,800	1,464,205	3,229,054
Total additions	7,230,128	2,045,542	9,275,671	11,968,591	2,385,549	14,354,138	23,629,809
Deductions:							
Benefit payments	(2,381,923)	(561,705)	(2,943,629)	(1,882,889)	(479,904)	(2,362,791)	(5,306,420)
Administrative and other	(76,532)	-	(76,532)	(123,159)	-	(123,158)	(199,690)
Total deductions	(2,458,455)	(561,705)	(3,020,161)	(2,006,048)	(479,904)	(2,485,949)	(5,506,110)
Net increase in net position restricted for pensions and OPEB	$ 4,771,673	$ 1,483,837	$ 6,255,510	$ 9,962,543	$ 1,905,645	$ 11,868,189	$ 18,123,699

Note 13 - Joint Venture

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

The City's interest in the net position of the Authority totaled $45,066 at June 30, 2021 and is reported as part of the governmental activities in the statement of net position. The City is unaware of any circumstances, including potential environmental remediation, that would cause an additional burden to the participating municipalities in the near future. Complete financial statements for the Authority can be obtained from its administrative offices at 27941 Harper Avenue, Suite 106, St. Clair Shores, MI 48081.

Required Supplemental Information

Required Supplemental Information
Budgetary Comparison Schedule
General Fund

Year Ended June 30, 2021

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Property taxes	$ 12,165,200	$ 12,265,200	$ 12,260,444	$ (4,756)
Fund balance appropriation	1,100,000	1,100,000	-	(1,100,000)
Intergovernmental - State sources	932,800	1,509,800	1,559,227	49,427
Charges for services	1,794,600	1,616,600	1,674,177	57,577
Fines and forfeitures	347,500	244,500	269,124	24,624
Licenses and permits	473,850	523,850	558,273	34,423
Investment loss	25,000	25,000	(101,698)	(126,698)
Other revenue	198,600	199,600	243,805	44,205
Total revenue	17,037,550	17,484,550	16,463,352	(1,021,198)
Expenditures				
Current services:				
General government	1,832,740	1,832,740	1,449,223	383,517
Municipal court	336,270	346,270	318,111	28,159
Public safety	5,402,150	5,402,150	5,217,117	185,033
Public works	2,255,200	2,255,200	2,122,015	133,185
Other functions	3,287,000	3,374,000	3,229,139	144,861
Parks and recreation	1,487,970	1,487,970	1,150,665	337,305
Total expenditures	14,601,330	14,698,330	13,486,270	1,212,060
Excess of Revenue Over Expenditures	2,436,220	2,786,220	2,977,082	190,862
Other Financing Uses - Transfers out	(2,436,220)	(2,786,220)	(2,780,544)	5,676
Net Change in Fund Balance	-	-	196,538	196,538
Fund Balance - Beginning of year	6,486,342	6,486,342	6,486,342	-
Fund Balance - End of year	**$ 6,486,342**	**$ 6,486,342**	**$ 6,682,880**	**$ 196,538**

See notes to required supplemental information.

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

Last Eight Fiscal Years

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

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

See notes to required supplemental information.

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

Last Ten Fiscal Years

Years Ended June 30

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Actuarially determined contribution	$ 621,511	$ 338,785	$ 350,877	$ 272,241	$ 299,240	$ 305,388	$ 471,990	$ 560,101	$ 565,261	$ 670,356
Contributions in relation to the actuarially determined contribution	721,511	338,785	350,877	272,241	392,241	723,451	471,990	560,101	565,261	670,356
Contribution Excess	**$ 100,000**	**$ -**	**$ -**	**$ -**	**$ 93,001**	**$ 418,063**	**$ -**	**$ -**	**$ -**	**$ -**
Covered Payroll	$ 1,384,268	$ 1,651,685	$ 1,850,189	$ 1,758,022	$ 1,743,966	$ 1,885,061	$ 1,965,685	$ 2,221,109	$ 2,285,740	$ 2,459,668
Contributions as a Percentage of Covered Payroll	52.12 %	20.51 %	18.96 %	15.49 %	22.49 %	38.38 %	24.01 %	25.22 %	24.73 %	27.25 %

Notes to Schedule of Pension Contributions

Actuarial valuation information relative to the determination of contributions:

Valuation date	June 30, 2021

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	N/A
Remaining amortization period	N/A
Asset valuation method	4-year smoothed market
Inflation	2.50 percent
Salary increase	4.0 - 7.8 percent, including inflation
Investment rate of return	7.25 percent
Mortality	RP-2014 Healthy Annuitant Table Projected with Scale MP-2017
Cost of living adjustment	2.50 percent per year

See notes to required supplemental information.

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

Last Eight Fiscal Years

Years Ended June 30

	2021	2020	2019	2018	2017	2016	2015	2014
Annual money-weighted rate of return - Net of investment expense	26.29 %	7.07 %	7.64 %	7.78 %	13.51 %	0.48 %	5.14 %	17.30 %

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

See notes to required supplemental information.

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

Last Eight Fiscal Years

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

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

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

Last Ten Fiscal Years

Years Ended June 30

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Actuarially determined contribution	$ 566,175	$ 274,342	$ 117,124	$ -	$ -	$ 1,401	$ 293,345	$ 513,890	$ 350,856	$ 474,622
Contributions in relation to the actuarially determined contribution	566,175	274,342	117,124	100,000	300,000	200,000	293,345	513,890	350,856	474,622
Contribution Excess	**$ -**	**$ -**	**$ -**	**$ 100,000**	**$ 300,000**	**$ 198,599**	**$ -**	**$ -**	**$ -**	**$ -**
Covered Payroll	$ 3,536,549	$ 3,312,270	$ 3,165,095	$ 2,992,371	$ 3,062,647	$ 2,639,683	$ 2,825,365	$ 2,740,880	$ 2,746,023	$ 2,748,509
Contributions as a Percentage of Covered Payroll	16.01 %	8.28 %	3.70 %	3.34 %	9.80 %	7.58 %	10.38 %	18.75 %	12.78 %	17.27 %

Notes to Schedule of Pension Contributions

Actuarial valuation information relative to the determination of contributions:

Valuation date	June 30, 2021

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, open
Remaining amortization period	10 years
Asset valuation method	4-year smoothed market
Inflation	2.50 percent
Salary increase	4.0 - 7.8 percent, including inflation
Investment rate of return	7.25 percent
Mortality	RP-2014 Healthy Annuitant Table projected with scale MP-2017
Cost of living adjustment	For members who retired on or after January 1, 1992 and before July 1, 1998, pensions are increased by 2.5 percent, noncompounded, starting 5 years after retirement. The maximum number of increases is 10. For members who retired on or after July 1, 1998 and before July 1, 2000, pensions are increased by 2.5 percent, noncompounded, each January 1 after the member has been retired for six months. The maximum number of increases is 15. For members who retired on or after July 1, 2000, pensions are increased by 2.5 percent, compounded, each January 1 after the member has been retired for six months. Members hired on or after July 1, 2012 are not eligible for the COLA but can purchase the COLA benefit based on the actuarial determined cost of the benefit.

See notes to required supplemental information.

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

Last Eight Fiscal Years

Years Ended June 30

	2021	2020	2019	2018	2017	2016	2015	2014
Annual money-weighted rate of return - Net of investment expense	26.20 %	7.16 %	7.38 %	7.89 %	13.41 %	0.46 %	5.10 %	17.30 %

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

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

Last Five Fiscal Years

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

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

See notes to required supplemental information.

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

Last Ten Fiscal Years

Years Ended June 30

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Actuarially determined contribution	$ 554,552	$ 652,570	$ 875,213	$ 1,095,412	$ 1,144,288	$ 1,095,012	$ 1,281,678	$ 1,226,486	$ 1,214,408	$ 1,162,113
Contributions in relation to the actuarially determined contribution	958,062	1,351,307	929,528	899,613	812,496	610,018	812,584	565,410	554,985	770,590
Contribution Excess (Deficiency)	**$ 403,510**	**$ 698,737**	**$ 54,315**	**$ (195,799)**	**$ (331,792)**	**$ (484,994)**	**$ (469,094)**	**$ (661,076)**	**$ (659,423)**	**$ (391,523)**
Covered-employee Payroll	$ 1,384,268	$ 1,680,089	$ 1,850,189	$ 1,758,022	$ 1,685,541	$ 1,865,319	$ 1,865,319	$ 2,285,740	$ 2,285,740	$ 2,816,985
Contributions as a Percentage of Covered-employee Payroll	69.21 %	80.43 %	50.24 %	51.17 %	48.20 %	32.70 %	43.56 %	24.74 %	24.28 %	27.36 %

Notes to Schedule of Contributions

Actuarial valuation information relative to the determination of contributions:

Valuation date	June 30, 2021

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level dollar, closed
Remaining amortization period	27 years
Asset valuation method	Market value of assets
Health care cost trend rates	7.00 - 4.50 percent for under age 65 and 5.25 - 4.50 percent for ages 65 and older
Salary increase	4.00-7.80 percent
Investment rate of return	7.25 percent
Retirement age	Age 60 with 10 or more years of service
Mortality	RP-2014 Healthy Annuitant Table Projected with Scale MP-2017

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

Last Five Fiscal Years

Years Ended June 30

	2021	2020	2019	2018	2017
Annual money-weighted rate of return - Net of investment expense	26.29 %	7.07 %	7.64 %	7.78 %	13.51 %

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

See notes to required supplemental information.

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

Last Five Fiscal Years

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

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

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

Last Ten Fiscal Years

Years Ended June 30

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Actuarially determined contribution	$ 825,883	$ 868,616	$ 967,881	$ 1,127,802	$ 986,558	$ 944,075	$ 1,075,857	$ 1,029,528	$ 901,417	$ 862,600
Contributions in relation to the actuarially determined contribution	638,800	535,564	486,876	481,250	307,730	213,316	408,826	381,955	369,581	375,231
Contribution Deficiency	**$ (187,083)**	**$ (333,052)**	**$ (481,005)**	**$ (646,552)**	**$ (678,828)**	**$ (730,759)**	**$ (667,031)**	**$ (647,573)**	**$ (531,836)**	**$ (487,369)**
Covered-employee Payroll	$ 2,187,168	$ 2,520,982	$ 2,424,021	$ 2,992,371	$ 2,872,219	$ 2,677,371	$ 2,677,371	$ 2,746,023	$ 2,746,023	$ 2,941,032
Contributions as a Percentage of Covered-employee Payroll	29.21 %	21.24 %	20.09 %	16.08 %	10.71 %	7.97 %	15.27 %	13.91 %	13.46 %	12.76 %

Notes to Schedule of Contributions

Actuarial valuation information relative to the determination of contributions:

Valuation date	June 30, 2021

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level dollar, closed
Remaining amortization period	27 years
Asset valuation method	Market value of assets
Inflation	2.50 percent
Salary increase	7.00 - 4.50 percent for under age 65 and 5.25 - 4.50 percent for ages 65 and older
Investment rate of return	7.25 percent
Retirement age	Age 50 with 25 years of service or age 60 with 10 years of service
Mortality	RP-2014 Healthy Annuitant Table projected with scale MP-2017

See notes to required supplemental information.

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

Last Five Fiscal Years

Years Ended June 30

	2021	2020	2019	2018	2017
Annual money-weighted rate of return - Net of investment expense	26.20 %	7.16 %	7.38 %	7.89 %	13.41 %

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

See notes to required supplemental information.

Budgetary Information

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

The City did not have significant expenditure budget variances.

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

	Total Expenditures	Other Financing Uses
Amounts per operating statement	$ 13,911,270	$ 2,355,544
Expenditures budgeted as operating transfers	(425,000)	425,000
Amounts per budget statement	$ 13,486,270	$ 2,780,544

Pension Information

Changes in Assumptions

Public Safety Retirement Pension Plan

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

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

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

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

General Employees' Retirement Pension Plan

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

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

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

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

OPEB Information

<u>Changes in Assumptions</u>

Public Safety Retirement Health Plan

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

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

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

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

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

General Employees' Retirement Health Plan

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

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

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

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

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

Other Supplemental Information

Other Supplemental Information
Combining Balance Sheet
Nonmajor Governmental Funds

June 30, 2021

	Special Revenue Funds					Debt Service Fund	
	Major Streets	Local Streets	Municipal Street	MIDC Grant	Community Development Block Grant	General Debt Service	Total
Assets							
Cash and cash equivalents	$ 722,438	$ 903,353	$ 1,671,617	$ 10,019	$ -	$ -	$ 3,307,427
Investments	-	120,000	-	-	-	-	120,000
Receivables:							
Property taxes receivable	-	-	165	-	-	-	165
Accrued interest receivable	-	1,017	-	-	-	-	1,017
Due from other governmental units	120,588	48,246	-	-	-	-	168,834
Total assets	**$ 843,026**	**$ 1,072,616**	**$ 1,671,782**	**$ 10,019**	**$ -**	**$ -**	**$ 3,597,443**
Liabilities							
Accounts payable	$ 11,581	$ 48,444	$ -	$ 1,500	$ -	$ -	$ 61,525
Accrued liabilities and wages	4,427	5,671	-	-	-	-	10,098
Unearned revenue	-	-	-	8,519	-	-	8,519
Total liabilities	16,008	54,115	-	10,019	-	-	80,142
Fund Balances - Restricted - Roads	827,018	1,018,501	1,671,782	-	-	-	3,517,301
Total liabilities and fund balances	**$ 843,026**	**$ 1,072,616**	**$ 1,671,782**	**$ 10,019**	**$ -**	**$ -**	**$ 3,597,443**

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

Year Ended June 30, 2021

	Special Revenue Funds					Debt Service Fund	
	Major Streets	Local Streets	Municipal Street	MIDC Grant	Community Development Block Grant	General Debt Service	Total
Revenue							
Property taxes	$ -	$ -	$ 1,672,930	$ -	$ -	$ -	$ 1,672,930
Intergovernmental:							
Federal grants	-	-	-	-	20,000	-	20,000
State sources	736,465	294,646	-	47,072	-	-	1,078,183
Investment loss	-	(3,306)	-	-	-	-	(3,306)
Other revenue	-	-	-	7,200	-	-	7,200
Total revenue	736,465	291,340	1,672,930	54,272	20,000	-	2,775,007
Expenditures							
Current services:							
Municipal court	-	-	-	58,039	-	-	58,039
Public works - Street construction	441,656	718,092	-	-	-	-	1,159,748
Other functions	-	-	1,148	-	-	-	1,148
Community and economic development	-	-	-	-	20,000	-	20,000
Debt service	-	-	-	-	-	703,044	703,044
Total expenditures	441,656	718,092	1,148	58,039	20,000	703,044	1,941,979
Excess of Expenditures Over (Under) Revenue	294,809	(426,752)	1,671,782	(3,767)	-	(703,044)	833,028
Other Financing Sources (Uses)							
Transfers in	-	250,000	-	2,500	-	703,044	955,544
Transfers out	(75,000)	-	-	-	-	-	(75,000)
Total other financing (uses) sources	(75,000)	250,000	-	2,500	-	703,044	880,544
Net Change in Fund Balances	219,809	(176,752)	1,671,782	(1,267)	-	-	1,713,572
Fund Balances - Beginning of year	607,209	1,195,253	-	1,267	-	-	1,803,729
Fund Balances - End of year	**$ 827,018**	**$ 1,018,501**	**$ 1,671,782**	**$ -**	**$ -**	**$ -**	**$ 3,517,301**

Other Supplemental Information
Combining Statement of Net Position
Internal Service Funds

June 30, 2021

	Insurance Retention Fund	Healthcare Retention Fund	Total Internal Service Funds
Assets			
Current assets:			
Cash and cash equivalents	$ 132,218	$ 89,940	$ 222,158
Investments	130,975	-	130,975
Receivables	402	-	402
Prepaid expenses and other assets	-	147,652	147,652
Total current assets	263,595	237,592	501,187
Liabilities - Current liabilities - Accounts payable	153,313	232,582	385,895
Net Position - Unrestricted	**$ 110,282**	**$ 5,010**	**$ 115,292**

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

Year Ended June 30, 2021

	Insurance Retention Fund	Healthcare Retention Fund	Total Internal Service Funds
Operating Revenue - Charges for services	$ 188,441	$ 2,274,340	$ 2,462,781
Operating Expenses - Benefit payments	108,583	2,369,330	2,477,913
Operating Income (Loss)	79,858	(94,990)	(15,132)
Nonoperating Expense - Investment interest and FMV changes	(3,026)	-	(3,026)
Change in Net Position	76,832	(94,990)	(18,158)
Net Position - Beginning of year	33,450	100,000	133,450
Net Position - End of year	**$ 110,282**	**$ 5,010**	**$ 115,292**

Other Supplemental Information
Combining Statement of Cash Flows
Internal Service Funds

Year Ended June 30, 2021

	Insurance Retention	Healthcare Retention Fund	Total Internal Service Funds
Cash Flows from Operating Activities			
Receipts from customers	$ 188,441	$ 2,274,340	$ 2,462,781
Payments to/from suppliers	(136,241)	184,930	48,689
Payments to employees and fringes	-	(2,369,330)	(2,369,330)
Net cash and cash equivalents provided by operating activities	52,200	89,940	142,140
Cash Flows from Investing Activities			
Interest received on investments	597	-	597
Purchase of investment securities	(135,000)	-	(135,000)
Net cash and cash equivalents used in investing activities	(134,403)	-	(134,403)
Net (Decrease) Increase in Cash and Cash Equivalents	(82,203)	89,940	7,737
Cash and Cash Equivalents - Beginning of year	214,421	-	214,421
Cash and Cash Equivalents - End of year	**$ 132,218**	**$ 89,940**	**$ 222,158**
Classification of Cash and Cash Equivalents			
Cash and investments	$ 263,193	$ 89,940	$ 353,133
Less amounts classified as investments	(130,975)	-	(130,975)
Total cash and cash equivalents	**$ 132,218**	**$ 89,940**	**$ 222,158**
Reconciliation of Operating Income (Loss) to Net Cash from Operating Activities			
Operating income (loss)	$ 79,858	$ (94,990)	$ (15,132)
Adjustments to reconcile operating income (loss) to net cash from operating activities - Changes in assets and liabilities:			
Prepaid and other assets	-	(47,652)	(47,652)
Accounts payable	(27,658)	232,582	204,924
Total adjustments	(27,658)	184,930	157,272
Net cash and cash equivalents provided by operating activities	**$ 52,200**	**$ 89,940**	**$ 142,140**
Significant Noncash Transactions - Fair market value adjustment	$ 4,025	$ -	$ 4,025

Other Supplemental Information
Budgetary Comparison Schedule - Capital Projects Fund

Year Ended June 30, 2021

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget
Revenue				
Investment income (loss)	$ 2,000	$ 7,000	$ (17,901)	$ (24,901)
Other revenue	-	100,000	54,699	(45,301)
Total revenue	2,000	107,000	36,798	(70,202)
Expenditures - Capital outlay	1,893,950	2,373,950	942,177	1,431,773
Excess of Expenditures Over Revenue	(1,891,950)	(2,266,950)	(905,379)	1,361,571
Other Financing Sources (Uses)				
Transfers in	1,200,000	1,550,000	1,550,000	-
Transfers out	(100,000)	(75,000)	(75,000)	-
Fund balance appropriation	791,950	791,950	-	(791,950)
Total other financing sources	1,891,950	2,266,950	1,475,000	(791,950)
Net Change in Fund Balance	-	-	569,621	569,621
Fund Balance - Beginning of year	1,874,219	1,874,219	1,874,219	-
Fund Balance - End of year	**$ 1,874,219**	**$ 1,874,219**	**$ 2,443,840**	**$ 569,621**

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

Year Ended June 30, 2021

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget (Unaudited)
Revenue - State-shared revenue and grants	$ 611,200	$ 715,200	$ 736,465	$ 21,265
Expenditures - Public works and streets	736,200	2,040,200	441,656	1,598,544
Excess of Revenue (Under) Over Expenditures	(125,000)	(1,325,000)	294,809	1,619,809
Other Financing Sources (Uses)				
Transfers in	-	1,200,000	-	(1,200,000)
Transfers out	(75,000)	(75,000)	(75,000)	-
Fund balance appropriation	200,000	200,000	-	(200,000)
Total other financing sources (uses)	125,000	1,325,000	(75,000)	(1,400,000)
Net Change in Fund Balance	-	-	219,809	219,809
Fund Balance - Beginning of year	607,209	607,209	607,209	-
Fund Balance - End of year	**$ 607,209**	**$ 607,209**	**$ 827,018**	**$ 219,809**

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

Year Ended June 30, 2021

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget (Unaudited)
Revenue				
Intergovernmental	$ 244,500	$ 285,500	$ 294,646	$ 9,146
Investment income	1,500	1,500	(3,306)	(4,806)
Total revenue	246,000	287,000	291,340	4,340
Expenditures - Current services - Public works - Streets	821,000	1,309,000	718,092	590,908
Excess of Expenditures Over Revenue	(575,000)	(1,022,000)	(426,752)	595,248
Other Financing Sources				
Transfers in	275,000	722,000	250,000	(472,000)
Appropriation of fund balance	-	300,000	-	(300,000)
Total other financing sources	275,000	1,022,000	250,000	(772,000)
Net Change in Fund Balance	(300,000)	-	(176,752)	(176,752)
Fund Balance - Beginning of year	1,195,253	1,195,253	1,195,253	-
Fund Balance - End of year	**$ 895,253**	**$ 1,195,253**	**$ 1,018,501**	**$ (176,752)**

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

Year Ended June 30, 2021

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget (Unaudited)
Revenue - Property taxes	$ -	$ 1,672,000	$ 1,672,930	$ 930
Expenditures - Other functions	-	-	1,148	(1,148)
Excess of Revenue Over Expenditures	-	1,672,000	1,671,782	(218)
Other Financing Sources - Transfers out	-	(1,672,000)	-	1,672,000
Net Change in Fund Balance	-	-	1,671,782	1,671,782
Fund Balance - Beginning of year	-	-	-	-
Fund Balance - End of year	**$ -**	**$ -**	**$ 1,671,782**	**$ 1,671,782**

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

Year Ended June 30, 2021

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget (Unaudited)
Revenue - Federal grants	$ 25,000	$ 25,000	$ 20,000	$ (5,000)
Expenditures - Community and economic development	25,000	25,000	20,000	5,000
Net Change in Fund Balance	-	-	-	-
Fund Balance - Beginning of year	-	-	-	-
Fund Balance - End of year	$ -	$ -	$ -	$ -

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

Year Ended June 30, 2021

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget (Unaudited)
Revenue - State grant	$ 51,040	$ 51,040	$ 54,272	$ 3,232
Expenditures - Indigent defense costs and administration	58,860	58,860	58,039	821
Excess of Expenditures Over Revenue	(7,820)	(7,820)	(3,767)	4,053
Other Financing Sources - Transfers in	7,820	7,820	2,500	(5,320)
Net Change in Fund Balance	-	-	(1,267)	(1,267)
Fund Balance - Beginning of year	1,267	1,267	1,267	-
Fund Balance - End of year	**$ 1,267**	**$ 1,267**	**$ -**	**$ (1,267)**

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

Year Ended June 30, 2021

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget (Unaudited)
Revenue	$ -	$ -	$ -	$ -
Expenditures - Debt service	703,400	703,400	703,044	356
Excess of Expenditures Over Revenue	(703,400)	(703,400)	(703,044)	356
Other Financing Sources - Transfers in	703,400	703,400	703,044	(356)
Net Change in Fund Balance	-	-	-	-
Fund Balance - Beginning of year	-	-	-	-
Fund Balance - End of year	**$ -**	**$ -**	**$ -**	**$ -**

Other Supplemental Information
Combining Statement of Net Position
Nonmajor Enterprise Funds

June 30, 2021

	Recycling Program Fund	Municipal Radio System Fund	Total Nonmajor Enterprise Funds
Assets			
Current assets:			
Cash and cash equivalents	$ 91,069	$ 194,323	$ 285,392
Receivables:			
Other receivables	27,120	-	27,120
Due from other governmental units	-	134,773	134,773
Total current assets	118,189	329,096	447,285
Noncurrent assets - Capital assets - Assets subject to depreciation	-	105,012	105,012
Total assets	118,189	434,108	552,297
Deferred Outflows of Resources			
Deferred pension costs	-	56,121	56,121
Deferred OPEB costs	-	5,052	5,052
Total deferred outflows of resources	-	61,173	61,173
Liabilities			
Current liabilities:			
Accounts payable	-	1,765	1,765
Refundable deposits, bonds, etc.	-	19,777	19,777
Accrued salaries and wages	-	2,124	2,124
Compensated absences	-	10,415	10,415
Total current liabilities	-	34,081	34,081
Noncurrent liabilities:			
Compensated absences	-	15,060	15,060
Net pension liability	-	51,589	51,589
Net OPEB liability	-	191,850	191,850
Total noncurrent liabilities	-	258,499	258,499
Total liabilities	-	292,580	292,580
Deferred Inflows of Resources			
Deferred pension cost reductions	-	205,651	205,651
Deferred OPEB cost reductions	-	79,459	79,459
Total deferred inflows of resources	-	285,110	285,110
Net Position (Deficit)			
Net investment in capital assets	-	105,012	105,012
Unrestricted	118,189	(187,421)	(69,232)
Total net position (deficit)	**$ 118,189**	**$ (82,409)**	**$ 35,780**

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

Year Ended June 30, 2021

	Recycling Program Fund	Municipal Radio System Fund	Total Nonmajor Enterprise Funds
Operating Revenue			
Interest and penalty charges	$ 3,384	$ -	$ 3,384
Recycling charges	217,840	-	217,840
Radio system charges	-	257,126	257,126
Total operating revenue	221,224	257,126	478,350
Operating Expenses			
Other operating and maintenance costs	199,779	271,362	471,141
Depreciation	-	105,335	105,335
Total operating expenses	199,779	376,697	576,476
Change in Net Position - Operating income (loss)	21,445	(119,571)	(98,126)
Net Position (Deficit) - Beginning of year	96,744	37,162	133,906
Net Position (Deficit) - End of year	**$ 118,189**	**$ (82,409)**	**$ 35,780**

Other Supplemental Information
Combining Statement of Cash Flows
Nonmajor Enterprise Funds

Year Ended June 30, 2021

	Recycling Program Fund	Municipal Radio System Fund	Total Nonmajor Enterprise Funds
Cash Flows from Operating Activities			
Receipts from customers	$ 220,744	$ 424,081	$ 644,825
Payments to suppliers	(8,789)	(210,784)	(219,573)
Payments to employees and fringes	(190,990)	(132,979)	(323,969)
Net Increase in Cash and Cash Equivalents - Net cash and cash equivalents provided by operating activities	20,965	80,318	101,283
Cash and Cash Equivalents - Beginning of year	70,104	114,005	184,109
Cash and Cash Equivalents - End of year	**$ 91,069**	**$ 194,323**	**$ 285,392**
Reconciliation of Operating Income (Loss) to Net Cash from Operating Activities			
Operating income (loss)	$ 21,445	$ (119,571)	$ (98,126)
Adjustments to reconcile operating income (loss) to net cash from operating activities:			
Depreciation and amortization	-	105,335	105,335
Changes in assets and liabilities:			
Receivables	(480)	166,955	166,475
Net pension or OPEB asset	-	12,584	12,584
Accounts payable	-	(81,145)	(81,145)
Accrued and other liabilities	-	(3,840)	(3,840)
Total adjustments	(480)	199,889	199,409
Net cash and cash equivalents provided by operating activities	**$ 20,965**	**$ 80,318**	**$ 101,283**

Other Supplemental Information
Combining Statement of Fiduciary Net Position
Fiduciary Funds

June 30, 2021

	General Employees' Pension and Other Postemployment Benefit Trust Fund	Public Safety Pension and Other Postemployment Benefit Trust Fund	Total Pension and Other Employee Benefit Trust Funds
Assets			
Cash and cash equivalents	$ 498,337	$ 1,435,862	$ 1,934,199
Investments:			
Collective investment trust	22,415,160	38,546,279	60,961,439
Mutual funds	12,560,631	21,599,782	34,160,413
Receivables - Customer receivables	6,491	-	6,491
Prepaid expenses and other assets	9,143	4,572	13,715
Total assets	35,489,762	61,586,495	97,076,257
Liabilities - Accounts payable	18,220	24,411	42,631
Net Position			
Restricted:			
Pension	29,851,227	52,981,812	82,833,039
Postemployment benefits other than pension	5,620,315	8,580,272	14,200,587
Total net position	**$ 35,471,542**	**$ 61,562,084**	**$ 97,033,626**

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

Year Ended June 30, 2021

	General Employees' Pension and Other Postemployment Benefit Trust Fund	Public Safety Pension and Other Postemployment Benefit Trust Fund	Total Pension and Other Employee Benefit Trust Funds
Additions			
Investment income:			
Interest and dividends	$ 463,756	$ 802,754	$ 1,266,510
Net increase in fair value of investments	7,047,066	12,087,179	19,134,245
Investment income	7,510,822	12,889,933	20,400,755
Contributions:			
Employer contributions	1,679,573	1,204,975	2,884,548
Employee contributions	85,276	259,230	344,506
Total contributions	1,764,849	1,464,205	3,229,054
Total additions	9,275,671	14,354,138	23,629,809
Deductions			
Benefit payments	2,943,629	2,362,791	5,306,420
Administrative and other	76,532	123,158	199,690
Total deductions	3,020,161	2,485,949	5,506,110
Net Increase in Net Position	6,255,510	11,868,189	18,123,699
Net Position - Beginning of year	29,216,032	49,693,895	78,909,927
Net Position - End of year	**$ 35,471,542**	**$ 61,562,084**	**$ 97,033,626**

Statistical Section

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

The statistical section is organized into the following main categories:

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

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

Financial Trends

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

		2012		2013		2014		2015
Governmental Activities								
Net investment in capital assets	$	14,682,000	$	14,668,000	$	14,931,000	$	14,723,000
Restricted		579,000		754,000		651,000		660,000
Unrestricted		1,276,000		(457,000)		(2,623,000)		4,568,000
Total net position		**16,537,000**		**14,965,000**		**12,959,000**		**19,951,000**
Business-type Activities								
Net investment in capital assets		11,390,000		11,466,000		11,595,000		11,646,000
Restricted		-		-		-		-
Unrestricted		(827,000)		(945,000)		(839,000)		210,000
Total net position		**10,563,000**		**10,521,000**		**10,756,000**		**11,856,000**
Primary Government in Total								
Net investment in capital assets		26,072,000		26,134,000		26,526,000		26,369,000
Restricted		579,000		754,000		651,000		660,000
Unrestricted		449,000		(1,402,000)		(3,462,000)		4,778,000
Total net position	**$**	**27,100,000**	**$**	**25,486,000**	**$**	**23,715,000**	**$**	**31,807,000**

Source: City annual financial statements

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

Last Ten Fiscal Years

(Accrual Basis of Accounting, Rounded to the Nearest Thousand)

2016	2017	2018	2019	2020	2021
$ 14,678,000	$ 15,088,000	$ 14,993,000	$ 15,728,000	$ 16,815,000	$ 13,272,000
784,000	1,016,000	1,045,000	1,415,000	1,804,000	3,517,000
2,823,000	(4,125,000)	(6,826,000)	(8,576,000)	(9,476,000)	(2,205,000)
18,285,000	**11,979,000**	**9,212,000**	**8,567,000**	**9,143,000**	**14,584,000**
11,371,000	11,424,000	12,246,000	12,357,000	12,884,000	13,424,000
-	-		-	-	-
1,459,000	2,335,000	276,000	755,000	1,061,000	2,879,000
12,830,000	**13,759,000**	**12,522,000**	**13,112,000**	**13,945,000**	**16,303,000**
26,049,000	26,512,000	27,239,000	28,085,000	29,699,000	26,695,000
784,000	1,016,000	1,045,000	1,415,000	1,804,000	3,517,000
4,282,000	(1,790,000)	(6,550,000)	(7,821,000)	(8,415,000)	675,000
$ 31,115,000	**$ 25,738,000**	**$ 21,734,000**	**$ 21,679,000**	**$ 23,088,000**	**$ 30,887,000**

	2012	2013	2014	2015
Expenses				
Governmental activities:				
General government	$ 3,148,607	$ 3,138,683	$ 3,265,673	$ 3,032,601
Municipal court	242,325	246,021	244,844	286,567
Public safety	5,981,440	5,665,301	6,708,322	6,663,743
Public works	3,429,387	3,485,847	3,492,491	3,367,523
Community and economic development	47,289	-	49,899	58,599
Recreation and culture	1,903,154	1,746,363	1,898,214	1,836,693
Capital Outlay	-	-	-	-
Interest on long-term debt	241,221	241,268	206,508	229,576
Total governmental activities expenses	14,993,423	14,523,483	15,865,951	15,475,302
Business-type activities:				
Water and sewer	5,570,439	5,758,985	6,082,756	5,935,425
Radio system charges	275,772	869,354	344,900	340,222
Recycling program	107,732	107,076	109,769	109,071
Interest on long-term debt	241,825	333,332	322,444	308,010
Total business-type activities expenses	6,195,768	7,068,747	6,859,869	6,692,728
Total primary government expenses	21,189,191	21,592,230	22,725,820	22,168,030
Program Revenue				
Governmental activities:				
Charges for services				
Municipal court	140,406	142,312	135,506	169,279
Public safety	590,018	634,925	846,095	725,872
Public works	-	-	-	-
General government	239,027	271,606	251,162	322,618
Recreation and culture	476,190	522,090	531,975	561,476
Operating and capital grants and contributions	629,434	565,925	631,411	698,129
Total governmental activities program revenue	2,075,075	2,136,858	2,396,149	2,477,374
Business-type Activities				
Charges for services:				
Water and sewer	4,121,315	5,272,212	5,546,862	5,870,229
Other charges for services - Grosse Pointe City	508,235	411,862	458,196	458,195
Radio system charges	646,240	189,555	229,042	245,223
Recycling program	110,913	103,573	108,248	111,973
Operating and capital grants and contributions	485,943	313,200	-	86,537
Total business-type program revenue	5,872,646	6,290,402	6,342,348	6,772,157
Total primary government program revenue	**$ 7,947,721**	**$ 8,427,260**	**$ 8,738,497**	**$ 9,249,531**

Source: City annual financial statements

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

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

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

2016	2017	2018	2019	2020	2021
$ 3,315,769	$ 7,506,479	$ 2,957,085	$ 3,075,705	$ 3,232,837	3,603,999
301,031	291,358	307,338	311,149	341,440	376,150
7,053,906	7,308,744	7,970,795	7,791,797	7,289,638	4,748,188
3,333,672	3,836,009	4,110,672	3,770,692	3,501,450	3,137,926
29,179	22,709	83,098	552,251	643,699	31,590
1,910,629	1,911,506	1,855,731	1,342,758	1,098,192	1,712,614
-	-	-	-	39,650	-
139,273	133,405	276,162	259,968	248,020	233,578
16,083,459	21,010,210	17,560,881	17,104,320	16,394,926	13,844,045
6,502,844	7,250,838	7,835,510	7,313,848	7,409,278	6,077,535
343,392	364,399	396,541	408,789	427,685	376,697
128,898	126,320	158,534	117,543	186,764	199,779
358,657	-	-	-	-	-
7,333,791	7,741,557	8,390,585	7,840,180	8,023,727	6,654,011
23,417,250	28,751,767	25,951,466	24,944,500	24,418,653	20,498,056
214,867	222,719	174,840	140,141	174,138	133,883
764,491	670,530	806,030	773,780	576,557	634,191
-	-	355,488	369,707	384,496	399,875
369,342	379,206	377,455	416,198	321,958	319,276
578,301	628,292	647,809	649,907	978,930	688,307
776,072	760,191	1,008,591	1,046,255	1,002,808	1,708,909
2,703,073	2,660,938	3,370,213	3,395,988	3,438,887	3,884,441
6,425,211	6,803,190	6,880,347	7,255,468	7,519,127	7,787,693
554,562	527,205	482,444	-	-	-
233,692	230,446	265,099	302,482	375,875	257,126
120,464	122,019	117,356	121,429	202,484	221,224
183,359	196,843	148,217	1,379	-	-
7,517,288	7,879,703	7,893,463	7,680,758	8,097,486	8,266,043
$ 10,220,361	**$ 10,540,641**	**$ 11,263,676**	**$ 11,076,746**	**$ 11,536,373**	**$ 12,150,484**

	2012	2013	2014	2015
Net (Expense) Revenue				
Governmental activities	$ (12,918,348)	$ (12,386,625)	$ (13,469,802)	$ (12,997,928)
Business-type activities	(323,122)	(778,345)	(517,521)	79,429
Total primary government net expense	**(13,241,470)**	**(13,164,970)**	**(13,987,323)**	**(12,918,499)**
General Revenue				
Governmental activities:				
Property taxes	9,490,657	9,238,242	9,344,347	9,491,475
State-shared revenue	727,808	744,993	763,817	777,345
Interest	235,549	58,346	117,712	159,015
Franchise fees and other	845,866	773,625	1,238,006	893,165
Transfers	-	-	-	-
Total governmental activities	11,299,880	10,815,206	11,463,882	11,321,000
Business-type activities:				
Property taxes	744,402	735,296	750,556	753,976
Unrestricted investment earnings	40	1,139	1,503	1,438
Transfers	-	-	-	-
Total business-type activities	744,442	736,435	752,059	755,414
Total primary government general revenue	12,044,322	11,551,641	12,215,941	12,076,414
Change in Net Position				
Governmental activities	(1,618,468)	(1,571,419)	(2,005,920)	(1,676,928)
Business-type activities	421,320	(41,910)	234,538	834,843
Total primary government	**$ (1,197,148)**	**$ (1,613,329)**	**$ (1,771,382)**	**$ (842,085)**

Source: City annual financial statements

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

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

Last Ten Fiscal Years
(Unaudited)

2016	2017	2018	2019	2020	2021
$ (13,380,386)	$ (18,349,272)	$ (14,190,668)	$ (13,708,332)	$ (12,956,039)	$ (9,959,604)
183,497	138,146	(497,122)	(159,422)	73,759	1,612,032
(13,196,889)	**(18,211,126)**	**(14,687,790)**	**(13,867,754)**	**(12,882,280)**	**(8,347,572)**
9,731,424	10,197,228	10,364,217	11,248,390	11,746,322	13,933,374
814,680	835,548	869,649	901,192	892,638	1,003,200
188,142	11,245	24,525	245,071	183,439	(125,931)
979,732	999,612	608,460	668,308	708,909	590,488
-	-	-	-	-	-
11,713,978	12,043,633	11,866,851	13,062,961	13,531,308	15,401,131
787,937	790,264	729,465	749,836	758,702	746,213
2,977	8	14	38	32	5
-	-	-	-	-	-
790,914	790,272	729,479	749,874	758,734	746,218
12,504,892	12,833,905	12,596,330	13,812,835	14,290,042	16,147,349
(1,666,408)	(6,305,639)	(2,323,817)	(645,371)	575,269	5,441,527
974,411	928,418	232,357	590,452	832,493	2,358,250
$ (691,997)	**$ (5,377,221)**	**$ (2,091,460)**	**$ (54,919)**	**$ 1,407,762**	**$ 7,799,777**

Fund Balances of Governmental Funds

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting (Unaudited))

	As of June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund										
Nonspendable	$ 507,028	$ 312,451	$ 213,574	$ 121,137	$ 120,099	$ 84,063	$ 135,987	$ 128,626	$ 43,369	$ 42,221
Restricted										
Committed	1,003,028	880,168	845,990	846,307	873,834	927,418	1,031,954	1,023,914	1,073,831	560,065
Assigned	200,000	376,550	300,000	300,000	300,000	200,000	200,000	700,000	1,100,000	1,570,000
Unassigned	3,209,206	3,368,335	3,692,523	3,869,208	3,845,625	3,997,695	3,991,910	4,124,274	4,269,142	4,510,594
Total general fund	4,919,262	4,937,504	5,052,087	5,136,652	5,139,558	5,209,176	5,359,851	5,976,814	6,486,342	6,682,880
All Other Governmental Funds										
Nonspendable	727,425	748,278	-	-	-	-	-	-	625,114	625,114
Restricted	578,938	754,022	651,531	659,973	783,456	1,004,627	1,045,418	1,416,121	1,803,729	3,517,301
Committed	-	-	-	(39,260)	-	-	-	-	-	-
Assigned	1,410,658	549,658	1,115,992	1,023,667	1,477,310	1,678,750	2,651,420	2,418,940	1,249,105	1,818,726
Unassigned	-	-	-	-	-	-	-	-	-	-
Total all other governmental funds	2,717,021	2,051,958	1,767,523	1,644,380	2,260,766	2,683,377	3,696,838	3,835,061	3,677,948	5,961,141
Total of all governmental funds	**$ 7,636,283**	**$ 6,989,462**	**$ 6,819,610**	**$ 6,781,032**	**$ 7,400,324**	**$ 7,892,553**	**$ 9,056,689**	**$ 9,811,875**	**$ 10,164,290**	**$ 12,644,021**

Source: City annual financial statements

Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting (Unaudited))

As of June 30,

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenue										
Property taxes	$ 9,490,657	$ 9,238,242	$ 9,344,347	$ 9,491,475	$ 9,731,424	$ 10,197,228	$ 10,364,217	$ 11,248,390	$ 11,746,322	$ 13,933,374
Licenses and permits	378,512	399,410	602,308	492,425	524,660	465,172	600,860	575,216	422,889	558,273
Federal sources	78,642	9,682	57,847	19,339	88,597	23,048	61,248	26,756	20,000	548,714
State sources	1,278,600	1,301,236	1,337,381	1,416,869	1,529,587	1,550,499	1,784,473	1,920,691	1,875,446	2,108,696
Charges for services	1,313,592	1,417,111	1,427,017	1,558,602	1,657,022	1,739,435	1,757,741	1,826,181	1,752,292	1,674,177
Fines and forfeitures	327,235	353,995	354,391	382,237	414,544	387,632	345,648	299,776	327,838	269,124
Interest	216,647	56,457	114,280	153,658	183,089	10,622	24,571	241,173	181,287	(122,905)
Other	256,563	161,717	563,198	211,074	291,316	273,017	237,293	297,073	612,658	305,704
Total revenue	13,340,448	12,937,850	13,800,769	13,725,679	14,420,239	14,646,653	15,176,051	16,435,256	16,938,732	19,275,157
Expenditures										
Current:										
General government	1,350,651	1,368,999	1,337,510	1,461,908	1,583,140	1,564,902	1,572,391	1,749,266	1,798,251	1,874,223
Municipal court	234,536	246,021	244,844	286,567	301,031	291,358	307,338	311,149	341,440	376,150
Public safety:										
Police, fire, and EMS	4,636,317	4,369,616	4,410,846	4,576,012	4,658,059	4,615,621	4,928,474	5,058,104	5,086,614	5,217,117
Public works and streets										
Streets	665,131	685,120	726,816	710,690	679,676	573,506	1,023,726	1,738,763	1,988,907	1,769,930
Rubbish disposal and recycling	1,523,204	1,529,207	1,524,611	1,531,322	1,531,871	1,831,265	1,908,192	1,516,710	1,594,402	1,511,833
Community and economic development	47,289	-	49,899	58,599	29,179	22,709	61,110	25,517	20,000	20,000
Recreation and culture	1,249,703	1,138,274	1,164,964	1,205,872	1,260,231	1,290,409	1,230,091	1,268,699	1,117,270	1,150,665
Other functions	2,663,911	2,554,176	2,639,316	2,589,322	2,317,056	2,214,406	6,143,193	2,172,478	2,672,145	3,230,287
Capital outlay	363,382	1,189,933	1,305,809	814,475	962,592	1,261,943	301,714	1,115,097	1,288,850	942,177
Debt service principal	243,750	243,750	293,750	346,875	340,625	352,500	494,922	421,375	428,250	466,375
Debt service interest	243,325	234,575	245,608	239,218	137,487	135,805	124,948	302,912	250,188	236,669
Total expenditures	13,221,199	13,559,671	13,943,973	13,820,860	13,800,947	14,154,424	18,096,099	15,680,070	16,586,317	16,795,426
Excess of Revenue (Under) Over Expenditures	119,249	(621,821)	(143,204)	(95,181)	619,292	492,229	(2,920,048)	755,186	352,415	2,479,731
Other Financing Sources (Uses)										
Debt issuance/refinanced	-	-	23,352	(303,613)	-	-	3,705,000	-	-	-
Refinanced notes	-								-	-
Debt premiums or discount	-	-	-	360,216	-	-	379,184	-	-	-
Payment to bond refunding escrow agent	-	-	-	-	-	-	-	(14,700)	-	-
Transfers in	894,165	1,119,909	1,590,476	1,475,955	1,933,112	2,096,305	2,595,971	2,393,987	2,257,113	2,505,544
Transfers out	(1,031,917)	(1,144,909)	(1,640,476)	(1,475,955)	(1,933,112)	(2,096,305)	(2,595,971)	(2,379,287)	(2,257,113)	(2,505,544)
Total other financing (uses) sources	(137,752)	(25,000)	(26,648)	56,603	-	-	4,084,184	-	-	-
Net Change in Fund Balances	(18,503)	(646,821)	(169,852)	(38,578)	619,292	492,229	1,164,136	755,186	352,415	2,479,731
Fund Balances - Beginning of year	7,757,207	7,636,283	6,989,462	6,819,610	6,781,032	7,400,324	7,892,553	9,056,689	9,811,875	10,164,290
Change in Accounting Method	(102,421)	-	-	-	-	-	-	-	-	-
Fund Balances - End of year	**$ 7,636,283**	**$ 6,989,462**	**$ 6,819,610**	**$ 6,781,032**	**$ 7,400,324**	**$ 7,892,553**	**$ 9,056,689**	**$ 9,811,875**	**$ 10,164,290**	**$ 12,644,021**
Debt service as a percentage of noncapital expenditures	3.79%	3.87%	4.27%	4.51%	3.72%	3.79%	3.48%	4.97%	4.66%	4.76%

Source: City Annual Financial Statements

Revenue Capacity

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

Property Tax Levies and Collections

Last Ten Fiscal Years

(Unaudited)

Tax year	Fiscal Year Ended June 30	Total Levy	Current Collections	Percent Collected	Delinquent Collections	Total Tax Collections	Percent of Levy Collected
2011	2012	10,175,907	9,964,551	97.923%	210,805	10,175,356	99.995%
2012	2013	9,767,873	9,627,480	98.563%	140,315	9,767,795	99.999%
2013	2014	10,024,210	9,890,783	98.669%	133,427	10,024,210	100.000%
2014	2015	10,220,965	10,046,933	98.297%	141,150	10,188,083	99.678%
2015	2016	10,451,191	10,252,294	98.097%	176,834	10,429,128	99.789%
2016	2017	10,559,446	10,422,145	98.700%	136,808	10,558,953	99.995%
2017	2018	10,675,554	10,553,167	98.854%	121,906	10,675,072	99.995%
2018	2019	11,551,076	11,363,058	98.372%	186,472	11,549,530	99.987%
2019	2020	12,033,990	11,895,247	98.847%	136,988	12,032,235	99.985%
2020	2021	14,178,132	13,982,218	98.618%	194,477	14,176,695	99.990%

Source: City Controller/Treasurer's office

Property Tax Rates – Direct and Overlapping Governments

Last Ten Fiscal years
(Unaudited)

	Millage Rates - Direct City Taxes				Overlapping Taxes								Total Tax Rate	
Tax Year	General Operating	Debt	Special Purpose	Total Direct Taxes	County	Detroit Zoo	Detroit Inst. Arts	Grosse Pointe Library	Community College	Intermediate School District	School Homestead	School Non-homestead	Homestead	Non-homestead
2011	11.1916	1.0834	1.7250	14.0000	8.6266	0.1000	-	1.5412	2.2408	3.4643	15.5790	26.6750	45.5519	56.6479
2012	11.5000	1.0834	1.4166	14.0000	8.6266	0.1000	0.2000	2.0012	2.2408	3.4643	16.0882	26.7587	46.7211	57.3916
2013	11.5000	1.0834	1.4166	14.0000	8.6266	0.1000	0.2000	2.0412	3.2408	3.4643	16.0890	26.7852	47.7619	58.4581
2014	11.5000	1.0834	1.4166	14.0000	9.0366	0.1000	0.2000	2.0512	3.2408	3.4643	15.9166	26.7550	48.0095	58.8479
2015	11.5000	1.0834	1.4166	14.0000	10.0127	0.1000	0.2000	2.0712	3.2408	3.4643	15.3956	26.6421	48.4846	59.7311
2016	11.5000	1.0834	1.8666	14.4500	11.0366	0.1000	0.2000	2.0613	3.2408	3.4643	15.2850	26.6158	49.8380	61.1688
2017	11.5000	0.9834	1.8666	14.3500	11.0360	0.1000	0.2000	2.2186	3.2408	3.4643	14.9483	26.6308	49.5580	61.2405
2018	11.5000	1.0834	2.3666	14.9500	11.0349	0.1000	0.2000	2.1925	3.2408	3.4643	14.7127	26.6184	49.8952	61.8009
2019	11.5000	1.0834	2.3666	14.9500	11.0328	0.1000	0.2000	2.1707	3.2408	3.4643	15.5975	28.1087	50.7561	63.2673
2020	11.5000	1.0834	4.3666	16.9500	11.0315	0.1000	0.2000	2.1504	3.2408	3.4643	15.9353	28.1307	53.0723	65.2677

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

	General Operating	Debt	Special Purpose
2020	11.9392	no limit	4.6287

Source: Wayne Country, Michigan Apportionment Report

City of Grosse Pointe Farms, Michigan

Assessed Taxable Values (History of Property Values)

Last Ten Fiscal years
(Unaudited)

		Taxable Value by Property Type						
Tax Year	Fiscal Year	Residential	Commercial	Personal Property	Total Value	Tax Rate (mills)	Estimated Actual Value	Taxable Value as a Percentage of Actual
2011	2012	663,038,327	37,934,338	9,062,200	710,034,865	14.0000	1,459,682,169	48.64%
2012	2013	643,115,192	35,486,972	9,799,700	688,401,864	14.0000	1,401,376,290	49.12%
2013	2014	649,919,090	35,579,801	9,597,200	695,096,091	14.0000	1,412,976,200	49.19%
2014	2015	659,605,098	36,039,379	10,755,200	706,399,677	14.0000	1,455,379,156	48.54%
2015	2016	675,239,291	35,913,319	11,831,300	722,983,910	14.0000	1,573,803,800	45.94%
2016	2017	680,008,073	40,769,819	11,708,800	732,486,692	14.4500	1,687,843,896	43.40%
2017	2018	692,031,608	41,507,789	12,109,700	745,649,097	14.3500	1,799,942,800	41.43%
2018	2019	716,434,050	41,934,374	15,041,900	773,410,324	14.9500	1,848,092,262	41.85%
2019	2020	743,822,574	43,299,107	20,961,500	808,083,181	14.9500	1,985,795,620	40.69%
2020	2021	769,858,961	42,968,308	23,981,500	836,808,769	16.9500	2,083,060,000	40.17%

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

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

Source: Wayne County Department of Accessing and Equalization.

City of Grosse Pointe Farms, Michigan

Principal Property Tax Payers (Major Taxpayers)

Current and Nine Years Ago
(Unaudited)

	Taxpayer	2020 Taxable Value	Percentage of Total	2011 Taxable Value	Percentage of Total	2011 Rank
1	DTE Gas	$ 13,641,200	1.63%	-	0.00%	
2	Kercheval Development Co.	5,228,025	0.62%	4,553,137	0.64%	2
3	American House Grosse Pointe LLC	5,113,768	0.61%		0.00%	-
4	Country Club of Detroit	3,813,700	0.46%	7,288,383	1.03%	1
5	Detroit Edison	3,613,400	0.43%	2,370,400	0.33%	4
6	Premier Equities GP, LLC	2,875,715	0.34%	2,456,954	0.35%	3
7	Soave, Anthony	2,802,456	0.33%	2,157,900	0.30%	5
8	Cotton, Michael-Lisa	2,498,750	0.30%	-	0.00%	-
9	Cracchiolo, Ray	1,839,958	0.22%	1,899,500	0.27%	7
10	Ford, Mr. & Mrs. Edsel	1,824,282	0.22%	1,650,000	0.23%	8
11	Ford, Elena	-	0.00%	2,114,600	0.30%	6
12	Grosse Pointe Club	-	0.00%	1,456,091	0.21%	9
13	M.R. Fisher Family Office	-	0.00%	1,373,200	0.19%	10

Source: City Accessing Department Records

Debt Capacity

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

Ratios of General Bonded Debt Outstanding

Last Ten Fiscal Years

(Unaudited)

Fiscal Year	General Obligation Bonds	Less: Pledged Debt Service Funds	Net General Bonded Debt	Taxable Value	Debt as a Percentage of Taxable Value	Population	Debt Per Capita	Debt per Total Personal Income
2012	17,393,475	-	17,393,475	710,034,865	2.45%	9,479	1,834.95	*
2013	16,519,574	-	16,519,574	688,401,864	2.40%	9,479	1,742.75	*
2014	15,588,734	-	15,588,734	695,096,091	2.24%	9,479	1,644.55	*
2015	18,145,406	-	18,145,406	706,399,677	2.57%	9,479	1,914.27	*
2016	16,853,859	-	16,853,859	722,983,910	2.33%	9,479	1,778.02	*
2017	15,566,522	-	15,566,522	732,486,692	2.13%	9,479	1,642.21	*
2018	18,249,157	-	18,249,157	745,649,097	2.45%	9,479	1,925.22	*
2019	16,787,330	-	16,787,330	773,410,324	2.17%	9,479	1,771.00	*
2020	15,260,502	-	15,260,502	808,083,181	1.89%	9,479	1,609.93	*
2021	13,668,675	-	13,668,675	836,808,769	1.63%	9,479	1,442.00	*

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

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years
(Unaudited)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental Activities										
General obligation bonds	$ 5,890,517	$ 5,645,265	$ 5,413,082	$ 5,158,966	$ 4,782,319	$ 4,393,797	$ 8,023,209	$ 7,541,283	$ 7,052,482	$ 6,525,556
Installment purchase agreements	-	-	-	-	-	-	-	-	-	-
Total	5,890,517	5,645,265	5,413,082	5,158,966	4,782,319	4,393,797	8,023,209	7,541,283	7,052,482	6,525,556
Business-type Activities										
General obligation bonds	11,502,958	10,874,657	10,175,652	12,986,440	12,071,540	11,172,725	10,225,948	9,246,047	8,208,020	7,143,119
Installment purchase agreements	-	-	-	-	-	-	-	-	-	-
Revenue bonds	-	-	-	-	-	-	-	-	-	-
Capital leases	-	-	-	-	-	-	-	-	-	-
Total	11,502,958	10,874,657	10,175,652	12,986,440	12,071,540	11,172,725	10,225,948	9,246,047	8,208,020	7,143,119
Total debt of the government	**$ 17,393,475**	**$ 16,519,922**	**$ 15,588,734**	**$ 18,145,406**	**$ 16,853,859**	**$ 15,566,522**	**$ 18,249,157**	**$ 16,787,330**	**$ 15,260,502**	**$ 13,668,675**
Taxable Value	$ 710,034,865	$ 688,401,864	$ 695,096,091	$ 706,399,677	$ 722,983,910	$ 732,486,692	$ 745,649,097	$ 773,410,324	$ 808,083,181	$ 836,808,769
Ratio of Taxable Value to Total Debt	2.45%	2.40%	2.24%	2.57%	2.33%	2.13%	2.45%	2.17%	1.89%	1.63%
Total Population	9,479	9,479	9,479	9,479	9,479	9,479	9,479	9,479	9,479	9,479
Total Debt Per Capita	$ 1,835	$ 1,743	$ 1,645	$ 1,914	$ 1,778	$ 1,642	$ 1,925	$ 1,771	$ 1,610	$ 1,442
Percentage - Total Debt to Total Personal Income	*	*	*	*	*	*	*	*	*	*

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

Legal Debt Margin

Last Ten Fiscal Years

(Unaudited)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Calculation of debt limit										
Taxable valuation	$ 725,993,024	$ 700,688,145	$ 706,488,100	$ 727,689,578	$ 786,901,900	$ 843,921,948	$ 899,971,400	$ 924,046,131	$ 992,897,810	$ 1,041,530,000
10 percent of equalized value	$ 72,599,302	$ 70,068,815	$ 70,648,810	$ 72,768,958	$ 78,690,190	$ 84,392,195	$ 89,997,140	$ 92,404,613	$ 99,289,781	$ 104,153,000
Calculation of debt subject to limit:										
Total debt	$ 17,393,475	$ 16,519,574	$ 15,588,734	$ 18,145,406	$ 16,853,859	$ 15,566,522	$ 18,249,157	$ 16,787,330	$ 15,260,501	$ 13,668,675
Less debt not subject to limit:										
Revenue bonds	-	-	-	-	-	-	-	-	-	-
Water resources commission or court-ordered bonds	6,995,983	6,367,682	4,662,849	4,000,576	3,415,000	2,775,000	2,125,000	1,440,000	725,000	-
Net debt subject to limit	$ 10,397,492	$ 10,151,892	$ 10,925,885	$ 14,144,830	$ 13,438,859	$ 12,791,522	$ 16,124,157	$ 15,347,330	$ 14,535,501	$ 13,668,675
Legal debt margin	$ 62,201,810	$ 59,916,923	$ 59,722,925	$ 58,624,128	$ 65,251,331	$ 71,600,673	$ 73,872,983	$ 77,057,283	$ 84,754,280	$ 90,484,325
Net debt subject to limit as percentage of debt limit	14.32%	14.49%	15.47%	19.44%	17.08%	15.16%	17.92%	16.61%	14.64%	13.12%

Source: City Controller/Treasurer's office

June 30, 2021

(Unaudited)

Governmental Unit	Debt Outstanding	Estimated Percent Applicable	Estimated Share of Overlapping Debt
Wayne County	$ 205,283,180	1.91%	$ 3,920,909
Grosse Pointe School District	74,475,000	27.91%	20,785,973
Grosse Pointe Library	-	0.00%	-
Wayne County Community College	-	0.00%	-
Intermediate School District	8,390,000	27.91%	2,341,649
Total overlapping debt	288,148,180		27,048,530
Direct city debt			6,525,556
Total direct and overlapping debt			**$ 33,574,086**

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

Source: Municipal Advisory Council of Michigan

Demographics and Economic Information

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

Demographic and Economic Statistics

June 30, 2021

(Unaudited)

Fiscal Year	Population	Personal Income	Per Capita Personal Income	Unemployment Rate (1)
2012	9,479	*	*	<3%
2013	9,479	*	*	*
2014	9,479	543,042	57,289	*
2015	9,479	*	*	*
2016	9,479	*	*	*
2017	9,479	*	*	*
2018	9,479	*	*	*
2019	9,479	*	*	*
2020	9,479	*	*	*
2021	9,479	*	*	*

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

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

* Information not available

Principal Employers

Last Fiscal Year and Nine Years Ago
(Unaudited)

	Employer	2021 Employees	Percentage of Total City Employment
1	Grosse Pointe Schools	338	8%
2	Country Club of Detroit	280	7%
3	City of Grosse Pointe Farms	120	3%
4	Grosse Pointe War Memorial	120	3%
5	Henry Ford/Pearson Clinic	84	2%
6	Grosse Pointe Academy	80	2%
7	Dirty Dog Jazz Café	50	1%
8	St. Paul's Church/School	45	1%
9	Wendy's	44	1%
10	American House	40	1%
	Total	**1,201**	

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

Source: Reference USA

Operating Information

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

Operating Indicators

Last Ten Fiscal Years
(Unaudited)

Function/ Program	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Election data:										
Registered voters	7,918	8,307	8,279	8,221	8,190	8,593	8,386	8,639	8,764	9,280
Voters (at the polls or absentee)	1,936	6,604	1,813	5,166	875	6,680	2,979	6,197	3,536	7,530
Percent voting	24%	79%	22%	63%	11%	78%	36%	72%	40%	81%
Municipal counrt - Court caseload	4,835	5,307	5,163	4,810	4,745	4,862	4,668	4,885	5,118	3,484
Police:										
Physical arrests	362	322	474	462	497	505	441	424	321	218
Investigations	5,204	4,654	4,997	5,380	5,413	5,631	5,196	4,917	4,680	4,497
Fire:										
Fire runs	143	93	103	103	91	146	146	166	153	241
Emergency medical runs	411	400	474	511	551	582	532	711	651	660
Inspections	10	62	86	43	39	65	55	62	30	54
Public works:										
Miles of street resurfaced	0.00	1.88	1.86	1.00	1.70	1.33	2.03	1.36	1.39	0.41
Refuse collected (tons)	7,303	6,750	6,517	6,625	6,430	6,972	6,759	7,344	6,799	7,236
Parks and recreation:										
Recreation program attendance	1,424	1,829	2,632	2,370	2,037	1,669	2,277	2,645	756	1,072
Individuals entering Pier Park	119,502	114,313	113,082	104,883	113,213	146,970	145,358	141,467	117,609	120,399
Water:										
Number of customers billed	4,085	4,085	4,089	4,082	4,043	4,048	4,050	4,044	4,062	4,059
Total consumption (thous.cu.ft.)	69,472	65,257	58,498	55,834	58,049	62,690	56,207	54,704	51,366	54,518
Avg. consumption per user	17.01	15.97	14.31	13.68	14.36	15.49	13.88	13.53	12.65	13.43

Source : Various City of Grosse Pointe Farms departments

Capital Asset Statistics by Function

Last Ten Fiscal Years

(Unaudited)

Function/Program	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	7	7	7	7	7	7	7	7	7	7
Fire:										
Stations	1	1	1	1	1	1	1	1	1	1
Fire response vehicles	3	3	3	3	3	3	3	3	3	3
Public works:										
Streets (miles):										
Major streets	11	11	11	11	11	11	11	11	11	11
Local streets	27	27	27	27	27	27	27	27	27	27
Sidewalks	75	75	75	75	75	75	75	75	75	75
Streetlights	954	959	959	959	959	959	959	959	959	959
Traffic signals	23	23	23	23	23	23	23	23	23	23
Refuse collection trucks	8	8	8	8	8	8	8	8	8	8
Parks and recreation:										
Acreage	23	23	23	23	23	23	23	23	23	23
Developed parks/playgrounds	2	2	2	2	2	2	2	2	2	2
Developed fields (soccer, baseball, etc.)	5	5	5	5	5	5	5	5	5	5
Harbor boat wells	333	333	333	333	333	333	333	333	333	333
Water:										
Mains (miles) *	51.75	51.75	51.75	51.75	51.75	51.89	51.89	51.89	51.89	53.10
Fire hydrants	502	502	502	502	502	503	503	503	503	499
Storage capacity - Millions of gallons	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50
Sewer:										
Miles of sanitary sewers	18	18	18	18	18	18	18	18	18	18
Miles of storm sewers	18	18	18	18	18	18	18	18	18	18
Miles of combined sanitary and storm	21	21	21	21	21	21	21	21	21	21

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

Source: Departmental annual reports

Full-Time Equivalent Government Employees by Function

Last Ten Fiscal Years

(Unaudited)

Function/Program	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Government	10.00	10.00	10.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00
Public safety:										
Police	40.34	40.34	40.34	40.34	39.00	37.00	37.00	37.00	37.00	37.00
Fire and EMS	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Public service	3.00	3.00	3.00	3.00	3.00	2.00	2.00	2.00	2.00	2.00
Radio system	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Municipal court	2.50	2.50	2.50	2.50	3.00	2.00	3.00	3.00	3.00	3.00
Public works:										
DPW	25.50	25.50	25.50	25.00	25.00	22.00	22.00	23.00	22.00	22.00
Water and sewer	8.25	8.25	8.25	9.00	9.00	9.00	9.00	9.00	9.00	9.00
Park and recreation	28.75	28.75	28.75	28.75	29.00	29.00	29.00	29.00	29.00	29.00
Total	**123.34**	**123.34**	**123.34**	**122.59**	**122.00**	**115.00**	**116.00**	**117.00**	**116.00**	**116.00**

Source : Various City of Grosse Pointe Farms departments