
City of Wixom, Michigan

**Financial Report
with Supplemental Information
June 30, 2021**

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Independent Auditor's Report

To the City Council
City of Wixom, Michigan

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Wixom, 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 Wixom, 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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Wixom, Michigan as of June 30, 2021 and the respective changes in its financial position and, where applicable, cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the City adopted the provisions of Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*, which establishes criteria for identifying and reporting fiduciary activities. Our opinion is not modified with respect to this matter.

To the City Council
City of Wixom, Michigan

Other Matters

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the General Fund and major special revenue fund budgetary comparison schedules, and the pension and OPEB system schedules, 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 Wixom, Michigan's basic financial statements. The other supplemental information, as identified in the table of contents, is presented for the purpose of additional analysis and is not a required part of the basic financial statements.

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.

Plante & Moran, PLLC

November 30, 2021

As management of the City of Wixom, Michigan (the "City"), we offer readers this narrative overview and analysis of the financial activities for the year ended June 30, 2021. Readers are advised to read this management's discussion and analysis in conjunction with the City's financial statements. These statements can be found in subsequent sections of this financial report.

Financial Highlights

The following represents the most significant financial highlights for the year ended June 30, 2021:

- The City's governmental net position increased by approximately \$4,517,000. The majority of this increase is related to the General Fund fund balance change of \$3,023,157. The remaining increase related primarily to planned fund balance increases in the Major/Local Road Capital Improvement, Safety Path Road Program, and Capital Improvements to fund future projects.
- Total assets related to the City's governmental activities exceeded liabilities at June 30, 2021 by approximately \$35,899,000.
- Property tax revenue increased by \$465,950 for governmental activities resulting from a taxable value increase of \$49 million, of which approximately \$8.1 million is attributable to the DDA district.
- The City increased its General Fund fund balance by \$3,023,157 this year. This increase can be attributed to fluctuations in both revenue and expenditures.
 - o Revenue exceeded original budget expectations by \$2.2 million due to the following factors:
 - Unbudgeted federal COVID-19 grant funding of \$655,000
 - \$99,000 in additional state sales tax revenue sharing beyond budget
 - \$44,000 in forfeited MERS defined contribution and health care savings funds as a result of employees leaving employment prior to vesting
 - \$63,000 in local community stabilization revenue over the estimate
 - \$946,000 in additional building permits and fees over budget due to increased development
 - \$382,000 increase over estimate in all other revenue items
 - o Expenditures variances from original budgeted amounts aggregated to \$528,000 due to the following factors:
 - \$77,000 remaining between the city manager and economic development departments due to unutilized funds for the assistant city manager/economic development position and fluctuation in other accounts
 - \$154,000 less in the police department due to position vacancies during the year and other fluctuations
 - \$94,000 in lesser expenditures in the fire department due to fluctuation in wages and other line items
 - \$115,000 in lower than estimated expenditures in the department of public works
 - \$261,000 less than budgeted in parks and recreation and community services due to decreased programming resulting from COVID-19
 - \$535,000 in higher than budgeted expenditures in construction and development services due mainly to the building official expense, which ties directly to higher permit fee revenue/activity
 - \$362,000 reduction in expenditures across all other departments

Many of these fluctuations are not anticipated to continue and were directly related to vacancies that have since been filled or reductions in expenses due to COVID-19 restrictions.

Using This Annual Report

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

The fund financial statements present a short-term view; they tell the reader how the taxpayers' resources were spent during the year and 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

Governmental activities include all activity other than the Water and Sewer funds, which are considered business-type activities because they involve exchanges and are intended to be self-supporting activities.

	Governmental Activities		
	2020	2021	Change
Assets			
Current and other assets:			
Cash and investments	\$ 16,175,458	\$ 21,159,982	\$ 4,984,524
Receivables	2,436,156	2,583,099	146,943
Other assets	2,713,033	7,690,420	4,977,387
Capital assets	38,182,633	36,278,128	(1,904,505)
Total assets	59,507,280	67,711,629	8,204,349
Deferred Outflows of Resources	1,334,910	840,000	(494,910)
Liabilities			
Current liabilities	1,734,019	2,721,072	987,053
Noncurrent liabilities	26,922,729	24,791,212	(2,131,517)
Total liabilities	28,656,748	27,512,284	(1,144,464)
Deferred Inflows of Resources	909,885	5,140,146	4,230,261
Net Position			
Net investment in capital assets	34,252,151	32,908,743	(1,343,408)
Restricted	9,684,469	10,367,979	683,510
Unrestricted	(12,661,063)	(7,377,523)	5,283,540
Total net position	\$ 31,275,557	\$ 35,899,199	\$ 4,623,642

Management's Discussion and Analysis (Continued)

	Business-type Activities		
	2020	2021	Change
Assets			
Current and other assets:			
Cash and investments	\$ 13,789,403	\$ 13,222,965	\$ (566,438)
Receivables	2,222,572	2,392,229	169,657
Other assets	84,063	1,128,727	1,044,664
Capital assets	54,415,703	54,264,635	(151,068)
Total assets	70,511,741	71,008,556	496,815
Liabilities			
Current liabilities	1,570,908	987,826	(583,082)
Noncurrent liabilities	5,947,097	5,303,142	(643,955)
Total liabilities	7,518,005	6,290,968	(1,227,037)
Net Position			
Net investment in capital assets	51,743,814	50,138,173	(1,605,641)
Unrestricted	11,249,922	14,579,415	3,329,493
Total net position	<u>\$ 62,993,736</u>	<u>\$ 64,717,588</u>	<u>\$ 1,723,852</u>

The governmental net position increased by approximately 14.8 percent from a year ago - from \$31.3 million to \$35.9 million. The unrestricted net position deficit, the part of net position that can be used to finance day-to-day operations, decreased by approximately \$5.3 million. This is directly attributable to the amount of capital assets being below annual recorded depreciation.

The City's business-type activities consist of the water and sewer activities. The City provides water to residents through the wholesale purchase of water from the Great Lakes Water Authority and provides sewage treatment through a city-owned wastewater treatment plant. The Water and Sewer funds are healthy, with a change in net position of approximately \$1,724,000.

Management's Discussion and Analysis (Continued)

The City's Changes in Net Position

The following tables show the current year's changes in net position compared to the prior year:

	Governmental Activities		
	2020	2021	Change
Revenue			
Program revenue:			
Charges for services	\$ 2,299,438	\$ 3,315,782	\$ 1,016,344
Operating grants	2,240,827	2,169,567	(71,260)
Capital grants	352,525	519,883	167,358
General revenue:			
Property taxes	9,098,009	9,563,959	465,950
Intergovernmental	1,976,902	1,792,520	(184,382)
Investment earnings	379,205	46,493	(332,712)
Other revenue - Other miscellaneous income	724,112	800,475	76,363
Total revenue	17,071,018	18,208,679	1,137,661
Expenses			
General government	4,052,542	2,151,396	(1,901,146)
Public safety	4,734,185	3,859,166	(875,019)
Public works	5,105,364	4,612,463	(492,901)
Community and economic development	1,085,433	1,641,306	555,873
Recreation and culture	466,211	546,469	80,258
Debt service	920,513	880,605	(39,908)
Total expenses	16,364,248	13,691,405	(2,672,843)
Special and Extraordinary Items	11,358	-	(11,358)
Change in Net Position	718,128	4,517,274	3,799,146
Net Position - Beginning of year - As restated	30,557,429	31,381,925	824,496
Net Position - End of year	\$ 31,275,557	\$ 35,899,199	\$ 4,623,642

	Business-type Activities		
	2020	2021	Change
Revenue			
Program revenue:			
Charges for services	\$ 6,367,459	\$ 7,246,962	\$ 879,503
Operating grants	138,427	63,783	(74,644)
Capital grants	323,068	1,198,695	875,627
General revenue:			
Taxes	940,160	4,056	(936,104)
Investment earnings	245,416	38,644	(206,772)
Other revenue	53,837	478,539	424,702
Total revenue	8,068,367	9,030,679	962,312
Expenses	7,379,343	7,306,827	(72,516)
Change in Net Position	689,024	1,723,852	1,034,828
Net Position - Beginning of year	62,304,712	62,993,736	689,024
Net Position - End of year	\$ 62,993,736	\$ 64,717,588	\$ 1,723,852

The City's property tax revenue increased primarily due to new development and inflation on existing properties. Local Community Stabilization Authority revenue decreased by \$484,000 due to an increase in industrial personal property value that is collected directly through the City's tax roll. The City reduced its usage of the special general operating millage by 0.5 mills, levying 3 mills for the 2020/2021 fiscal year as opposed to the voter-approved maximum of 3.5 mills. This millage collection was separately approved by voters in November 2012 and renewed in November 2016 and November 2020. Additionally, when it occurs, revenue collected over expenditures is allocated to budget stabilization to be utilized for future unforeseen expenses or to make needed capital improvements. The City continues to evaluate and implement cost-cutting measures and develop and implement a city-wide, 10-year capital improvement plan.

Over several years, the City set its sewer rates lower than its cost to provide services. This was primarily due to the strong financial position of the Sewer Fund. During 2021, the City entered its eighth year of implementation of a financial master plan for the water and sewer system. This plan allows the City to evaluate and set future rates in line with its cost to provide services.

The fund financial statements provide detailed information about the most significant funds of the City. The City Council creates funds to help manage money for specific purposes and to show accountability for certain activities, such as special property tax millages. The City's major funds for 2021 include the General Fund, the Special Holding Agency Fund, and the Special Assessment Fund. The General Fund pays for most of the City's governmental services. The most significant are police and fire, which incurred expenditures of approximately \$5.2 million in 2021, and general government, which incurred expenditures of approximately \$1.8 million. The General Fund ended the year with approximately \$3.2 million of unassigned fund balance and \$3.2 million of assigned fund balance. City administration has assigned \$3.2 million to capital projects to address strategic investments in roads, sidewalks, and property acquisition.

The Special Assessment Fund accounts for the Tribute drain improvements in the Village Center area completed in 2006 and the related special assessment on property owners that is intended to fund a portion of those improvements. Fiscal year 2021 was the eighth year the City has been billing the annual assessments since the reinstatement of charges to properties. For fiscal year 2008 through fiscal year 2012, the City utilized unspent bond proceeds to make the annual bond payments.

General Fund Budgetary Highlights

Over the course of the year, the City amended the budget to address actual results during the year. The most significant changes were a \$659,305 revenue increase to recognize federal COVID-19 grant funding; a \$365,000 increase to state revenue sharing; and an increase of \$998,589 to building permits and fee revenue, along with the related building official expense increase of \$755,000.

Capital Assets and Debt Administration

At the end of 2021, the City had \$91 million (net of depreciation) invested in a broad range of capital assets, including buildings, police equipment, fire equipment, and water and sewer lines. Major purchases included computer equipment, HVAC improvements, downtown light post replacements, furniture, live-scan fingerprinting appliance, police vehicles, police vehicle computer terminals, radios, garage door replacement, Polaris Ranger vehicle, fire equipment, fire storage building, 2020 Freightliner truck, Adopt-a-Box, DPW building upgrades, mowing equipment, park improvements, ball diamond dresser, safety paths, and utility improvements. In addition, investments were allocated to roads within the City. In July 2019, wastewater capital improvement bonds were issued to cover costs of wastewater plant improvements, ending the year with a debt balance of approximately \$4.9 million. The remaining debt balance consists of \$14.5 million for pension bonds, \$5.7 million for health care bonds, and \$2.5 million for DDA/VCA bonds. Additional information regarding capital assets and related debt is available in the notes to the financial statements.

Economic Factors and Next Year's Budgets and Rates

On March 11, 2020, the World Health Organization declared the outbreak of a respiratory disease caused by a new coronavirus a pandemic. First identified in late 2019 and now known as COVID-19, the outbreak has impacted millions of individuals worldwide. While the COVID-19 pandemic could have an adverse effect on the City's operations over time, no impairments were recorded as of the statement of net position/balance sheet date, as no triggering events or changes in circumstances had occurred as of year end. Allocations of federal funds provided through the State of Michigan and Oakland County to provide reimbursement for public safety payroll expenditures and other expense reimbursements assisted in offsetting other losses. Expenditure reductions also occurred in various areas due to restrictions on programming or services resulting from COVID-19. The City is also estimated to receive a total of approximately \$1.47 million through the American Rescue Plan Act split between fiscal years 2021/2022 and 2022/2023.

The City is home to a strong mix of residential, manufacturing, office, service, technology, and retail/recreational centers. This rich, diverse tax base allows the City to provide an attractive, stable environment for new investment and also reduces the impact of adverse economic cycles. A total of 43 percent of the 2020 tax roll is residential, including single-family and multifamily homes. The remaining 57 percent is nonresidential, composed of 42 percent commercial and industrial and 15 percent personal property. The City is approximately 87 percent developed.

The region, which includes the City and the surrounding area of Oakland County has 18.12 percent of all people employed in Michigan. More than 722,000 people work in Oakland County business establishments and government agencies, with 57 percent of global Fortune 500 companies having at least one business location in Oakland County. The City continues to attract businesses of national and international importance.

It is anticipated that future taxable values will continue to rise as new developments are constructed. The five-year budget plan is continually updated to reflect the most accurate projections and facilitate effective planning for future needs.

During fiscal year 2021, new construction, commercial and residential developments, build-outs, and full-scale commercial remodeling continued at a steady pace. This is strong, real world evidence of the high level of confidence that businesses and developers have in the City. The VCA Anthem at Tribute development by Robertson Homes LLC continued throughout the fiscal year, contributing to additional single-family residential homes and condominium units. This project will support additional future development within the downtown. Other notable new construction projects during the fiscal year include the following:

- 28,045 square foot industrial building - Hallmark addition (Pontiac Tr. - close to completion)
- 84,440 square foot tenant build-out - Bluewater Technology Group, Inc. (Beck Road - completed)
- 34,000 square foot industrial building - Grand Steel building addition (Pontiac Tr. - close to completion)
- 15,003 square foot building - Shoot Point Blank Range & Gun shop (West 12 Mile Road - completed)
- 37,500 square foot new industrial building - Underwood Fire Protection (Frank St. - completed)
- 126,720 square foot new industrial building - US Auto Force (Frank St. - completed)
- 5,660 square foot new building - Longhorn Steakhouse (South Wixom Rd. - in progress)
- 34,409 square foot new industrial speculative building shell (West Rd. - shell complete, interior build-out (pending))
- Four four residential developments currently in progress - Milana Estates, Cambridge Lane, Stonegate Village, Encore at Tribute
- Two new single-family residential development site plans have been approved and are in progress - Roma Ct. (10 dwellings) and Maple Glenn (12 dwellings)

In addition, the following construction projects were in the site plan submittal and review process at the end of the fiscal year:

- Wixom Logistics Park, aka Assembly Park - Proposal of five new buildings at a portion of the former Ford Assembly Plant property. The total, as proposed, will be approximately 1,576,000 square feet with potential uses including manufacturing, warehousing, logistics, and distribution. Construction of two speculative buildings at 741,000 and 166,000 square feet is planned for 2021. The property is located on the west side of South Wixom Road between I-96, north of Aldi, Menard's, and General RV, in the GPUD, Gateway Planned Unit District
- New four-story (122 rooms) hotel located on a Meijer out-lot. The site plan has conditional approval.
- Two new buildings for Leonardo's Marble Tile & Granite showroom and warehouse. The site plan has conditional approval. The existing nearby building will be demolished.
- Approximately 40,000 square foot building for Yuken America. Three parcels are to be combined for the project. The site plan has conditional approval.

Many jobs were created and filled in the City as a result of the facilitated negotiations of several leases and property purchases within the City. The City currently has property vacancy rates of less than 4.1 percent industrial and less than 5.3 percent commercial.

Requests for Further Information

This financial report is intended to provide a general overview of the City's finances and demonstrate the City's accountability for the money it receives. If you have questions about this report or need additional information, please contact the finance department office at 49045 Pontiac Trail, Wixom, MI 48393. This report, city budgets, and other financial information are available on the City's website at www.wixomgov.org.

June 30, 2021

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash and investments (Note 3)	\$ 21,159,982	\$ 13,222,965	\$ 34,382,947	\$ 550,607
Receivables - Net	2,640,545	2,334,783	4,975,328	-
Due from primary government	-	-	-	14,797
Internal balances (Note 5)	(57,446)	57,446	-	-
Inventory	76,314	83,763	160,077	-
Prepaid expenses and other assets	189,688	-	189,688	-
Restricted assets	-	1,044,964	1,044,964	-
Net OPEB asset (Note 10)	7,424,418	-	7,424,418	-
Capital assets: (Note 4)				
Assets not subject to depreciation	4,707,374	-	4,707,374	154,296
Assets subject to depreciation - Net	31,570,754	54,264,635	85,835,389	70,889
Total assets	67,711,629	71,008,556	138,720,185	790,589
Deferred Outflows of Resources				
Deferred pension costs (Note 9)	141,298	-	141,298	-
Deferred OPEB costs (Note 10)	698,702	-	698,702	-
Total deferred outflows of resources	840,000	-	840,000	-
Liabilities				
Accounts payable	878,762	963,101	1,841,863	17,890
Due to component units	14,797	-	14,797	-
Accrued liabilities and other	371,272	24,725	395,997	-
Unearned revenue	791,415	-	791,415	-
Refundable deposits	664,826	-	664,826	-
Noncurrent liabilities:				
Due within one year:				
Compensated absences (Note 6)	145,757	-	145,757	-
Current portion of bonds and contracts payable (Note 6)	1,336,097	222,579	1,558,676	-
Due in more than one year:				
Compensated absences (Note 6)	877,046	-	877,046	-
Other noncurrent liabilities	-	131,716	131,716	-
Net pension liability (Note 9)	214,024	-	214,024	-
Bonds and contracts payable - Net of current portion (Note 6)	22,218,288	4,948,847	27,167,135	-
Total liabilities	27,512,284	6,290,968	33,803,252	17,890
Deferred Inflows of Resources				
Deferred pension cost reductions (Note 9)	1,600,408	-	1,600,408	-
Deferred OPEB cost reductions (Note 10)	3,539,738	-	3,539,738	-
Total deferred inflows of resources	5,140,146	-	5,140,146	-
Net Position				
Net investment in capital assets	32,908,743	50,138,173	83,046,916	225,185
Restricted:				
Roads and bike paths	6,928,612	-	6,928,612	-
Debt service	801,945	-	801,945	-
Land acquisition	1,526,283	-	1,526,283	-
Police forfeitures	184,746	-	184,746	-
Solid waste	81,642	-	81,642	-
Building and development	738,383	-	738,383	-
Special assessment maintenance	106,368	-	106,368	-
Unrestricted	(7,377,523)	14,579,415	7,201,892	547,514
Total net position	\$ 35,899,199	\$ 64,717,588	\$ 100,616,787	\$ 772,699

Year Ended June 30, 2021

Functions/Programs	Net (Expense) Revenue and Changes in Net Position							
	Expenses	Program Revenue			Primary Government		Total	Component Units
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities		
Primary government:								
Governmental activities:								
General government	\$ 2,151,396	\$ 501,095	\$ 699,928	\$ -	\$ (950,373)	\$ -	\$ (950,373)	\$ -
Public safety	3,859,166	15,496	2,175	-	(3,841,495)	-	(3,841,495)	-
Public works	4,612,463	932,910	1,429,921	519,883	(1,729,749)	-	(1,729,749)	-
Community and economic development	1,641,306	1,809,700	15,000	-	183,394	-	183,394	-
Recreation and culture	546,469	56,581	22,543	-	(467,345)	-	(467,345)	-
Interest on long-term debt	880,605	-	-	-	(880,605)	-	(880,605)	-
Total governmental activities	13,691,405	3,315,782	2,169,567	519,883	(7,686,173)	-	(7,686,173)	-
Business-type activities:								
Water Fund	4,127,004	4,036,434	63,783	339,060	-	312,273	312,273	-
Sewer Fund	3,179,823	3,210,528	-	859,635	-	890,340	890,340	-
Total business-type activities	7,306,827	7,246,962	63,783	1,198,695	-	1,202,613	1,202,613	-
Total primary government	<u>\$ 20,998,232</u>	<u>\$ 10,562,744</u>	<u>\$ 2,233,350</u>	<u>\$ 1,718,578</u>	(7,686,173)	1,202,613	(6,483,560)	-
Component units:								
Downtown Development Authority	\$ 920,594	\$ -	\$ -	\$ -	-	-	-	(920,594)
Local Development Finance Authority	1,368	-	-	-	-	-	-	(1,368)
Total component units	<u>\$ 921,962</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	-	-	-	(921,962)
General revenue:								
Property taxes					9,563,959	4,056	9,568,015	886,000
Unrestricted state-shared revenue					1,792,520	-	1,792,520	-
Unrestricted investment income					46,493	38,644	85,137	2,670
Other miscellaneous income					800,475	478,539	1,279,014	22,440
Total general revenue					<u>12,203,447</u>	<u>521,239</u>	<u>12,724,686</u>	<u>911,110</u>
Change in Net Position					4,517,274	1,723,852	6,241,126	(10,852)
Net Position - Beginning of year - As restated (Note 1)					<u>31,381,925</u>	<u>62,993,736</u>	<u>94,375,661</u>	<u>783,551</u>
Net Position - End of year					<u>\$ 35,899,199</u>	<u>\$ 64,717,588</u>	<u>\$ 100,616,787</u>	<u>\$ 772,699</u>

Governmental Funds
Balance Sheet

June 30, 2021

	Combined General Fund	Special Assessment Fund	Special Holding Agency Fund	Nonmajor Funds	Total Governmental Funds
Assets					
Cash and investments (Note 3)	\$ 7,835,728	\$ 21,461	\$ 1,627,277	\$ 11,675,516	\$ 21,159,982
Receivables	1,558,908	808,584	-	273,053	2,640,545
Due from other funds (Note 5)	1,087,236	-	690,372	187,211	1,964,819
Inventory	3,630	-	-	72,684	76,314
Prepaid expenses and other assets	181,299	-	-	8,389	189,688
Total assets	\$ 10,666,801	\$ 830,045	\$ 2,317,649	\$ 12,216,853	\$ 26,031,348
Liabilities					
Accounts payable	\$ 666,671	\$ -	\$ 73,346	\$ 138,745	\$ 878,762
Due to component units	14,797	-	-	-	14,797
Due to other funds (Note 5)	1,868,112	5,914	-	148,239	2,022,265
Accrued liabilities and other	221,754	-	-	-	221,754
Unearned revenue	31,991	44,000	715,424	-	791,415
Refundable deposits	-	-	664,826	-	664,826
Total liabilities	2,803,325	49,914	1,453,596	286,984	4,593,819
Deferred Inflows of Resources -					
Unavailable revenue	6,801	764,584	-	36,495	807,880
Fund Balances					
Nonspendable:					
Inventory	3,630	-	-	72,684	76,314
Prepays	122,795	-	-	8,389	131,184
Restricted:					
Roads	-	-	-	6,819,433	6,819,433
Debt service	-	15,547	-	21,814	37,361
Special education	-	-	-	1,526,283	1,526,283
Food service	-	-	-	184,746	184,746
Community service	-	-	-	81,642	81,642
Development contracts	-	-	732,435	-	732,435
Community development	-	-	-	5,948	5,948
Special assessment maintenance	-	-	106,368	-	106,368
Committed:					
Cemetery	-	-	-	71,049	71,049
Budget stabilization	1,333,817	-	-	-	1,333,817
Parks	-	-	25,250	-	25,250
Assigned - Capital improvements	3,200,000	-	-	3,101,386	6,301,386
Unassigned	3,196,433	-	-	-	3,196,433
Total fund balances	7,856,675	15,547	864,053	11,893,374	20,629,649
Total liabilities, deferred inflows of resources, and fund balances	\$ 10,666,801	\$ 830,045	\$ 2,317,649	\$ 12,216,853	\$ 26,031,348

Governmental Funds

Reconciliation of the Balance Sheet to the Statement of Net Position

June 30, 2021

Fund Balances Reported in Governmental Funds	\$ 20,629,649
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	36,278,128
Receivables that are not collected soon after year end are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds	807,880
Bonds payable and capital lease obligations are not due and payable in the current period and are not reported in the funds	(23,554,385)
Accrued interest is not due and payable in the current period and is not reported in the funds	(149,518)
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	(1,022,803)
Pension benefits	(1,673,134)
Retiree health care benefits	4,583,382
Net Position of Governmental Activities	<u>\$ 35,899,199</u>

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

Year Ended June 30, 2021

	Combined General Fund	Special Assessment Fund	Special Holding Agency Fund	Nonmajor Funds	Total Governmental Funds
Revenue					
Taxes	\$ 8,392,771	\$ -	\$ -	\$ 1,171,188	\$ 9,563,959
Special assessments	-	223,427	-	-	223,427
Intergovernmental:					
Federal grants	654,784	-	-	38,894	693,678
State sources	1,817,595	-	2,175	1,383,646	3,203,416
Charges for services	1,704,988	-	358,150	599,509	2,662,647
Fines and forfeitures	59,751	-	-	-	59,751
Licenses and permits	43,771	-	-	-	43,771
Interest and rentals:					
Investment earnings	19,139	201	2,309	24,844	46,493
Rental income	280,753	-	-	-	280,753
Other revenue	732,733	-	-	480,224	1,212,957
Total revenue	13,706,285	223,628	362,634	3,698,305	17,990,852
Expenditures					
Current services:					
General government	1,761,020	667	-	1,818	1,763,505
Public safety	5,236,413	-	5,517	21,094	5,263,024
Public works	685,723	8,850	-	2,304,357	2,998,930
Community and economic development	97,381	-	403,150	15,000	515,531
Recreation and culture	552,736	-	-	-	552,736
Capital outlay	-	-	-	665,107	665,107
Debt service	1,420,099	214,765	-	451,579	2,086,443
Total expenditures	9,753,372	224,282	408,667	3,458,955	13,845,276
Excess of Revenue Over (Under) Expenditures	3,952,913	(654)	(46,033)	239,350	4,145,576
Other Financing Sources (Uses)					
Transfers in (Note 5)	-	-	-	992,547	992,547
Transfers out (Note 5)	(992,547)	-	-	-	(992,547)
Sale of capital assets	62,791	-	-	-	62,791
Total other financing (uses) sources	(929,756)	-	-	992,547	62,791
Net Change in Fund Balances	3,023,157	(654)	(46,033)	1,231,897	4,208,367
Fund Balances - Beginning of year - As restated	4,833,518	16,201	910,086	10,661,477	16,421,282
Fund Balances - End of year	\$ 7,856,675	\$ 15,547	\$ 864,053	\$ 11,893,374	\$ 20,629,649

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	\$ 4,208,367
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures; however, in the statement of activities, these costs are allocated over their estimated useful lives as depreciation:	
Capital outlay	1,698,960
Depreciation expense	(3,600,377)
Net book value of assets disposed of	(3,088)
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	(155,904)
Repayment of bond principal is an expenditure in the governmental funds but not in the statement of activities (where it reduces long-term debt)	1,196,097
Interest expense is recognized in the government-wide statements as it accrues	9,740
Some employee costs (pension, OPEB, and compensated absences) do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds	1,163,479
Change in Net Position of Governmental Activities	<u>\$ 4,517,274</u>

Proprietary Funds
Statement of Net Position

June 30, 2021

	Enterprise Funds		
	Water	Sewer	Total Enterprise Funds
Assets			
Current assets:			
Cash and cash equivalents (Note 3)	\$ 1,031,472	\$ 12,191,493	\$ 13,222,965
Receivables:			
Customer receivables	1,277,932	968,990	2,246,922
Other receivables	37,089	50,772	87,861
Due from other funds (Note 5)	990,529	-	990,529
Inventory	33,664	50,099	83,763
Total current assets	3,370,686	13,261,354	16,632,040
Noncurrent assets:			
Restricted cash	-	1,044,964	1,044,964
Capital assets - Net (Note 4)	31,972,491	22,292,144	54,264,635
Total assets	35,343,177	36,598,462	71,941,639
Liabilities			
Current liabilities:			
Accounts payable	686,324	276,777	963,101
Due to other funds (Note 5)	-	933,083	933,083
Accrued interest payable	-	24,725	24,725
Current portion of bonds and contracts payable (Note 6)	-	222,579	222,579
Total current liabilities	686,324	1,457,164	2,143,488
Noncurrent liabilities:			
Bonds and contracts payable - Net of current portion (Note 6)	-	4,948,847	4,948,847
Other noncurrent liabilities	-	131,716	131,716
Total noncurrent liabilities	-	5,080,563	5,080,563
Total liabilities	686,324	6,537,727	7,224,051
Net Position			
Net investment in capital assets	31,972,491	18,165,682	50,138,173
Unrestricted	2,684,362	11,895,053	14,579,415
Total net position	<u>\$ 34,656,853</u>	<u>\$ 30,060,735</u>	<u>\$ 64,717,588</u>

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

Year Ended June 30, 2021

	Enterprise Funds		
	Water	Sewer	Total Enterprise Funds
Operating Revenue			
Sale of water	\$ 2,725,898	\$ -	\$ 2,725,898
Sewage disposal charges	-	2,546,113	2,546,113
Interest and penalty charges	159,717	162,551	322,268
Other miscellaneous charges	1,150,819	501,864	1,652,683
Total operating revenue	4,036,434	3,210,528	7,246,962
Operating Expenses			
Cost of water	2,605,637	-	2,605,637
Cost of sewage treatment	-	1,280,689	1,280,689
Other operating and maintenance costs	517,487	59,694	577,181
Billing and administrative costs	180,898	225,517	406,415
Utilities	-	202,156	202,156
Other miscellaneous charges	-	34,816	34,816
Depreciation	822,982	1,223,476	2,046,458
Total operating expenses	4,127,004	3,026,348	7,153,352
Operating (Loss) Income	(90,570)	184,180	93,610
Nonoperating Revenue (Expense)			
Property tax revenue	4,056	-	4,056
Investment income	4,735	33,909	38,644
Interest expense	-	(153,475)	(153,475)
Operating grants	63,783	-	63,783
Other nonoperating general revenue	52,071	426,468	478,539
Total nonoperating revenue	124,645	306,902	431,547
Income - Before capital contributions	34,075	491,082	525,157
Capital Contributions			
Capital grants	-	13,220	13,220
Benefit fees	120,750	846,415	967,165
Lines donated by developers	218,310	-	218,310
Total capital contributions	339,060	859,635	1,198,695
Change in Net Position	373,135	1,350,717	1,723,852
Net Position - Beginning of year	34,283,718	28,710,018	62,993,736
Net Position - End of year	\$ 34,656,853	\$ 30,060,735	\$ 64,717,588

Proprietary Funds
Statement of Cash Flows

Year Ended June 30, 2021

	Enterprise Funds		
	Water	Sewer	Total Enterprise Funds
Cash Flows from Operating Activities			
Receipts from customers	\$ 4,037,230	\$ 3,287,804	\$ 7,325,034
(Payments on) receipts from interfund services and reimbursements	(953,323)	260,256	(693,067)
Payments to suppliers	(3,065,802)	(2,216,434)	(5,282,236)
Other receipts	38,923	-	38,923
	<u>57,028</u>	<u>1,331,626</u>	<u>1,388,654</u>
Net cash and cash equivalents provided by operating activities			
	57,028	1,331,626	1,388,654
Cash Flows from Noncapital Financing Activities -			
Operating grants and subsidies	63,783	13,220	77,003
Cash Flows from Capital and Related Financing Activities			
Benefit fees	120,750	846,415	967,165
Property taxes restricted for capital items	4,056	-	4,056
Purchase of capital assets	(177,721)	(1,511,938)	(1,689,659)
Principal and interest paid on capital debt	-	(359,408)	(359,408)
Other fees	52,071	-	52,071
	<u>(844)</u>	<u>(1,024,931)</u>	<u>(1,025,775)</u>
Net cash and cash equivalents used in capital and related financing activities			
	(844)	(1,024,931)	(1,025,775)
Cash Flows Provided by Investing Activities - Interest received on investments	4,735	33,909	38,644
	<u>124,702</u>	<u>353,824</u>	<u>478,526</u>
Net Increase in Cash and Cash Equivalents			
	124,702	353,824	478,526
Cash and Cash Equivalents - Beginning of year	906,770	12,882,633	13,789,403
Cash and Cash Equivalents - End of year	<u><u>\$ 1,031,472</u></u>	<u><u>\$ 13,236,457</u></u>	<u><u>\$ 14,267,929</u></u>
Classification of Cash and Cash Equivalents			
Cash and investments	\$ 1,031,472	\$ 12,191,493	\$ 13,222,965
Restricted cash	-	1,044,964	1,044,964
	<u>1,031,472</u>	<u>13,236,457</u>	<u>14,267,929</u>
Total cash and cash equivalents	<u><u>\$ 1,031,472</u></u>	<u><u>\$ 13,236,457</u></u>	<u><u>\$ 14,267,929</u></u>

Proprietary Funds
Statement of Cash Flows (Continued)

Year Ended June 30, 2021

	Enterprise Funds		
	Water	Sewer	Total Enterprise Funds
Reconciliation of Operating (Loss) Income to Net Cash and Cash Equivalents from Operating Activities			
Operating (loss) income	\$ (90,570)	\$ 184,180	\$ 93,610
Adjustments to reconcile operating (loss) income to net cash and cash equivalents from operating activities:			
Depreciation and amortization	822,982	1,223,476	2,046,458
Changes in assets and liabilities:			
Receivables	39,719	77,276	116,995
Due to and from other funds	(772,425)	485,773	(286,652)
Inventories	725	(425)	300
Accounts payable and escrows	56,597	(638,654)	(582,057)
Total adjustments	147,598	1,147,446	1,295,044
Net cash and cash equivalents provided by operating activities	<u>\$ 57,028</u>	<u>\$ 1,331,626</u>	<u>\$ 1,388,654</u>
Significant Noncash Transactions			
Donated capital assets	\$ 218,310	\$ -	\$ 218,310
Forfeited deposits	-	426,468	426,468

Fiduciary Funds
Statement of Fiduciary Net Position

June 30, 2021

	Custodial Fund - Tax Collection Fund	Other Postemployment Benefit Trust Fund	Total Fiduciary Funds
Assets			
Cash and cash equivalents	\$ 815,764	\$ -	\$ 815,764
Investments - Interest in pooled investments	-	19,051,192	19,051,192
Receivables	79,995	-	79,995
Total assets	895,759	19,051,192	19,946,951
Liabilities			
Due to other governmental units	79,995	-	79,995
Due to primary government	791,648	395,186	1,186,834
Due to others	24,116	-	24,116
Total liabilities	895,759	395,186	1,290,945
Net Position - Restricted for postemployment benefits other than pension	\$ -	\$ 18,656,006	\$ 18,656,006

Fiduciary Funds
Statement of Changes in Fiduciary Net Position

Year Ended June 30, 2021

	Custodial Fund - Tax Collection Fund	Other Postemployment Benefit Trust Fund	Total Fiduciary Funds
Additions			
Investment income - Interest and dividends	\$ -	\$ 4,190,028	\$ 4,190,028
Collections - Property tax collections for other taxing authorities	23,048,910	-	23,048,910
Contributions:			
Employer contributions	-	97,661	97,661
Employee contributions	-	15,125	15,125
Total contributions	-	112,786	112,786
Total additions	23,048,910	4,302,814	27,351,724
Deductions			
Benefit payments	-	489,828	489,828
Administrative expenses	-	928	928
Property tax disbursements to other taxing authorities	23,048,910	-	23,048,910
Total deductions	23,048,910	490,756	23,539,666
Net Increase in Fiduciary Net Position	-	3,812,058	3,812,058
Net Position - Beginning of year - As restated	-	14,843,948	14,843,948
Net Position - End of year	\$ -	\$ 18,656,006	\$ 18,656,006

**Component Units
Statement of Net Position**

June 30, 2021

	Downtown Development Authority	Local Development Finance Authority	Total
Assets			
Cash and cash equivalents	\$ 43,551	\$ 507,056	\$ 550,607
Due from primary government	14,797	-	14,797
Capital assets - Net	225,185	-	225,185
Total assets	283,533	507,056	790,589
Liabilities - Accounts payable			
	17,890	-	17,890
Net Position			
Net investment in capital assets	225,185	-	225,185
Unrestricted	40,458	507,056	547,514
Total net position	\$ 265,643	\$ 507,056	\$ 772,699

Component Units
Statement of Activities

Year Ended June 30, 2021

	Program Revenue				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Downtown Development Authority	Local Development Finance Authority	Total
Functions/Programs							
Downtown Development Authority	\$ 920,594	\$ -	\$ -	\$ -	\$ (920,594)	\$ -	\$ (920,594)
Local Development Finance Authority	1,368	-	-	-	-	(1,368)	(1,368)
Total	\$ 921,962	\$ -	\$ -	\$ -	(920,594)	(1,368)	(921,962)
General revenue:							
Taxes					886,000	-	886,000
Investment income					602	2,068	2,670
Other miscellaneous income					22,440	-	22,440
Total general revenue					909,042	2,068	911,110
Change in Net Position					(11,552)	700	(10,852)
Net Position - Beginning of year					277,195	506,356	783,551
Net Position - End of year					\$ 265,643	\$ 507,056	\$ 772,699

Note 1 - Significant Accounting Policies

The following is a summary of the significant accounting policies used by the City of Wixom, Michigan (the "City"):

Reporting Entity

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

Blended Component Units

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

Discretely Presented Component Units

The component unit columns in the government-wide financial statements include the financial data of the City's other component units. They are reported in separate columns to emphasize that they are legally separate from the City. The following component units are included in the reporting entity because the primary government is financially accountable and is able to impose its will on the organizations. Financial statements are not issued separately for the component units for the DDA or LDFA.

Downtown Development Authority

The Downtown Development Authority (the "Authority" or the "DDA") was created to correct and prevent deterioration in the downtown district, encourage historical preservation, and promote economic growth within the downtown district. The Authority's governing body, which consists of 11 individuals, is selected by the City Council. In addition, the Authority's development plans, and all modifications to the plans, are subject to approval by the City Council. The City maintains all accounting records for the DDA, whose primary source of funding is from tax increment financing revenue.

Local Development Finance Authority

The Local Development Finance Authority (the "LDFA") was created to improve the public infrastructure within the central business district of the City. This has included primarily the improvement or construction of roads, drains, and water and sewer transmission lines. The primary source of funding has been the capture of incremental tax revenue of the various taxing units (city, county, community college, and others); however, the LDFA is no longer capturing taxes. Even though the City is no longer capturing taxes, there are still unspent tax captures being used for current year LDFA expenses. The board is currently in the process of a comprehensive review of the LDFA's current plan. The LDFA's governing body, which consists of 11 individuals, is selected by the City Council or appointed by other governmental agencies.

Fiduciary Component Unit

The City Council governs an OPEB trust through the Municipal Employee's Retirement System of Michigan (MERS) Retiree Health Funding Vehicle (RHFV). Although legally separate from the City, it is reported as a fiduciary component unit because the City Council performs the duties related to the plan equivalent to a governing body and plan imposes a financial burden on the City.

Note 1 - Significant Accounting Policies (Continued)

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.

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.

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 include the General Fund, special revenue funds, debt service funds, and capital project funds. The City reports the following funds as major governmental funds:

- **General Fund** - 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 General Fund also includes the Budget Stabilization Fund.
- **Special Assessment Fund** - This fund was established to account for the payment of annual principal and interest on bonds for the construction and improvement of the tribute drain. These annual requirements are met from annual special assessments to specific property owners.

Note 1 - Significant Accounting Policies (Continued)

- **Special Holding Agency Fund** - This fund is used to account for the proceeds of earmarked revenue from financing activities requiring separate accounting because of legal or regulatory provisions. This fund records primarily building bonds and deposits held for temporary periods to be utilized for specific purposes.

Proprietary Funds

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

- **Water Fund** - The Water Fund accounts for the operation and maintenance of the water supply system, capital additions, and retirement of revenue bonds. Financing is provided by user charges and a dedicated debt service millage.
- **Sewer Fund** - The Sewer Fund accounts for the operation and maintenance of the sewage disposal system, capital additions and improvements, and retirement of revenue bonds. Financing is provided by user charges.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are not reported in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The City reports the following fiduciary funds:

- The Postemployment Benefit Trust Fund, which accumulates resources for future retiree health care payments to retiree
- The Tax Collection Fund, which collects taxes on behalf of various taxing authorities (State of Michigan, Oakland County, community school district, and the various smaller authorities)

Interfund Activity

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

Furthermore, certain activity occurs during the year involving transfers of resources between funds. In the 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.

Note 1 - Significant Accounting Policies (Continued)

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

Revenue is not recognized until it is collected or collected soon enough after the end of the year that it is available to pay for obligations outstanding at the end of the year. For this purpose, the City considers amounts collected within 60 days of year end to be available for recognition. The following major revenue sources meet the availability criterion: state-shared revenue, state gas and weight tax revenue, and interest associated with the current fiscal period. Conversely, special assessments and federal grant reimbursements will be collected after the period of availability; receivables have been recorded for these, along with a deferred inflow.

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. Restricted cash is earmarked for capital improvements from unspent bond proceeds.

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 \$500 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

Note 1 - Significant Accounting Policies (Continued)

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

Capital Asset Class	Depreciable Life - Years
Roads and sidewalks	15-30
Water and sewer distribution systems	50-75
Water and sewer treatment facilities	40-50
Buildings and improvements	40-50
Vehicles	3-5
Office furnishings	5-7
Other tools and equipment	3-7
Drain improvements	50
Stormwater improvements	30

The LDFA contributed capital of \$577 to the City of Wixom, Michigan during the year ended June 30, 2021. The LDFA plan has expired; however, funds on hand that were previously captured from taxes are used in accordance with LDFA board designations.

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 pension and OPEB.

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 reports deferred inflows related to pension and OPEB, as well as unavailable revenue. Unavailable revenue is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenue from three sources: special assessments, miscellaneous revenue, and capital improvements. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

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.

Note 1 - Significant Accounting Policies (Continued)

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

The City Council has adopted, by ordinance, a Budget Stabilization Fund under Michigan's Public Act 30 of 1978. The City Council may, with a two-thirds vote, set aside General Fund surplus, up to a maximum of 15 percent of the most recent General Fund budget (or average of the five most recent budgets, if less). An appropriation from the Budget Stabilization Fund, which also requires a two-thirds vote of the City Council, may only occur to correct a budget shortfall or in the case of a natural disaster. The fund balance at June 30, 2021 of the stabilization amount, which is reported in the General Fund, is \$1,333,817.

Property Tax Revenue

Property taxes are assessed as of December 31. The related property taxes become an enforceable lien on December 1 of the following year. The taxes are due on February 28, after which point they are added to the county tax rolls and penalties and interest are assessed.

Note 1 - Significant Accounting Policies (Continued)

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 2020 taxable valuation of the City totaled \$796 million (a portion of which is abated and a portion of which is captured by the LDFA and DDA). Taxes were levied as follows:

Purpose	Millage Rate	Revenue
General Fund - Operating	10.5036 \$	7,998,913
Local Road Capital Improvement Fund - Capital	1.1439	871,098
Safety Path Road Program Fund - Capital	0.2983	227,143
DDA special millage	1.3101	8,389
Total		<u>\$ 9,105,543</u>

Pension

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

Other Postemployment Benefit Costs

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

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 and compensatory time. Vacation pay is fully vested when earned, and sick pay is conditionally vested upon completion of certain number of years of service. Upon retirement, employees are paid accumulated vacation and 35 percent of unused sick days at their hourly rate as of their retirement date. A liability for these amounts is reported in governmental funds only for employee terminations or retirements as of year end. Compensated absences will be liquidated by the General Fund.

Proprietary Funds Operating Classification

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

Note 1 - Significant Accounting Policies (Continued)

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.

Adoption of New Accounting Pronouncements

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 following activities not previously reported in the financial statements now meet the definition of a fiduciary activity and are reported as such: Postemployment Benefit Trust. The following activities were previously reported as fiduciary activities but no longer meet the definition of such; therefore, these activities are now reported within the General Fund: Performance deposits and escrows, construction bonds, special assessments, site plan and engineering fees, and park easement revenue.

The effect of this new standard on fund balance in the special agency holding governmental fund and governmental activities was a restatement to increase beginning of year fund balance/net position by \$106,368. The effect of this new standard also restated fiduciary fund net position from \$0 to \$14,843,948 as of June 30, 2020.

This was also the first year GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, was applicable to the City's financial statements. This was a result of the Postemployment Health Benefits Trust Fund now being reported as a fiduciary fund under GASB Statement 84. As a result, some of the disclosures within the OPEB plan footnotes have changed, along with the related schedules in the required supplemental information.

Upcoming Accounting Pronouncements

In June 2017, the Governmental Accounting Standards Board 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 ending 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 were originally effective for the City's financial statements for the year ending 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*.

June 30, 2021

Note 2 - Stewardship, Compliance, and Accountability

Construction Code Fees

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

Cumulative shortfall at July 1, 2020	\$ (817,392)
Current year permit revenue	1,451,550
Less related direct costs	<u>1,059,503</u>
Current year surplus	<u>392,047</u>
Cumulative shortfall June 30, 2021	<u><u>\$ (425,345)</u></u>

Note 3 - Deposits and Investments

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

The City has designated two 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 for custodial credit risk. At year end, the City had \$6,735,375 of bank deposits (certificates of deposit and checking and savings accounts), of which \$5,485,375 was uninsured and uncollateralized. The City believes that, due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits. As a result, the City evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

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.

June 30, 2021

Note 3 - Deposits and Investments (Continued)

At year end, the City had average maturities of investments as follows:

Investment	Fair Value	Weighted-average Maturity (Days)
Primary Government		
U.S. government agency securities	\$ 3,091,959	965
Local government investment pool	4,014,229	438
FHLMC mortgage	3,828	154
Municipal bonds	3,896,967	798
Total	<u>\$ 11,006,983</u>	

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			
Local government investment pool	\$ 4,014,229	NR	N/A
U.S. government agency	2,682,677	AA+	S&P
U.S. government agency	409,282	NR	N/A
FHLMC mortgage	3,828	AA+	S&P
Municipal bond	2,492,050	AA	S&P
Municipal bond	327,901	AA+	S&P
Municipal bond	1,077,016	NR	N/A
Total	<u>\$ 11,006,983</u>		

Concentration of Credit Risk

The City places no limit on the amount it may invest in any one issuer. More than 5 percent of the City's investments are in the Oakland County Local Government Investment Pool (the "LGIP") at 32 percent. The LGIP is not registered with the SEC and does not issue a separate report. The LGIP is managed as a 2(a)(7) fund with its net asset value maintained at \$1. The fair value of the position in the pool is the same as the value of the pool shares.

Pooled Investments that Are 2a7-like

At year end, the City had investments in a government investment fund that is operated in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. The fund is fully liquid for withdrawal at any time, and the price per share does not fluctuate with interest earned according to the amount and duration of the investment.

At June 30, 2021, the City had \$18,955,684 in such a fund at Comerica Bank (J Fund, which has an A1/P1/F1 rating). The Comerica J Fund is recorded at amortized cost. There is no limitation or restriction on participant withdrawals for the Comerica J Fund investment pool.

June 30, 2021

Note 3 - Deposits and Investments (Continued)

Fair Value Measurements

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

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

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

	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
Debt securities:				
Residential mortgage-backed securities	\$ 3,828	\$ -	\$ -	\$ 3,828
Agency bonds	3,091,959	-	-	3,091,959
Municipal bonds	-	3,896,967	-	3,896,967
	<u>3,095,787</u>	<u>3,896,967</u>	<u>-</u>	<u>6,992,754</u>
Total investments by fair value level	<u>\$ 3,095,787</u>	<u>\$ 3,896,967</u>	<u>\$ -</u>	<u>\$ 6,992,754</u>

Residential mortgage-backed securities and agency securities classified in Level 1 are valued using prices quoted in active markets for those securities.

The fair value of municipal bonds at June 30, 2021 was determined primarily based on Level 2 inputs. The City estimates the fair value of these investments using other inputs, such as interest rates and yield curves, that are observable at commonly quoted intervals. There are no limitations or restrictions on participant withdrawals for the investment pools that are recorded at amortized cost.

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

Investments in Entities that Calculate Net Asset Value per Share

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

The Other Postemployment Benefit Trust Fund holds shares or interests in an investment pool 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.

June 30, 2021

Note 3 - Deposits and Investments (Continued)

At June 30, 2021, the fair value, unfunded commitments, and redemption rules of those investments are as follows:

	Fair Value	Unfunded Commitments	Redemption Frequency, if Eligible	Redemption Notice Period
Oakland County Local Government Investment Pool	\$ 4,014,229	\$ -	No restrictions	None
MERS Total Market fund	19,051,192	-	N/A	N/A

The Oakland County Local Government Investment Pool is not registered with the SEC and does not issue a separate report. The pool does not meet the requirements under GASB 79 to report its value for financial reporting purposes at amortized costs. Accordingly, the investment is reported at fair value. The fair value of the position in the pool is not the same as the value of the pool shares because the pool redeems shares at \$1 per share regardless of current fair value.

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

Note 4 - Capital Assets

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

Governmental Activities

	Balance July 1, 2020	Additions	Disposals and Adjustments	Balance June 30, 2021
Capital assets not being depreciated - Land	\$ 4,707,374	\$ -	\$ -	\$ 4,707,374
Capital assets being depreciated:				
Roads and sidewalks	72,847,218	945,674	-	73,792,892
Buildings, drains, and improvements	24,903,328	172,978	(17,319)	25,058,987
Machinery and equipment	4,503,343	217,428	(48,118)	4,672,653
Vehicles	5,917,288	225,405	(147,843)	5,994,850
Furniture and fixtures	1,165,363	137,475	(10,342)	1,292,496
Subtotal	109,336,540	1,698,960	(223,622)	110,811,878
Accumulated depreciation:				
Roads and sidewalks	55,983,911	2,161,165	-	58,145,076
Buildings, drains, and improvements	11,581,159	710,760	(6,598)	12,285,321
Machinery and equipment	3,531,522	252,062	(45,611)	3,737,973
Furniture and fixtures	875,739	45,474	(10,342)	910,871
Vehicles	3,888,950	430,916	(157,983)	4,161,883
Subtotal	75,861,281	3,600,377	(220,534)	79,241,124
Net capital assets being depreciated	33,475,259	(1,901,417)	(3,088)	31,570,754
Net capital assets	\$ 38,182,633	\$ (1,901,417)	\$ (3,088)	\$ 36,278,128

June 30, 2021

Note 4 - Capital Assets (Continued)

Governmental Activities (Continued)

During the year ended June 30, 2021, the LDFA contributed capital in the amount of \$577 to the primary government.

Business-type Activities

	Balance July 1, 2020	Additions	Disposals and Adjustments	Balance June 30, 2021
Capital assets being depreciated:				
Water and sewer lines	\$ 65,093,710	\$ 1,895,906	\$ -	\$ 66,989,616
Buildings and improvements	22,614,585	-	-	22,614,585
Machinery and equipment	1,670,169	-	-	1,670,169
Office furnishings	68,670	-	-	68,670
Information technology	62,693	12,063	-	74,756
Subtotal	89,509,827	1,907,969	-	91,417,796
Accumulated depreciation:				
Water and sewer lines	20,510,959	1,516,233	-	22,027,192
Buildings and improvements	12,844,792	529,076	-	13,373,868
Machinery and equipment	1,608,521	13,728	-	1,622,249
Office furnishings	68,670	-	-	68,670
Information technology	61,182	-	-	61,182
Subtotal	35,094,124	2,059,037	-	37,153,161
Net capital assets	\$ 54,415,703	\$ (151,068)	\$ -	\$ 54,264,635

Component Unit - Downtown Development Authority

	Balance July 1, 2020	Additions	Disposals and Adjustments	Balance June 30, 2021
Capital assets not being depreciated - Land	\$ 154,296	\$ -	\$ -	\$ 154,296
Capital assets being depreciated:				
Building, drains, and improvements	499,892	-	-	499,892
Other tools and equipment	60,913	-	-	60,913
Subtotal	560,805	-	-	560,805
Accumulated depreciation:				
Building, drains, and improvements	421,664	7,338	-	429,002
Other tools and equipment	60,914	-	-	60,914
Subtotal	482,578	7,338	-	489,916
Net capital assets being depreciated	78,227	(7,338)	-	70,889
Net capital assets	\$ 232,523	\$ (7,338)	\$ -	\$ 225,185

June 30, 2021

Note 4 - Capital Assets (Continued)

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

Governmental activities:		
General government		\$ 384,211
Public safety		402,408
Public works		2,327,876
Economic development		139,357
Recreation and culture		125,993
		<u>3,379,845</u>
Total governmental activities		<u>\$ 3,379,845</u>
Business-type activities:		
Water		\$ 822,982
Sewer		1,236,055
		<u>2,059,037</u>
Total business-type activities		<u>\$ 2,059,037</u>

Note 5 - Interfund Receivables, Payables, and Transfers

The composition of interfund balances is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Special Assessment Fund	\$ 5,914
	Sewer Fund	933,083
	Nonmajor funds	148,239
	General Fund	1,087,236
Special Agency Holding Fund	General Fund	690,372
Nonmajor funds	General Fund	187,211
Water Fund	General Fund	990,529
	Total	<u>\$ 2,955,348</u>

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

Receivable	Payable	Amount
Downtown Development Authority	General Fund	\$ 14,797

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

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

Paying Fund (Transfer Out)	Receiving Fund (Transfer In)	Amount
General Fund	Capital Improvement Fund	<u>\$ 992,547</u>

The General Fund transfer represents the movement of unrestricted resources into the funds where they will be spent.

June 30, 2021

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. Revenue bonds involve a pledge of specific income derived from the acquired or constructed assets to pay debt service. The Special Assessment Tribute Drain Bonds are issued by Oakland County, Michigan.

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
Bonds and contracts payable:							
Other debt:							
DDA/VCA refunding bonds 2015	4.00%	\$300,000 - \$450,000	\$ 2,770,000	\$ -	\$ (340,000)	\$ 2,430,000	\$ 355,000
Bond premiums			230,482	-	(46,097)	184,385	46,097
General obligation pension bonds	2.55% - 4.15%	\$235,000 - \$1,375,000	14,855,000	-	(350,000)	14,505,000	465,000
General obligation health care bonds	2.55% - 4.13%	\$200,000 - \$485,000	5,965,000	-	(285,000)	5,680,000	295,000
Total other debt			23,820,482	-	(1,021,097)	22,799,385	1,161,097
Direct borrowings and direct placements:							
Contractual obligation with Oakland County, Michigan - Special assessment bonds	4.00% - 4.40%	\$150,000 - \$200,000	930,000	-	(175,000)	755,000	175,000
Total bonds and contracts payable			24,750,482	-	(1,196,097)	23,554,385	1,336,097
Accumulated compensated absences			905,094	401,645	(283,936)	1,022,803	145,757
Total governmental activities long-term debt			<u>\$ 25,655,576</u>	<u>\$ 401,645</u>	<u>\$ (1,480,033)</u>	<u>\$ 24,577,188</u>	<u>\$ 1,481,854</u>

Business-type Activities

	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Bonds and contracts payable - Direct borrowings and direct placements:							
General obligation wastewater bonds	3.00%	\$205,000 - \$350,000	\$ 5,150,000	\$ -	\$ (205,000)	\$ 4,945,000	\$ 210,000
Bond premiums			239,005	-	(12,579)	226,426	12,579
Total business-type activities long-term debt			<u>\$ 5,389,005</u>	<u>\$ -</u>	<u>\$ (217,579)</u>	<u>\$ 5,171,426</u>	<u>\$ 222,579</u>

Note 6 - Long-term Debt (Continued)

Other Long-term Liabilities

Compensated absences attributable to the governmental activities will be liquidated primarily by the resources of the General Fund. That fund will finance the payment of those claims by charging the other funds based on management's assessment of the relative insurance risk that should be assumed by individual funds.

Debt Service Requirements to Maturity

Total interest expense for the year was approximately \$1,089,000. Annual debt service requirements to maturity for the above bonds and note obligations are as follows:

Years Ending June 30	Governmental Activities				
	Direct Borrowings and Direct Placements		Other Debt		Total
	Principal	Interest	Principal	Interest	
2022	\$ 175,000	\$ 32,590	\$ 1,161,097	\$ 864,518	\$ 2,233,205
2023	180,000	25,240	1,211,097	827,518	2,243,855
2024	200,000	17,500	1,356,097	787,591	2,361,188
2025	200,000	8,800	1,401,094	742,016	2,351,910
2026	-	-	1,505,000	693,926	2,198,926
2027-2031	-	-	7,510,000	2,644,830	10,154,830
Thereafter	-	-	8,655,000	1,168,050	9,823,050
Total	\$ 755,000	\$ 84,130	\$ 22,799,385	\$ 7,728,449	\$ 31,366,964

Years Ending June 30	Business-type Activities				
	Direct Borrowings and Direct Placements		Other Debt		Total
	Principal	Interest	Principal	Interest	
2022	\$ -	\$ -	\$ 222,579	\$ 148,350	\$ 370,929
2023	-	-	227,579	142,050	369,629
2024	-	-	237,579	135,600	373,179
2025	-	-	242,579	128,850	371,429
2026	-	-	252,579	121,950	374,529
2027-2031	-	-	1,362,896	498,150	1,861,046
Thereafter	-	-	2,625,635	352,950	2,978,585
Total	\$ -	\$ -	\$ 5,171,426	\$ 1,527,900	\$ 6,699,326

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 employee health benefits claims. The City participates in the Michigan Municipal Risk Management Authority risk pool for claims relating to property loss, torts, and errors and omissions and participates in the Michigan Municipal League (risk pool) for claims relating to workers' compensation. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

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

Note 7 - Risk Management (Continued)

The Michigan Municipal Risk Management Authority's State Pool program (the "Risk Authority") operates as a common risk-sharing management program for local units of government in Michigan. Member premiums are used to purchase excess insurance coverage and to pay member claims in excess of deductible amounts. A portion of the excess insurance coverage is underwritten by the Risk Authority itself.

Note 8 - Regional Authority Cooperative Ventures

The City is a member of the Western Oakland County Cable Communication Authority (the "Cable Authority"), a cooperative venture of western Oakland County, Michigan communities. The City appoints one member to the Cable Authority's governing board, which then approves the annual budget. The Cable Authority receives a management fee from the cable television company and currently does not receive a subsidy from the City. Complete financial statements for the Cable Authority can be obtained from the administrative offices at 3978 Chanda Court, Highland, MI 48031.

The City is also a member of the Resource Recovery and Recycling Authority of Southwest Oakland County (the "Recycling Authority"). The Recycling Authority is incorporated by the cities of Farmington, Farmington Hills, Novi, South Lyon, Southfield, Walled Lake, and Wixom, Michigan and the Charter City of Lyon, Michigan. The City appoints one member to the Recycling Authority's governing board, which then approves the annual budget.

The Recycling Authority receives its operating revenue from member contributions and miscellaneous income. During the year, the City contributed approximately \$17,500 for its operations. Complete financial statements for the Recycling Authority can be obtained from the administrative offices at 2000 West Eight Mile, Southfield, MI 48375.

For both the Western Oakland County Cable Communication Authority and the Resource Recovery and Recycling Authority of Southwest Oakland County, the City is unaware of any circumstances that would cause an additional benefit or burden to the participating governments in the near future.

Note 9 - Pension Plan

Plan Description

The City of Wixom, Michigan participates as one of two cost-sharing employers within an agent multiple-employer defined benefit pension plan administered by the Municipal Employees' Retirement System of Michigan (MERS), which covers substantially all employees of the City. MERS was established as a statewide public employee pension plan by the Michigan Legislature under PA 135 of 1945 and is administered by a nine-member retirement board. MERS issues a publicly available financial report, which includes the financial statements and required supplemental information of this defined benefit plan. This report can be obtained at www.mersofmich.com or in writing to MERS at 1134 Municipal Way, Lansing, MI 48917. The City has allowed the Wixom Public Library, a separate governmental entity, to also participate in the same plan (thus, the cost-sharing nature of this plan). The plan was closed to new employees on the following dates: June 30, 2006 for nonunion employees; August 12, 2014 for Department of Public Works Union employees; December 17, 2013 for Police Officers Union employees; June 10, 2013 for Clerical Union employees; and June 19, 2014 for Police Sergeant Union employees.

Benefits Provided

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

Note 9 - Pension Plan (Continued)

Retirement benefits are calculated as 2.5 percent of the employee's final 3-year average salary times the employee's years of service, up to a maximum of 80 percent. Normal retirement age is 60, with early retirement at 50 with 25 years of service. The vesting period is 10 years. Employees are eligible for nonduty disability benefits after 10 years of service and for duty-related disability benefits upon hire. Disability retirement benefits are determined in the same manner as retirement benefits but are payable immediately without an actuarial reduction. Death benefits are always the larger of the benefit computed as a contingent survivor beneficiary or 85 percent of accrued retirement allowance benefit. An employee who leaves service may withdraw his or her contributions, plus any accumulated interest.

Benefit terms provide for annual cost of living adjustments to each employee's retirement allowance subsequent to the employee's retirement date. The annual adjustments are 2.5 percent, noncompounding.

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

Employees Covered by Benefit Terms

At the December 31, 2020 measurement date, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	63
Inactive plan members entitled to but not yet receiving benefits	18
Active plan members	19
Total employees covered by MERS	100

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, MERS retains an independent actuary to determine the annual contribution. The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by the MERS retirement board. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. The employer may establish contribution rates to be paid by its covered employees.

For the year ended June 30, 2021, the average active employee contribution rate ranged from 2.0 percent to 6.26 percent of annual pay, and the City's flat-rate contribution rate was \$24,828 per month of covered payroll.

Net Pension Liability

The net pension liability reported at June 30, 2021 was determined using a measure of the total pension liability and the pension net position as of December 31, 2020. The December 31, 2020 total pension liability was determined by an actuarial valuation performed as of that date.

Note 9 - Pension Plan (Continued)

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

Changes in Net Pension Liability	Increase (Decrease)		
	Total Pension Liability	Plan Net Position	Net Pension Liability
Balance at January 1, 2020	\$ 39,201,594	\$ 37,920,668	\$ 1,280,926
Changes for the year:			
Service cost	237,212	-	237,212
Interest	2,901,248	-	2,901,248
Differences between expected and actual experience	(195,544)	-	(195,544)
Changes in assumptions	1,398,574	-	1,398,574
Contributions - Employer	-	257,010	(257,010)
Contributions - Employee	-	63,370	(63,370)
Net investment income	-	5,156,431	(5,156,431)
Benefit payments, including refunds	(2,291,765)	(2,291,765)	-
Administrative expenses	-	(75,106)	75,106
Net changes	2,049,725	3,109,940	(1,060,215)
Balance at December 31, 2020	\$ 41,251,319	\$ 41,030,608	\$ 220,711

The plan's fiduciary net position represents 99.46 percent of the total pension liability.

At June 30, 2021, the City reported a liability of \$214,024 for its proportionate share of the net pension liability that is allocated along with the Wixom Public Library.

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

For the year ended June 30, 2021, the plan recognized pension expense of \$1,159,010. All pension costs are recognized in the governmental activities, and none are allocated to the business-type activities. This is because no employees have been specifically allocated to the enterprise funds; all DPW employees are charged to the General Fund, which provides services on behalf of the Major Road Capital Improvement, Local Road Capital Improvement, Water, and Sewer funds. The General Fund charges an administrative charge intended to cover some of the DPW costs.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ -	\$ (1,654,919)
Employer contributions to the plan subsequent to the measurement date	145,713	-
Total	\$ 145,713	\$ (1,654,919)

At June 30, 2021, the City reported deferred outflows of \$698,702 and \$1,600,408 of deferred inflows for its proportionate share of deferred outflows that is allocated along with the Wixom Public Library.

Note 9 - Pension Plan (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	Amount
2022	\$ (274,499)
2023	(82,669)
2024	(827,306)
2025	(470,445)
Total	<u>\$ (1,654,919)</u>

Actuarial Assumptions

The total pension liability in the December 31, 2020 actuarial valuation was determined using an inflation assumption of 2.50 percent, assumed salary increases (including inflation) of 3.00 percent, an investment rate of return (gross of investment expenses) of 7.6 percent, and the Pub-2010 mortality tables. The economic assumptions (i.e., investment rate of return, inflation assumption) were applied to all periods included in the measurement, while the demographic assumptions (i.e., mortality tables) have been updated for the end of the measurement period. The RP-2014 Mortality tables had been used to calculate the pension liability as of December 31, 2019. All assumptions used are based on an experience study conducted for the period from 2013-2018.

Discount Rate

The discount rate used to measure the total pension liability was 7.60 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that city contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate.

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

Investment Rate of Return

The long-term expected rate of return on pension plan investments was determined using a model 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. The target allocation and best estimates of arithmetic real rates of return as of December 31, 2020, the measurement date, for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Global equity	60.00 %	5.25 %
Global fixed income	20.00	1.25
Real assets	20.00	7.25

Note 9 - Pension Plan (Continued)

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

The following presents the net pension liability of the City, calculated using the discount rate of 7.60 percent, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.60 percent) or 1 percentage point higher (8.60 percent) than the current rate:

	1 Percentage Point Decrease (6.60%)	Current Discount Rate (7.60%)	1 Percentage Point Increase (8.60%)
Net pension liability (asset) of the City	\$ 5,264,289	\$ 214,024	\$ (3,973,028)

Pension Plan Fiduciary Net Position

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

Note 10 - Other Postemployment Benefit Plan

Plan Description

The City provides retiree health care benefits to eligible employees, spouses, and dependents. Currently, the plan has 55 members (including city and library employees in active service, terminated employees not yet receiving benefits, and retired employees and beneficiaries currently receiving benefits). This is a cost-sharing multiple-employer plan, with two employers - the City and the Wixom Public Library. The benefits are provided under collective bargaining agreements or executive directives approved by the City Council. The plan does not issue separate stand-alone financial statements. Administrative costs are paid by the plan through employer contributions. The City has allowed the Wixom Public Library, a separate governmental entity, to also participate in this plan. The plan was closed to new employees on the following dates; June 30, 2006 for nonunion employees; August 12, 2014 for Department of Public Works Union employees; December 17, 2013 for Police Officers Union employees; June 10, 2013 for Clerical Union employees; and June 19, 2014 for Police Sergeant Union employees.

Benefits Provided

The OPEB plan provides health care benefits for retirees and their dependents. Benefits are provided through a third-party insurer, and 90 percent of the cost of the benefits is covered by the plan.

Employees Covered by Benefit Terms

The following members were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	32
Inactive plan members entitled to but not yet receiving benefits	4
Active plan members	19
	<hr/>
Total plan members	55

Note 10 - Other Postemployment Benefit Plan (Continued)

Contributions

The collective bargaining agreements require a contribution of 1 percent of payroll from employees. Retiree health care costs are recognized when paid by the City on a pay-as-you-go basis. The City has no obligation to make contributions in advance of when the insurance premiums are due for payment (in other words, this may be financed on a pay-as-you-go basis). However, as shown in the required supplemental information, the City has made contributions to advance-fund these benefits, as determined by the City Council through annual budget resolutions.

Net OPEB Asset

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

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

Changes in Net OPEB Asset	Increase (Decrease)		
	Total OPEB Liability	Plan Net Position	Net OPEB Asset
Balance at July 1, 2020	\$ 12,315,640	\$ 14,843,948	\$ (2,528,308)
Changes for the year:			
Service cost	77,078	-	77,078
Interest	843,606	-	843,606
Differences between expected and actual experience	(2,595,365)	-	(2,595,365)
Changes in assumptions	1,081,965	-	1,081,965
Contributions - Employer	-	213,171	(213,171)
Contributions - Employee	-	15,125	(15,125)
Net investment income	-	4,190,026	(4,190,026)
Benefit payments, including refunds	(605,338)	(605,338)	-
Miscellaneous other charges	-	(926)	926
Net changes	(1,198,054)	3,812,058	(5,010,112)
Balance at June 30, 2021	\$ 11,117,586	\$ 18,656,006	\$ (7,538,420)

The plan's fiduciary net position represents 167.81 percent of the total OPEB liability.

At June 30, 2021, the City reported an asset of \$7,424,418 for its proportionate share of the net OPEB asset that is allocated along with the Wixom Public Library.

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

For the year ended June 30, 2021, the plan recognized OPEB recovery of \$(1,894,349).

June 30, 2021

Note 10 - Other Postemployment Benefit Plan (Continued)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 52,863	\$ 1,661,721
Changes in assumptions	657,665	13,138
Net difference between projected and actual earnings on OPEB plan investments	-	1,925,019
Total	<u>\$ 710,528</u>	<u>\$ 3,599,878</u>

At June 30, 2021, the City reported deferred outflows of \$698,702 and deferred inflows of \$3,539,738 for its proportionate share of deferred outflows and deferred inflows that is allocated along with the Wixom Public Library.

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	Amount
2022	\$ (1,045,260)
2023	(719,132)
2024	(492,124)
2025	(632,834)
Total	<u>\$ (2,889,350)</u>

Actuarial Assumptions

The total OPEB liability in the June 30, 2020 actuarial valuation was determined using an inflation assumption of 2.5 percent; assumed salary increases (including inflation) of 3 percent; an investment rate of return (net of investment expenses) of 7 percent; and a health care cost trend rate of 8.25 percent for 2020, decreasing every year to an ultimate rate of 3.50 percent in year 10. Mortality rates were based on a version of the RP-2014 mortality tables. These assumptions were applied to all periods included in the measurement date.

Assumption changes made to the June 30, 2021 total OPEB liability, include new mortality rates based on a version of the Pub-2010 tables with generational mortality improvement using scale MP-2019 and a health care initial trend rate of 7.5 percent decreasing to a 3.5 percent long term in year 12.

Discount Rate

The discount rate used to measure the total OPEB liability was 7 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that city contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate.

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

Note 10 - Other Postemployment Benefit Plan (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 the OPEB plan's target asset allocation, as disclosed in the investment footnote, are summarized in the following table:

Asset Class	Long-term Expected Real Rate of Return
Global equity	5.25 %
Global fixed income	1.25
Private investments	7.25

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

The following presents the net OPEB asset of the plan, calculated using the discount rate of 7 percent, as well as what the City's net OPEB asset 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 (6.0%)	Current Discount Rate (7.0%)	1 Percentage Point Increase (8.0%)
Net OPEB asset of the plan	\$ 6,111,010	\$ 7,538,420	\$ 8,717,745

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

The following presents the net OPEB asset of the plan, calculated using the health care cost trend rate of 7.5 percent, as well as what the City's net OPEB asset 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 (6.5%)	Current Health Care Cost Trend Rate (7.5%)	1 Percentage Point Increase (8.5%)
Net OPEB asset of the plan	\$ 8,852,754	\$ 7,538,420	\$ 5,945,757

Note 10 - Other Postemployment Benefit Plan (Continued)

Investment Policy

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

OPEB Plan

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

Rate of Return

For the year ended June 30, 2021, the annual money-weighted rate of return on OPEB plan investments, net of OPEB plan investment expense, was 28.12 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Note 11 - Other Postemployment Benefits - MERS Health Care Plan

Plan Description

The City provides funding of retiree health care benefits to eligible employees and their dependents through the Municipal Employees' Retirement System Health Funding Vehicle. Nonunion employees hired after June 30, 2006; Department of Public Works Union employees hired after August 12, 2014; Police Officers Union employees hired after December 17, 2013; Police Sergeant Union employees hired after June 19, 2014; and Clerical Union employees hired after June 10, 2013 are eligible to use the balances of their accounts to fund medical insurance premiums and expenses upon retirement. Benefits depend solely on the amount contributed to the plan, plus investment earnings. Employees contribute 1 percent, and the City contributes 3 percent of gross wages. Employee contributions are immediately vested. Earnings and the employer match are fully vested after seven years of service.

During the year ended June 30, 2021, the City made contributions of \$84,835, and plan members contributed \$36,121 to the plan.

Note 12 - Defined Contribution Pension Plan

The City provides benefits to recently hired employees who are not eligible for the defined benefit plans through a defined contribution plan. Nonunion employees hired after June 30, 2006; Department of Public Works Union employees hired after August 12, 2014; Police Officers Union employees hired after December 17, 2013; Police Sergeant Union employees hired after June 19, 2014; and Clerical Union employees hired after June 10, 2013 are eligible to participate in the plan, which is administered by the Municipal Employees' Retirement System. Benefits depend solely on amounts contributed to the plan, plus investment earnings. Employees are eligible to participate from the date of hire. As established by various collective bargaining agreements, the employees are permitted to contribute up to 2 percent of their earnings. The City contributes 11 percent of employee earnings. Employee contributions are immediately vested. Employer match contributions are fully vested after seven years of service.

In accordance with these provisions, the City contributed \$249,719, and employees contributed \$45,511 for the year ended June 30, 2021.

Note 13 - Deferred Compensation Plan

The City offers an employee-only contributing deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all permanent city employees, permits each employee to defer a portion of his or her salary until future years. The deferred compensation is not available for distribution to employees until termination, retirement, death, or unforeseeable emergency.

All amounts of compensation deferred under the plan with VALIC or MERS; all property and rights purchased with those amounts; and all income attributable to those amounts, property, or rights are held in trust for the exclusive benefit of the plan participants and their beneficiaries. The assets shall not be diverted for any other purpose. All provisions of the plan and trust are in conformance with Internal Revenue Code Section 457.

The plan's funds are excluded from the financial statements in conformance with the reporting and disclosure requirements in GASB Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*.

Note 14 - Brownfield Redevelopment Authority

The Brownfield Redevelopment Authority was established pursuant to Public Act 381 of 1996 and is governed by the Oakland County Brownfield Redevelopment Authority. Upon completion of its purpose, the authority may be dissolved by resolution of the City Council. The City collects property tax revenue and remits it to the Oakland County Brownfield Redevelopment Authority. The Oakland County Brownfield Redevelopment Authority is responsible for the disbursement and accounting for all moneys received. The City collected and remitted \$20,358 in captured revenue for the Brownfield Redevelopment Authority during fiscal year 2021.

Note 15 - Tax Abatements

The City uses the industrial facilities tax exemption (PA 198 of 1974) to enter into agreements with local businesses to construct new industrial facilities or rehabilitate historical facilities. Under the program, the City grants reductions of 50 percent of the property tax bill for new property (or it can freeze taxable values for 10 years for commercial rehabilitation district) for up to 12 years.

For the fiscal year ended June 30, 2021, the City abated \$64,441 of taxes under this program. There is a job shortfall provision to recapture a portion of taxes if the certificate holder fails to maintain the additional full-time jobs stated in the letter of agreement. In addition, if the taxpayer moves the facility operation outside of the City during the period of exemption, the certificate holder is liable for an additional percentage of taxes depending on the number of years the certificate holder had remained in the City. The abatement may be eliminated if taxes are not paid timely.

Additionally, the Brownfield Redevelopment Authority, which is governed by Oakland County, Michigan (see Note 14), uses brownfield redevelopment agreements under PA 381 of 1996 to reimburse taxpayers that remediate environmental contamination on their properties. As a result of these agreements, the brownfield's tax revenue is reduced. For the fiscal year ended June 30, 2021, the authority abated \$5,875 of taxes under this program. There are no provisions to recapture taxes.

City management has represented that there are no significant abatements made by other governments that reduce the City's tax revenue.

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				
Taxes	\$ 8,353,280	\$ 8,383,363	\$ 8,392,771	\$ 9,408
Intergovernmental:				
Federal grants	500	659,805	654,784	(5,021)
State sources	1,264,278	1,718,690	1,817,595	98,905
Charges for services	687,695	1,736,000	1,704,988	(31,012)
Fines and forfeitures	37,000	51,000	59,751	8,751
Licenses and permits	55,000	55,000	43,771	(11,229)
Interest and rentals	360,472	290,972	291,454	482
Other revenue	690,572	698,553	732,733	34,180
Total revenue	11,448,797	13,593,383	13,697,847	104,464
Expenditures				
Current services:				
General government:				
Legislative	16,526	16,731	12,322	4,409
City manager	372,156	379,375	312,135	67,240
Financial administration	360,710	381,556	375,409	6,147
Information systems	138,118	138,118	118,336	19,782
Assessing	247,647	272,647	136,566	136,081
Board of review	2,546	2,546	749	1,797
Clerk	231,781	252,997	245,747	7,250
Buildings and grounds	90,800	98,194	46,354	51,840
Legal counsel and assistance	74,000	84,515	83,153	1,362
General operating	658,645	508,871	430,249	78,622
Public safety:				
Police/Sheriff	3,304,359	3,414,799	3,151,698	263,101
Fire	1,214,780	1,296,137	1,120,185	175,952
Building inspections and related	430,215	1,195,989	964,530	231,459
Public works	801,015	820,046	685,723	134,323
Community and economic development - Planning, zoning, and related	113,650	113,650	97,381	16,269
Recreation and culture:				
Parks and recreation	449,159	456,059	288,310	167,749
Cultural center	304,359	312,809	242,311	70,498
Senior citizen committee	60,067	68,067	22,115	45,952
Debt service	1,410,098	1,420,098	1,420,099	(1)
Total expenditures	10,280,631	11,233,204	9,753,372	1,479,832
Excess of Revenue Over Expenditures	1,168,166	2,360,179	3,944,475	1,584,296
Other Financing (Uses) Sources				
Transfers out	(980,000)	(992,547)	(992,547)	-
Sale of capital assets	12,000	56,000	62,791	6,791
Total other financing uses	(968,000)	(936,547)	(929,756)	6,791
Net Change in Fund Balance	200,166	1,423,632	3,014,719	1,591,087
Fund Balance - Beginning of year	3,508,139	3,508,139	3,508,139	-
Fund Balance - End of year	\$ 3,708,305	\$ 4,931,771	\$ 6,522,858	\$ 1,591,087

Required Supplemental Information
 Budgetary Comparison Schedule - Major Special Revenue Funds
 Special Holding Agency Fund

Year Ended June 30, 2021

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Intergovernmental	\$ 3,046	\$ 3,046	\$ 2,175	\$ (871)
Charges for services	205,500	675,500	358,150	(317,350)
Interest and rentals	12,000	12,000	2,309	(9,691)
Other revenue	150	150	-	(150)
Total revenue	220,696	690,696	362,634	(328,062)
Expenditures				
Current services:				
Public safety	3,196	4,696	5,517	(821)
Community and economic development	203,000	368,000	403,150	(35,150)
Total expenditures	206,196	372,696	408,667	(35,971)
Excess of Revenue Over (Under)				
Expenditures	14,500	318,000	(46,033)	(364,033)
Net Change in Fund Balance	14,500	318,000	(46,033)	(364,033)
Fund Balance - Beginning of year - As restated	803,718	803,718	910,086	106,368
Fund Balance - End of year	\$ 818,218	\$ 1,121,718	\$ 864,053	\$ (257,665)

Required Supplemental Information
 Schedule of the City's Proportionate Share of the Net Pension Liability
 Cost Sharing Plan

	Last Seven Fiscal Years Plan Years Ended June 30						
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
City's proportion of the net pension liability	96.97000 %	98.92473 %	98.93617 %	96.17633 %	96.69933 %	98.94750 %	98.94737 %
City's proportionate share of the net pension liability	\$ 214,024	\$ 1,267,153	\$ 2,960,159	\$ 13,884,065	\$ 14,974,219	\$ 15,257,723	\$ 11,516,991
City's covered payroll	\$ 1,552,123	\$ 1,489,420	\$ 1,802,784	\$ 1,975,451	\$ 2,061,173	\$ 2,185,701	\$ 2,394,251
City's proportionate share of the net pension liability as a percentage of its covered payroll	13.79 %	85.08 %	164.20 %	702.83 %	726.49 %	698.39 %	481.03 %
Plan fiduciary net position as a percentage of total pension liability	99.46 %	96.73 %	91.74 %	58.62 %	54.23 %	52.35 %	60.36 %

Required Supplemental Information
Schedule of Pension Contributions
Cost Sharing Plan

Last Ten Plan Years
Years Ended June 30

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Contractually required contribution	\$ 257,010	\$ 221,969	\$ 1,568,052	\$ 1,269,089	\$ 1,039,531	\$ 962,726	\$ 833,137	\$ 783,319	\$ 772,277	\$ 784,321
Contributions in relation to the contractually required contribution	257,010	2,422,726	16,281,743	1,269,089	1,039,531	962,726	833,137	783,319	772,277	784,321
Contribution Excess	\$ -	\$ 2,200,757	\$ 14,713,691	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's Covered Payroll	\$ 1,552,123	\$ 1,489,420	\$ 1,802,784	\$ 1,975,451	\$ 2,061,173	\$ 2,185,701	\$ 2,394,251	\$ 2,410,014	\$ 2,818,735	\$ 3,239,998
Contributions as a Percentage of Covered Payroll	16.56 %	162.66 %	903.14 %	64.24 %	50.43 %	44.05 %	34.80 %	32.50 %	27.40 %	24.21 %

Notes to Schedule of Pension Contributions

Actuarial valuation information relative to the determination of contributions:

Valuation date December 31, 2019 (contribution rates are calculated as of December 31, 18 months prior to the start of the fiscal year in which the contributions are required)

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, open
Remaining amortization period	21 years
Asset valuation method	5-year smoothed market
Inflation	2.5 percent
Salary increase	3.00 percent average, including inflation
Investment rate of return	7.75 percent
Retirement age	Experience-based tables of rates that are specific to the type of eligibility condition
Mortality	50 percent male - 50 percent female blend of the 2014 Group Annuity Mortality Table
Other information	None

Required Supplemental Information
 Schedule of the City's Proportionate Share of the Net OPEB Asset
 Cost Sharing Plan

	Last Three Plan Years		
	Plan Years Ended June 30		
	<u>2020</u>	<u>2019</u>	<u>2018</u>
City's proportion of the net OPEB asset	98.33000 %	97.74080 %	97.27054 %
City's proportionate share of the net OPEB asset	\$ (7,424,418)	\$ (2,471,188)	\$ (2,933,290)
City's covered-employee payroll	\$ 1,512,455	\$ 1,621,591	\$ 1,858,200
City's proportionate share of the net OPEB asset as a percentage of its covered-employee payroll	(490.89)%	(152.39)%	(157.86)%
Plan fiduciary net position as a percentage of total OPEB asset	167.00 %	120.53 %	125.34 %

City of Wixom, Michigan

Required Supplemental Information Schedule of OPEB Contributions Cost Sharing Plan

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Contractually required contribution	\$ -	\$ -	\$ 702,395	\$ 722,604	\$ 563,990	\$ 569,089	\$ 537,268	\$ 651,658	\$ 651,658	\$ 651,658
Contributions in relation to the contractually required contribution	213,171	187,524	6,635,633	829,505	792,941	925,989	1,313,642	1,059,189	524,362	230,304
Contribution Excess (Deficiency)	\$ 213,171	\$ 187,524	\$ 5,933,238	\$ 106,901	\$ 228,951	\$ 356,900	\$ 776,374	\$ 407,531	\$ (127,296)	\$ (421,354)
City's Covered-employee Payroll	\$ 1,512,455	\$ 1,621,591	\$ 1,858,200	\$ 2,145,023	\$ 2,441,102	\$ 2,441,102	\$ 2,441,102	\$ 3,481,219	\$ 3,481,219	\$ 3,481,219
Contributions as a Percentage of Covered-employee Payroll	14.09 %	11.56 %	357.10 %	38.67 %	32.48 %	37.93 %	53.81 %	30.43 %	15.06 %	6.62 %

**Required Supplemental Information
Schedule of OPEB Investment Returns**

Fiscal Year Ended June 30, 2021

Annual money-weighted rate of return, net of investment expense 28.12 %

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

Fiscal Year Ended June 30, 2021

Total OPEB Liability		
Service cost	\$	77,078
Interest		843,606
Differences between expected and actual experience		(2,595,365)
Changes in assumptions		1,081,965
Benefit payments, including refunds		<u>(605,338)</u>
Net Change in Total OPEB Liability		(1,198,054)
Total OPEB Liability - Beginning of year		<u>12,315,640</u>
Total OPEB Liability - End of year	\$	<u>11,117,586</u>
Plan Fiduciary Net Position		
Contributions - Employer	\$	213,171
Contributions - Employee		15,125
Net investment income		4,190,026
Benefit payments, including refunds		(605,338)
Other		<u>(926)</u>
Net Change in Plan Fiduciary Net Position		3,812,058
Plan Fiduciary Net Position - Beginning of year		<u>14,843,948</u>
Plan Fiduciary Net Position - End of year	\$	<u>18,656,006</u>
Net OPEB Asset - Ending	\$	<u>(7,538,420)</u>
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability		167.81 %
Covered-employee Payroll	\$	1,512,455
Net OPEB Asset as a Percentage of Covered-employee Payroll		(498.42)%

Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund and all special revenue funds. All annual appropriations lapse at fiscal year end. At the first City Council meeting in April, the city manager submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them. Financial plans for all other funds are also submitted at this time. Budget sessions and public hearings are conducted by the City Council to review the proposed city manager's budget/financial plans and to obtain taxpayer comments. If required, a Truth in Taxation public hearing is held at the second City Council meeting in May. The budget must be formally adopted no later than the second City Council meeting in May when the budget is legally enacted through passage of a City Council resolution.

The budget document presents information by fund, function, department, and line items. The legal level of budgetary control adopted by the governing body is the department level. All other funds' budgets have been adopted on an aggregate basis by function or department.

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders or contracts) outstanding at year end are reported as restrictions, commitments, or assignments of fund balances and do not constitute expenditures or liabilities because the goods or services have not been received as of year end; the commitments will be reappropriated and honored during the subsequent year. Amounts encumbered for purchase orders, contracts, etc. are not tracked during the year. Budget appropriations are considered to be spent once the goods are delivered or the services rendered.

Formal budgetary integration is employed as a management control device during the year for all funds at a line-item level. Administrative control is maintained through the establishment of more detailed line-item budgets. Budget transfers between budgetary categories, functions, or from fund balance are periodically approved by the City Council. Supplemental appropriations for additional expenditures, which require an appropriation of available fund balance, must be approved by the City Council. Appropriations for operations lapse at year end. Appropriations for continuing projects are incorporated in the budget of the ensuing year.

Department heads with city manager approval may make transfers of appropriations annually within a department up to an aggregate of \$20,000. The City closely monitors spending by reviewing monthly budget reports and, if necessary, will perform periodic budget amendments to reflect significant changes in the budget. In addition, the city manager informs the City Council of any changes in the financial plan for the capital project funds, debt service funds, and enterprise funds.

Amounts encumbered for purchase orders, contracts, etc. are not tracked during the year. Budget appropriations are considered to be spent once the goods are delivered or the services rendered. During the year, the budget was amended in a legally permissible manner. Budgets have been prepared on a basis consistent with generally accepted accounting principles (GAAP).

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

	Total Revenue	Total Expenditures	Total Other Financing Uses
Amounts per operating statement	\$ 13,706,285	\$ 9,753,372	\$ 929,756
Budget Stabilization Fund revenue	(8,438)	-	-
Amounts per budget statement	<u>\$ 13,697,847</u>	<u>\$ 9,753,372</u>	<u>\$ 929,756</u>

The City had expenditures in excess of those budgeted in the special holding agency fund of \$35,971 due to increased building activity in the city.

Other Supplemental Information

Other Supplemental Information
Combining Balance Sheet
Nonmajor Governmental Funds

June 30, 2021

	Special Revenue Funds							Debt Service Fund	Capital Project Funds	Total Nonmajor Governmental Funds	
	Community Development Fund	Major Road Capital Improvement Fund	Local Road Capital Improvement Fund	Land Acquisition Fund	Safety Path Road Program Fund	Solid Waste Collection Fund	Forfeiture Funds	Cemetery Fund	DDA/VCA Development Bonds Fund		Capital Improvement Fund
Assets											
Cash and investments	\$ -	\$ 2,779,927	\$ 2,760,029	\$ 1,526,283	\$ 1,171,678	\$ 162,154	\$ 7,614	\$ 72,259	\$ 21,814	\$ 3,173,758	\$ 11,675,516
Receivables - Due from other governments	10,000	158,571	104,482	-	-	-	-	-	-	-	273,053
Due from other funds	5,948	-	-	-	4,016	-	177,132	115	-	-	187,211
Inventory	-	36,342	36,342	-	-	-	-	-	-	-	72,684
Prepaid expenses and other assets	-	-	-	-	-	-	-	-	-	8,389	8,389
Total assets	\$ 15,948	\$ 2,974,840	\$ 2,900,853	\$ 1,526,283	\$ 1,175,694	\$ 162,154	\$ 184,746	\$ 72,374	\$ 21,814	\$ 3,182,147	\$ 12,216,853
Liabilities											
Accounts payable	\$ 10,000	\$ 5,785	\$ 11,525	\$ -	\$ 5,238	\$ 44,351	\$ -	\$ 1,325	\$ -	\$ 60,521	\$ 138,745
Due to other funds	-	63,197	37,030	-	-	36,161	-	-	-	11,851	148,239
Total liabilities	10,000	68,982	48,555	-	5,238	80,512	-	1,325	-	72,372	286,984
Deferred Inflows of Resources - Unavailable revenue	-	-	36,495	-	-	-	-	-	-	-	36,495
Total liabilities and deferred inflows of resources	10,000	68,982	85,050	-	5,238	80,512	-	1,325	-	72,372	323,479
Fund Balances											
Nonspendable	-	36,342	36,342	-	-	-	-	-	-	8,389	81,073
Restricted:											
Roads	-	2,869,516	2,779,461	-	1,170,456	-	-	-	-	-	6,819,433
Debt service	-	-	-	-	-	-	-	-	21,814	-	21,814
Land acquisition	-	-	-	1,526,283	-	-	-	-	-	-	1,526,283
Police forfeiture	-	-	-	-	-	-	184,746	-	-	-	184,746
Solid waste	-	-	-	-	-	81,642	-	-	-	-	81,642
Community development	5,948	-	-	-	-	-	-	-	-	-	5,948
Committed - Cemetery	-	-	-	-	-	-	-	71,049	-	-	71,049
Assigned - Capital improvements	-	-	-	-	-	-	-	-	-	3,101,386	3,101,386
Total fund balances	5,948	2,905,858	2,815,803	1,526,283	1,170,456	81,642	184,746	71,049	21,814	3,109,775	11,893,374
Total liabilities, deferred inflows of resources, and fund balances	\$ 15,948	\$ 2,974,840	\$ 2,900,853	\$ 1,526,283	\$ 1,175,694	\$ 162,154	\$ 184,746	\$ 72,374	\$ 21,814	\$ 3,182,147	\$ 12,216,853

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	Capital Project Funds	Total Nonmajor Governmental Funds	
	Community Development Fund	Major Road Capital Improvement Fund	Local Road Capital Improvement Fund	Land Acquisition Fund	Safety Path Road Program Fund	Solid Waste Collection Fund	Forfeiture Funds	Cemetery Fund	DDA/VCA Development Bonds Fund		Capital Improvement Fund
Revenue											
Taxes	\$ -	\$ -	\$ 928,955	\$ -	\$ 242,233	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,171,188
Intergovernmental:											
Federal grants	15,000	-	-	-	-	-	-	-	-	23,894	38,894
State sources	-	968,433	415,213	-	-	-	-	-	-	-	1,383,646
Charges for services	-	-	-	-	-	584,209	-	15,300	-	-	599,509
Interest and rentals	-	7,843	6,691	328	3,350	67	2	22	-	6,541	24,844
Other revenue	-	-	-	2,000	-	1,461	-	-	452,362	24,401	480,224
Total revenue	15,000	976,276	1,350,859	2,328	245,583	585,737	2	15,322	452,362	54,836	3,698,305
Expenditures											
Current services:											
General government	-	-	-	814	-	-	-	337	667	-	1,818
Public safety	-	-	-	-	-	-	21,094	-	-	-	21,094
Public works	-	1,169,238	486,793	-	-	592,582	-	55,744	-	-	2,304,357
Community and economic development	15,000	-	-	-	-	-	-	-	-	-	15,000
Capital outlay	-	-	-	-	105,382	-	-	-	-	559,725	665,107
Debt service:											
Principal	-	-	-	-	-	-	-	-	340,000	-	340,000
Interest and fiscal charges	-	-	-	-	-	-	-	-	111,579	-	111,579
Total expenditures	15,000	1,169,238	486,793	814	105,382	592,582	21,094	56,081	452,246	559,725	3,458,955
Excess of Revenue (Under) Over Expenditures	-	(192,962)	864,066	1,514	140,201	(6,845)	(21,092)	(40,759)	116	(504,889)	239,350
Other Financing Sources - Transfers in	-	-	-	-	-	-	-	-	-	992,547	992,547
Net Change in Fund Balances	-	(192,962)	864,066	1,514	140,201	(6,845)	(21,092)	(40,759)	116	487,658	1,231,897
Fund Balances - Beginning of year	5,948	3,098,820	1,951,737	1,524,769	1,030,255	88,487	205,838	111,808	21,698	2,622,117	10,661,477
Fund Balances - End of year	<u>\$ 5,948</u>	<u>\$ 2,905,858</u>	<u>\$ 2,815,803</u>	<u>\$ 1,526,283</u>	<u>\$ 1,170,456</u>	<u>\$ 81,642</u>	<u>\$ 184,746</u>	<u>\$ 71,049</u>	<u>\$ 21,814</u>	<u>\$ 3,109,775</u>	<u>\$ 11,893,374</u>