
City of Wixom, Michigan

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

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Independent Auditor's Report

To the City Council
City of Wixom, Michigan

Opinions

We have audited the 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 Wixom, City of (the "City") as of and for the year ended June 30, 2023 and the related notes to the financial statements, which collectively comprise the City's basic financial statements, as listed in the table of contents.

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

To the City Council
City of Wixom, Michigan

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

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

Other Supplementary Information

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



November 28, 2023

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, 2023. 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, 2023:

- The City's governmental net position increased by approximately \$3.7 million. This change is composed of the following. Increases were recorded to the net investment in capital assets of \$2,817,262, roads and bike paths of \$1,656,179, land acquisition of \$527,693, opioid settlement of \$64,989, and solid waste of \$12,288. Decreases were recorded to debt service of \$177,273, police forfeitures of \$3,036, building and development of \$98,664, and unrestricted of \$1,008,963.
- Total assets related to the City's governmental activities exceeded liabilities at June 30, 2023 by approximately \$43.6 million.
- Property tax revenue increased by \$638,688 for governmental activities resulting from a taxable value increase of \$87.4 million, of which approximately \$26.1 million is attributable to the DDA and brownfield districts.
- The City decreased its General Fund fund balance by \$2,179,433 this year. This decrease can be attributed to fluctuations in both revenue and expenditures, along with the planned contributions to other funds of \$3,200,000 to fund road, land acquisition, and safety/bike path projects.
 - o Revenue exceeded original budget expectations by almost \$1.52 million due to the following factors:
 - Additional state sales tax revenue of \$198,065 resulting from revised calculations based on 2020 census figures
 - \$314,530 in General Fund local community stabilization revenue over the estimate
 - \$297,202 in investment interest earnings over the budgeted amount
 - \$439,978 in additional building permits and fees over budget due to increased development
 - \$296,099 increase over estimate in all other revenue items
 - o Additional expenditures from original budgeted amounts aggregated to \$525,307 due to the following factors:
 - \$51,933 remaining between the City Council, city manager, and economic development/assessing departments due to fluctuation in various accounts
 - \$697,000 contribution to the Sewer Fund for plant upgrades and clarifier installation
 - \$236,392 increase in the police department due to retirements during the year and other fluctuations
 - \$95,531 in lesser expenditures in the fire department due to fluctuation in wages and other line items
 - \$110,258 in lower than estimated expenditures in the department of public works
 - \$35,960 less than budgeted in parks and recreation and community services
 - \$198,152 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
 - \$312,555 reduction in expenditures across all other departments
 - o Reduction to fund balance due to planned contributions of \$3,200,000 to other funds as follows:
 - \$1,120,000 to the Major Road Capital Improvement Fund for the West Maple Road paving project
 - \$1,000,000 to the Land Acquisition Fund for property purchases for economic development
 - \$440,000 to the Safety Path Road Program Fund for the subdivision paving project
 - \$640,000 to the Local Road Capital Improvement Fund for various paving projects

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		
	2022	2023	Change
Assets			
Current and other assets:			
Cash and investments	\$ 26,269,385	\$ 24,096,381	\$ (2,173,004)
Receivables	2,992,255	3,107,640	115,385
Other assets	6,155,131	6,049,665	(105,466)
Capital assets	35,886,902	38,098,067	2,211,165
Total assets	71,303,673	71,351,753	48,080
Deferred Outflows of Resources	2,089,015	4,618,340	2,529,325
Liabilities			
Current liabilities	4,264,196	2,600,356	(1,663,840)
Noncurrent liabilities	23,260,386	28,921,151	5,660,765
Total liabilities	27,524,582	31,521,507	3,996,925
Deferred Inflows of Resources	5,900,894	805,800	(5,095,094)
Net Position			
Net investment in capital assets	33,093,614	35,910,876	2,817,262
Restricted	11,804,614	13,671,889	1,867,275
Unrestricted	(4,931,016)	(5,939,979)	(1,008,963)
Total net position	\$ 39,967,212	\$ 43,642,786	\$ 3,675,574

Management's Discussion and Analysis (Continued)

	Business-type Activities		
	2022	2023	Change
Assets			
Current and other assets:			
Cash and investments	\$ 14,703,513	\$ 15,287,947	\$ 584,434
Receivables	2,301,444	2,680,834	379,390
Other assets	186,880	200,125	13,245
Capital assets	55,416,430	59,209,051	3,792,621
Total assets	72,608,267	77,377,957	4,769,690
Liabilities			
Current liabilities	1,589,966	1,847,324	257,358
Noncurrent liabilities	5,081,212	4,852,983	(228,229)
Total liabilities	6,671,178	6,700,307	29,129
Net Position			
Net investment in capital assets	50,467,584	54,487,784	4,020,200
Unrestricted	15,469,505	16,189,866	720,361
Total net position	<u>\$ 65,937,089</u>	<u>\$ 70,677,650</u>	<u>\$ 4,740,561</u>

The governmental net position increased by approximately 9.2 percent from a year ago from approximately \$40.0 million to \$43.6 million. The unrestricted net position deficit, the part of net position that can be used to finance day to day operations, decreased by approximately \$1 million.

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 \$4.7 million.

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		
	2022	2023	Change
Revenue			
Program revenue:			
Charges for services	\$ 3,244,017	\$ 3,157,206	\$ (86,811)
Operating grants	1,982,440	2,456,188	473,748
Capital grants	645,856	375,423	(270,433)
General revenue:			
Property taxes	9,755,296	10,393,984	638,688
Intergovernmental	2,763,787	2,558,656	(205,131)
Investment earnings	(204,069)	733,136	937,205
Other revenue - Other miscellaneous income	1,776,259	1,236,882	(539,377)
Total revenue	19,963,586	20,911,475	947,889
Expenses			
General government	3,064,521	3,151,842	87,321
Public safety	4,533,935	5,258,783	724,848
Public works	5,123,115	4,390,382	(732,733)
Community and economic development	1,567,275	1,632,124	64,849
Recreation and culture	762,373	906,923	144,550
Debt service	844,354	798,847	(45,507)
Total expenses	15,895,573	16,138,901	243,328
Transfers	-	(1,097,000)	(1,097,000)
Change in Net Position	4,068,013	3,675,574	(392,439)
Net Position - Beginning of year	35,899,199	39,967,212	4,068,013
Net Position - End of year	\$ 39,967,212	\$ 43,642,786	\$ 3,675,574
	Business-type Activities		
	2022	2023	Change
Revenue			
Program revenue:			
Charges for services	\$ 7,140,311	\$ 7,789,488	\$ 649,177
Operating grants	328,403	-	(328,403)
Capital grants	1,311,963	3,450,002	2,138,039
General revenue:			
Taxes	1,138	1,445	307
Investment earnings	(163,172)	185,699	348,871
Other revenue	52,600	53,162	562
Total revenue	8,671,243	11,479,796	2,808,553
Expenses	7,451,742	7,836,235	384,493
Transfers	-	1,097,000	1,097,000
Change in Net Position	1,219,501	4,740,561	3,521,060
Net Position - Beginning of year	64,717,588	65,937,089	1,219,501
Net Position - End of year	\$ 65,937,089	\$ 70,677,650	\$ 4,740,561

The City's property tax revenue increased primarily due to new development and inflation on existing properties. Local Community Stabilization Authority general fund revenue increased by over \$87,771 related to distributions of fees paid on personal property to the State. The City again reduced its usage of the special general operating millage by 0.5 mills, levying 3 mills for the 2022/2023 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 2023, the City entered its 10th 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 2023 include the General Fund, the Special Holding Agency Fund, and the Major Road Capital Improvement Fund. The General Fund pays for most of the City's governmental services. The most significant are public safety, which incurred expenditures of over \$6 million in 2023, and general government, which incurred expenditures of approximately \$2.3 million. The General Fund ended the year with approximately \$1.47 million committed/nonspendable fund balance, \$3.97 million of unassigned fund balance, and \$2.62 million of assigned fund balance. The FY 2023/2024 budget has assigned \$1.32 million to capital projects.

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 2023 was the 10th 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 revenue increase for state revenue sharing due to revised figures; an increase to local community stabilization revenue; an increase to building permits and fee revenue, along with the related building official expense increase; an increase to contribution to wastewater to fund plant improvements.

Capital Assets and Debt Administration

At the end of 2023, the City had over \$97.5 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, furniture, police vehicles, police vehicle cameras, radios, police equipment, loader/backhoe, AED defibrillator machines, DPW building upgrades, DPW and mowing equipment, Freightliner truck, park improvements, trail extension paving, 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 \$4.7 million. The remaining debt balance consists of approximately \$13.56 million for pension bonds, approximately \$5.08 million for health care bonds, and approximately \$1.78 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. The City received a total of approximately \$1.47 million through the American Rescue Plan Act in fiscal year 2021/2022. These funds were utilized for wastewater plant upgrades in fiscal year 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 2021 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 region, which includes the City and the surrounding area of Oakland County, has more than 1.2 million residents and 42,000 businesses. More than 690,000 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 county is home to more than 1,000 foreign-owned firms from some 40 countries, many located in the City of Wixom, Michigan. 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 2023, 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:

- 307,747 square foot new industrial building C - Wixom Logistics Park (Phase II) - 10035 Assembly Park Dr. - (building permit was issued last spring; construction is underway)
- 257,307 square foot new industrial building D - Wixom Logistics Park (Phase II) - 29753 S. Wixom Rd. - (building permit was issued last spring; construction is underway)
- 741,923 square foot new industrial building A - Wixom Logistics Park (Phase I) - 10160 Assembly Park Dr. - (building shell is complete; tenant build-out is close to completion)
- 133,554 square foot new industrial building B - Wixom Logistics Park (Phase I) - 10100 Assembly Park Dr. - (two tenants with signed leases; Wayfair and Nations Benefit will split the 133,000 sq./ft facility 80/20; building shell is complete; tenant build-outs are close to completion)
- 2,393 square foot new restaurant - Chipotle Mexican Grill - 28703 S. Wixom Rd. - (building shell has been erected; construction in progress)
- 20,000 square foot new warehouse facility - Schreiber Corporation - 29945 Beck Rd. - (construction complete)
- 36,420 square foot new industrial building - YUKEN America - 49178 Alpha Ct. - (very close to completion)
- 48,660 square foot new four-story hotel (122 rooms) - Woodspring Hotel - 49850 Grand River Ave. - (construction in progress)
- 34,960 square foot building addition (warehouse/storage) - Discraft - 51100 Grand River Ave. - (very close to completion)

- 5,660 square foot new restaurant - Longhorn Steakhouse - 28639 S. Wixom Rd. - (completed last spring/April)
- 2,128 square foot new building addition - AFC Holcroft - 49630 Pontiac Tr. - (complete)
- 356 square foot premanufactured structure - Biggby - 49900 Grand River Ave. - Meijer parking lot - (in progress)
- 7,244 square foot building remodel - JR Wixom Property, LLC - 29710 Wixom Road - This property was formerly Denise's Restaurant and will now be the home of Wixom Motors via a complete remodel of the facility. Build-out is currently underway.
- Five new single-family residential developments - Milana Estates, Cambridge Lane, Stonegate Village, Roma Ct, Maple Glen - first two homes permits have been issued; Encore at Tribute - buildings construction is complete

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

- Safe T Storage LLC - 29686 Beck Road - The applicant received site plan approval for a 102,375 square foot, three-story, climate-controlled self-storage building and site plan approval for a 66-space recreational vehicle storage lot.
- Wixom Logistics Park, aka Assembly Park - The final building, Building E, is not planned for immediate construction; according to the developer, this site will be marketed as an 80,000 square foot "Build-to-Suit" opportunity. Depending on interest, this final portion could proceed in the near future.
- The Learning Center - 1725 N. Wixom Road - This project at the corner of Charms and N. Wixom Road received approval for a 10,000 square foot daycare facility. We anticipate construction to begin in spring 2023.
- A new 45,000 square foot multitenant industrial facility at 30397 S. Wixom was approved by the Planning Commission in early 2023. Construction plans are currently under review, and we anticipate this project to begin this summer.
- Multiple new construction projects along Alpha Court are in the site plan review pipeline, including a 27,500 square foot facility for People Driven Technologies, as well as an 18,000 square foot multitenant flex-space facility at the corner of Alpha Court and Alpha Drive. Assuming both projects receive approval, construction would begin in 2023.
- The remaining 70 acres of the former Ford Property, which are primarily covered by wetlands and Ford's old cooling ponds, are currently going through review processes with the State of Michigan to prepare for redevelopment. No plans are imminent, but we have been made aware that the man-made ponds can be drained. We anticipate working with the property owner to facilitate redevelopment through the existing brownfield redevelopment plan.

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.

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, 2023

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash and investments (Note 3)	\$ 24,096,381	\$ 15,287,947	\$ 39,384,328	\$ 870,502
Receivables - Net:				
Special assessments receivable	438,338	-	438,338	-
Customer receivables	-	2,445,395	2,445,395	-
Leases receivable	583,663	-	583,663	-
Other receivables	1,778,858	230,167	2,009,025	-
Due from other governments	312,053	-	312,053	-
Due from primary government (Note 5)	-	-	-	2,408
Internal balances (Note 5)	(5,272)	5,272	-	-
Inventory	102,301	200,125	302,426	-
Prepaid expenses and other assets	228,920	-	228,920	-
Net OPEB asset (Note 10)	5,718,444	-	5,718,444	-
Capital assets: (Note 4)				
Assets not subject to depreciation	5,542,067	-	5,542,067	154,296
Assets subject to depreciation - Net	32,556,000	59,209,051	91,765,051	57,042
Total assets	71,351,753	77,377,957	148,729,710	1,084,248
Deferred Outflows of Resources				
Deferred pension costs (Note 9)	3,858,447	-	3,858,447	-
Deferred OPEB costs (Note 10)	759,893	-	759,893	-
Total deferred outflows of resources	4,618,340	-	4,618,340	-
Liabilities				
Accounts payable	774,533	1,824,724	2,599,257	14,515
Due to component units (Note 5)	2,408	-	2,408	-
Due to others	81,891	-	81,891	-
Accrued liabilities and other	223,682	22,600	246,282	-
Unearned revenue	828,539	-	828,539	-
Refundable deposits	689,303	-	689,303	-
Noncurrent liabilities:				
Due within one year:				
Compensated absences (Note 6)	93,605	-	93,605	-
Current portion of bonds and contracts payable (Note 6)	1,556,097	237,579	1,793,676	-
Due in more than one year:				
Compensated absences (Note 6)	847,140	-	847,140	-
Other noncurrent liabilities	-	131,716	131,716	-
Net pension liability (Note 9)	7,153,215	-	7,153,215	-
Bonds and contracts payable - Net of current portion (Note 6)	19,271,094	4,483,688	23,754,782	-
Total liabilities	31,521,507	6,700,307	38,221,814	14,515
Deferred Inflows of Resources				
Deferred OPEB cost reductions (Note 10)	222,137	-	222,137	-
Deferred inflows from leases	583,663	-	583,663	-
Total deferred inflows of resources	805,800	-	805,800	-

Statement of Net Position (Continued)

June 30, 2023

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Net Position				
Net investment in capital assets	\$ 35,910,876	\$ 54,487,784	\$ 90,398,660	\$ 211,338
Restricted:				
Roads and bike paths	10,327,181	-	10,327,181	-
Debt service	448,986	-	448,986	-
Land acquisition	1,752,597	-	1,752,597	-
Police forfeitures	180,390	-	180,390	-
Solid waste	113,590	-	113,590	-
Building and development	784,156	-	784,156	-
Opioid settlement	64,989	-	64,989	-
Unrestricted	(5,939,979)	16,189,866	10,249,887	858,395
Total net position	\$ 43,642,786	\$ 70,677,650	\$114,320,436	\$ 1,069,733

Year Ended June 30, 2023

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	\$ 3,151,842	\$ 518,316	\$ 410,106	\$ -	\$ (2,223,420)	\$ -	\$ (2,223,420)	\$ -
Public safety	5,258,783	49,315	-	-	(5,209,468)	-	(5,209,468)	-
Public works	4,390,382	860,408	1,928,779	375,423	(1,225,772)	-	(1,225,772)	-
Community and economic development	1,632,124	1,536,655	117,303	-	21,834	-	21,834	-
Recreation and culture	906,923	192,512	-	-	(714,411)	-	(714,411)	-
Interest on long-term debt	798,847	-	-	-	(798,847)	-	(798,847)	-
Total governmental activities	16,138,901	3,157,206	2,456,188	375,423	(10,150,084)	-	(10,150,084)	-
Business-type activities:								
Water Fund	4,504,063	4,516,619	-	1,200,225	-	1,212,781	1,212,781	-
Sewer Fund	3,332,172	3,272,869	-	2,249,777	-	2,190,474	2,190,474	-
Total business-type activities	7,836,235	7,789,488	-	3,450,002	-	3,403,255	3,403,255	-
Total primary government	<u>\$ 23,975,136</u>	<u>\$ 10,946,694</u>	<u>\$ 2,456,188</u>	<u>\$ 3,825,425</u>	(10,150,084)	3,403,255	(6,746,829)	-
Component units:								
Downtown Development Authority	\$ 871,465	\$ -	\$ -	\$ -	-	-	-	(871,465)
Local Development Finance Authority	55,547	-	-	-	-	-	-	(55,547)
Total component units	<u>\$ 927,012</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	-	-	-	(927,012)
General revenue:								
Property taxes					10,393,984	1,445	10,395,429	1,167,343
Unrestricted state-shared revenue					2,558,656	-	2,558,656	-
Unrestricted investment income					733,136	185,699	918,835	29,768
Other miscellaneous income					1,236,882	53,162	1,290,044	15,325
Total general revenue					14,922,658	240,306	15,162,964	1,212,436
Transfers					(1,097,000)	1,097,000	-	-
Change in Net Position					3,675,574	4,740,561	8,416,135	285,424
Net Position - Beginning of year					39,967,212	65,937,089	105,904,301	784,309
Net Position - End of year					<u>\$ 43,642,786</u>	<u>\$ 70,677,650</u>	<u>\$ 114,320,436</u>	<u>\$ 1,069,733</u>

Governmental Funds
Balance Sheet

June 30, 2023

	Combined General Fund	Major Road Capital Improvement Fund	Special Holding Agency Fund	Nonmajor Funds	Total Governmental Funds
Assets					
Cash and investments (Note 3)	\$ 6,791,133	\$ 4,055,594	\$ 2,224,522	\$ 11,025,132	\$ 24,096,381
Receivables:					
Special assessments receivable	-	-	-	438,338	438,338
Leases receivable (Note 16)	583,663	-	-	-	583,663
Other receivables	1,654,261	-	-	124,597	1,778,858
Due from other governments	2,137	218,906	-	91,010	312,053
Due from other funds (Note 5)	137,085	-	-	277,844	414,929
Inventory	3,657	49,322	-	49,322	102,301
Prepaid expenses and other assets	228,920	-	-	-	228,920
	<u>\$ 9,400,856</u>	<u>\$ 4,323,822</u>	<u>\$ 2,224,522</u>	<u>\$ 12,006,243</u>	<u>\$ 27,955,443</u>
Total assets					
Liabilities					
Accounts payable	\$ 316,074	\$ 218,743	\$ 49,330	\$ 190,386	\$ 774,533
Due to component units (Note 5)	2,408	-	-	-	2,408
Due to other funds (Note 5)	290,297	37,444	47,699	44,761	420,201
Due to others	-	-	81,891	-	81,891
Accrued liabilities and other	89,500	-	-	-	89,500
Unearned revenue	33,979	-	578,092	216,468	828,539
Refundable deposits	-	-	689,303	-	689,303
	<u>732,258</u>	<u>256,187</u>	<u>1,446,315</u>	<u>451,615</u>	<u>2,886,375</u>
Total liabilities					
Deferred Inflows of Resources					
Unavailable revenue	22,569	-	-	498,567	521,136
Deferred inflows from leases	583,663	-	-	-	583,663
	<u>606,232</u>	<u>-</u>	<u>-</u>	<u>498,567</u>	<u>1,104,799</u>
Total deferred inflows of resources					

Governmental Funds
Balance Sheet (Continued)

June 30, 2023

Fund Balances	Combined General Fund	Major Road Capital Improvement Fund	Special Holding Agency Fund	Nonmajor Funds	Total Governmental Funds
Nonspendable:					
Inventory	3,657	49,322	-	49,322	102,301
Prepays	179,001	-	-	-	179,001
Restricted:					
Roads	-	4,018,313	-	6,173,474	10,191,787
Debt service	-	-	-	39,403	39,403
Land acquisition	-	-	-	1,752,597	1,752,597
Police forfeiture	-	-	-	180,390	180,390
Solid waste	-	-	-	113,590	113,590
Development contracts	-	-	778,207	-	778,207
Community development	-	-	-	5,949	5,949
Opioid settlement	-	-	-	12,755	12,755
Committed:					
Cemetery	-	-	-	77,294	77,294
Budget stabilization	1,291,165	-	-	-	1,291,165
Assigned:					
Road projects/Other capital	1,300,000	-	-	-	1,300,000
Capital improvements	1,320,000	-	-	2,651,287	3,971,287
Unassigned	3,968,543	-	-	-	3,968,543
Total fund balances	8,062,366	4,067,635	778,207	11,056,061	23,964,269
Total liabilities, deferred inflows of resources, and fund balances	\$ 9,400,856	\$ 4,323,822	\$ 2,224,522	\$ 12,006,243	\$ 27,955,443

Governmental Funds

Reconciliation of the Balance Sheet to the Statement of Net Position

June 30, 2023

Fund Balances Reported in Governmental Funds	\$ 23,964,269
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	38,098,067
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	521,136
Bonds payable and lease liabilities are not due and payable in the current period and are not reported in the funds	(20,827,191)
Accrued interest is not due and payable in the current period and is not reported in the funds	(134,182)
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	(940,745)
Pension benefits	(3,294,768)
Retiree health care benefits	6,256,200
Net Position of Governmental Activities	<u>\$ 43,642,786</u>

Governmental Funds

Statement of Revenue, Expenditures, and Changes in Fund Balances

Year Ended June 30, 2023

	Combined General Fund	Major Road Capital Improvement Fund	Special Holding Agency Fund	Nonmajor Funds	Total Governmental Funds
Revenue					
Taxes	\$ 8,989,710	\$ -	\$ -	\$ 1,294,992	\$ 10,284,702
Special assessments	-	-	-	215,651	215,651
Intergovernmental:					
Federal grants	-	-	-	117,303	117,303
State sources	2,577,934	1,290,331	4,565	536,300	4,409,130
Local grants and contributions	10,249	-	-	54,672	64,921
Charges for services	1,434,356	-	524,198	582,697	2,541,251
Fines and forfeitures	69,771	-	-	-	69,771
Licenses and permits	22,443	-	-	-	22,443
Interest and rentals:					
Investment earnings	311,693	101,465	799	319,179	733,136
Rental income	263,152	-	-	72,142	335,294
Other revenue	551,373	-	1,503	969,806	1,522,682
Total revenue	14,230,681	1,391,796	531,065	4,162,742	20,316,284
Expenditures					
Current services:					
General government	2,302,691	-	-	526,458	2,829,149
Public safety	6,069,487	-	5,405	3,556	6,078,448
Public works	725,966	1,924,337	-	2,287,511	4,937,814
Community and economic development	88,155	-	623,876	14,809	726,840
Recreation and culture	848,716	-	449	-	849,165
Capital outlay	-	-	-	1,624,212	1,624,212
Debt service	1,529,518	-	-	668,370	2,197,888
Total expenditures	11,564,533	1,924,337	629,730	5,124,916	19,243,516
Excess of Revenue Over (Under) Expenditures	2,666,148	(532,541)	(98,665)	(962,174)	1,072,768
Other Financing Sources (Uses)					
Transfers in (Note 5)	-	1,120,000	-	3,255,056	4,375,056
Transfers out (Note 5)	(4,892,000)	-	-	(580,056)	(5,472,056)
Sale of capital assets	46,419	-	-	-	46,419
Total other financing (uses) sources	(4,845,581)	1,120,000	-	2,675,000	(1,050,581)
Net Change in Fund Balances	(2,179,433)	587,459	(98,665)	1,712,826	22,187
Fund Balances - Beginning of year	10,241,799	3,480,176	876,872	9,343,235	23,942,082
Fund Balances - End of year	\$ 8,062,366	\$ 4,067,635	\$ 778,207	\$ 11,056,061	\$ 23,964,269

Governmental Funds

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

Year Ended June 30, 2023

Net Change in Fund Balances Reported in Governmental Funds	\$	22,187
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>Governmental funds report capital outlays as expenditures; however, in the statement of activities, these costs are allocated over their estimated useful lives as depreciation:</p>		
Capital outlay		5,615,426
Depreciation expense		(3,321,798)
Net book value of assets disposed of		(82,463)
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		(304,944)
Repayment of bond principal is an expenditure in the governmental funds but not in the statement of activities (where it reduces long-term debt)		1,391,097
Interest expense is recognized in the government-wide statements as it accrues		7,944
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		348,125
Change in Net Position of Governmental Activities	\$	<u>3,675,574</u>

Proprietary Funds
Statement of Net Position

June 30, 2023

	Enterprise Funds		
	Water	Sewer	Total Enterprise Funds
Assets			
Current assets:			
Cash and cash equivalents (Note 3)	\$ 3,076,263	\$ 12,211,684	\$ 15,287,947
Receivables:			
Customer receivables	1,371,034	1,074,361	2,445,395
Other receivables	190,272	39,895	230,167
Due from other funds (Note 5)	12,453	-	12,453
Inventory	83,762	116,363	200,125
Total current assets	4,733,784	13,442,303	18,176,087
Noncurrent assets - Capital assets - Net	32,113,978	27,095,073	59,209,051
Total assets	36,847,762	40,537,376	77,385,138
Liabilities			
Current liabilities:			
Accounts payable	628,260	1,196,464	1,824,724
Due to other funds (Note 5)	-	7,181	7,181
Accrued interest payable	-	22,600	22,600
Current portion of bonds and contracts payable (Note 6)	-	237,579	237,579
Total current liabilities	628,260	1,463,824	2,092,084
Noncurrent liabilities:			
Bonds and contracts payable - Net of current portion (Note 6)	-	4,483,688	4,483,688
Other noncurrent liabilities	-	131,716	131,716
Total noncurrent liabilities	-	4,615,404	4,615,404
Total liabilities	628,260	6,079,228	6,707,488
Net Position			
Net investment in capital assets	32,113,978	22,373,806	54,487,784
Unrestricted	4,105,524	12,084,342	16,189,866
Total net position	<u>\$ 36,219,502</u>	<u>\$ 34,458,148</u>	<u>\$ 70,677,650</u>

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

Year Ended June 30, 2023

	Enterprise Funds		
	Water	Sewer	Total Enterprise Funds
Operating Revenue			
Sale of water	\$ 2,904,956	\$ -	\$ 2,904,956
Sewage disposal charges	-	2,780,365	2,780,365
Interest and penalty charges	181,137	146,475	327,612
Other miscellaneous charges	1,430,526	346,029	1,776,555
Total operating revenue	4,516,619	3,272,869	7,789,488
Operating Expenses			
Cost of water	2,788,262	-	2,788,262
Cost of sewage treatment	-	1,052,638	1,052,638
Other operating and maintenance costs	733,797	210,980	944,777
Billing and administrative costs	180,899	228,649	409,548
Utilities	-	254,163	254,163
Other miscellaneous charges	-	38,969	38,969
Depreciation and amortization	801,105	1,405,798	2,206,903
Total operating expenses	4,504,063	3,191,197	7,695,260
Operating Income	12,556	81,672	94,228
Nonoperating Revenue (Expense)			
Property tax revenue	1,445	-	1,445
Investment loss	398	185,301	185,699
Interest expense	-	(140,975)	(140,975)
Other nonoperating general revenue	53,162	-	53,162
Total nonoperating revenue	55,005	44,326	99,331
Income - Before capital contributions	67,561	125,998	193,559
Capital Contributions			
Capital grants	179,427	1,476,391	1,655,818
Benefit fees	83,648	127,266	210,914
Lines donated by developers	937,150	646,120	1,583,270
Total capital contributions	1,200,225	2,249,777	3,450,002
Transfers In (Note 5)	-	1,097,000	1,097,000
Change in Net Position	1,267,786	3,472,775	4,740,561
Net Position - Beginning of year	34,951,716	30,985,373	65,937,089
Net Position - End of year	<u>\$ 36,219,502</u>	<u>\$ 34,458,148</u>	<u>\$ 70,677,650</u>

Proprietary Funds
Statement of Cash Flows

Year Ended June 30, 2023

	Enterprise Funds		
	Water	Sewer	Total Enterprise Funds
Cash Flows from Operating Activities			
Receipts from customers	\$ 4,046,937	\$ 3,230,569	\$ 7,277,506
Payments on interfund services and reimbursements	(183,457)	(220,822)	(404,279)
Payments to suppliers	(3,794,406)	(1,034,357)	(4,828,763)
Other receipts	121,815	-	121,815
Net cash and cash equivalents provided by operating activities	190,889	1,975,390	2,166,279
Cash Flows Provided by Noncapital Financing Activities -			
Transfers in related to grants and subsidies	-	1,097,000	1,097,000
Cash Flows from Capital and Related Financing Activities			
Receipt of capital grants	179,427	1,476,391	1,655,818
Benefit fees	83,648	127,266	210,914
Property taxes restricted for capital items	1,445	-	1,445
Purchase of capital assets	(196,159)	(4,232,674)	(4,428,833)
Principal and interest paid on capital debt	-	(357,050)	(357,050)
Other fees	53,162	-	53,162
Net cash and cash equivalents provided by (used in) capital and related financing activities	121,523	(2,986,067)	(2,864,544)
Cash Flows Provided by Investing Activities - Interest			
received on investments	398	185,301	185,699
Net Increase in Cash and Cash Equivalents	312,810	271,624	584,434
Cash and Cash Equivalents - Beginning of year	2,763,453	11,940,060	14,703,513
Cash and Cash Equivalents - End of year	\$ 3,076,263	\$ 12,211,684	\$ 15,287,947
Reconciliation of Operating Income to Net Cash and Cash Equivalents from Operating Activities			
Operating income	\$ 12,556	\$ 81,672	\$ 94,228
Adjustments to reconcile operating income to net cash and cash equivalents from operating activities:			
Depreciation and amortization	801,105	1,405,798	2,206,903
Changes in assets and liabilities:			
Receivables	(347,867)	(36,792)	(384,659)
Due to and from other funds	(2,558)	7,827	5,269
Inventories	(9,010)	(4,235)	(13,245)
Accounts payable and escrows	(263,337)	521,120	257,783
Total adjustments	178,333	1,893,718	2,072,051
Net cash and cash equivalents provided by operating activities	\$ 190,889	\$ 1,975,390	\$ 2,166,279
Significant Noncash Transactions - Donated capital assets	\$ 937,150	\$ 646,120	\$ 1,583,270

Fiduciary Funds
Statement of Fiduciary Net Position

June 30, 2023

	Custodial Fund - Tax Collection Fund	Other Postemployment Benefit Trust Fund	Total Fiduciary Funds
Assets			
Cash and cash equivalents	\$ 5,223	\$ -	\$ 5,223
Investments - Interest in pooled investments	-	18,716,702	18,716,702
Receivables	133,459	-	133,459
Total assets	138,682	18,716,702	18,855,384
Liabilities			
Accounts payable	-	570	570
Due to other governmental units	89,766	-	89,766
Due to primary government	43,236	1,192,345	1,235,581
Due to others	5,680	-	5,680
Total liabilities	138,682	1,192,915	1,331,597
Net Position - Restricted for postemployment benefits other than pension	\$ -	\$ 17,523,787	\$ 17,523,787

Fiduciary Funds
Statement of Changes in Fiduciary Net Position

Year Ended June 30, 2023

	Custodial Fund - Tax Collection Fund	Other Postemployment Benefit Trust Fund	Total Fiduciary Funds
Additions			
Investment income	\$ -	\$ 1,267,410	\$ 1,267,410
Collections - Property tax collections for other taxing authorities	25,355,732	-	25,355,732
Contributions:			
Employer contributions	-	79,435	79,435
Employee contributions	-	16,711	16,711
Total contributions	-	96,146	96,146
Total additions	25,355,732	1,363,556	26,719,288
Deductions			
Benefit payments	-	520,163	520,163
Administrative expenses	-	1,017	1,017
Property tax disbursements to other taxing authorities	25,355,732	-	25,355,732
Total deductions	25,355,732	521,180	25,876,912
Net Increase in Fiduciary Net Position	-	842,376	842,376
Net Position - Beginning of year	-	16,681,411	16,681,411
Net Position - End of year	\$ -	\$ 17,523,787	\$ 17,523,787

Component Units
Statement of Net Position

June 30, 2023

	Downtown Development Authority	Local Development Finance Authority	Total
Assets			
Cash and cash equivalents	\$ 445,114	\$ 425,388	\$ 870,502
Due from primary government (Note 5)	2,408	-	2,408
Capital assets - Net	211,338	-	211,338
Total assets	658,860	425,388	1,084,248
Liabilities - Accounts payable	7,936	6,579	14,515
Net Position			
Net investment in capital assets	211,338	-	211,338
Unrestricted	439,586	418,809	858,395
Total net position	\$ 650,924	\$ 418,809	\$ 1,069,733

Component Units
Statement of Activities

Year Ended June 30, 2023

	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	\$ 871,465	\$ -	\$ -	\$ -	\$ (871,465)	\$ -	\$ (871,465)
Local Development Finance Authority	55,547	-	-	-	-	(55,547)	(55,547)
Total	\$ 927,012	\$ -	\$ -	\$ -	(871,465)	(55,547)	(927,012)
General revenue:							
Taxes					1,167,343	-	1,167,343
Investment income					12,430	17,338	29,768
Other miscellaneous income					15,325	-	15,325
Total general revenue					1,195,098	17,338	1,212,436
Change in Net Position					323,633	(38,209)	285,424
Net Position - Beginning of year					327,291	457,018	784,309
Net Position - End of year					\$ 650,924	\$ 418,809	\$ 1,069,733

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 for and is able to impose its will on the organizations. Financial statements are not issued separately for the component units.

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 the 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.

Note 1 - Significant Accounting Policies (Continued)

- **Major Road Capital Improvement Fund** - This fund was established to account for the payment for major road maintenance and repair. Financing is provided from Act 51 state distributions.
- **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.

In 2022, the City reported the ARPA Holding Fund as a major governmental fund. In 2023, the ARPA proceeds were spent out of the Sewer Fund, which recognized capital grant revenue. The ARPA Holding Fund is not reported in 2023, as it had no financial activity of its own.

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:

- **Other Postemployment Benefit Trust Fund**, which accumulates resources for future retiree health care payments to retirees
- **Tax Collection Fund**, which collects taxes on behalf of various taxing authorities (State of Michigan; Oakland County, Michigan; 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.

Note 1 - Significant Accounting Policies (Continued)

Basis of Accounting

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

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

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

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 furnishing	5-7
Other tools and equipment	3-7
Drain improvements	50
Stormwater improvements	30

The LDFA contributed capital of \$54,675 to the City of Wixom, Michigan during the year ended June 30, 2023. 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 OPEB, leases, and 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, 2023 of the stabilization amount, which is reported in the General Fund, is \$1,291,165.

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 current year property tax revenue was levied and collectible on July 1, 2022 and is recognized as revenue in the year ended June 30, 2023 when the proceeds of the levy are budgeted and available for the financing of operations.

The 2022 taxable valuation of the City totaled \$886 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	10.4503	\$ 8,541,517
Local Road Capital Improvement Fund - Capital	1.1357	928,249
Safety Path Road Program Fund - Capital	0.2961	241,997
DDA special millage	1.2766	8,188
Total		<u>\$ 9,719,951</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.

Leases

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

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

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

- The City uses the actual rate charged to lessees as the discount rate for leases.
- The lease term includes the noncancelable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

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

Upcoming Accounting Pronouncements

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

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

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

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, 2022		\$ (559,757)
Current year permit revenue		1,019,929
Related expenses:		
Direct costs	\$ 803,696	
Indirect costs	212,402	1,016,098
		3,831
Current year surplus		3,831
Cumulative shortfall at June 30, 2023		<u>\$ (555,926)</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 bank deposits totaling \$9,597,827 (certificates of deposit and checking and savings accounts), of which \$8,977,152 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.

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, 2023

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	\$ 4,034,103	661
U.S. Treasury bonds	581,930	1465
Local government investment pool	3,889,278	431
Municipal bonds	<u>2,971,186</u>	642
Total	<u>\$ 11,476,497</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, 2023, 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	\$ 3,889,278	NR	NR
U.S. Treasury	581,930	AA+	S&P
U.S. government agency	4,034,103	AA+	S&P
Municipal bonds	124,760	A	S&P
Municipal bonds	1,425,098	AA	S&P
Municipal bonds	255,429	AA-	S&P
Municipal bonds	213,791	AA+	S&P
Municipal bonds	<u>952,108</u>	NR	NR
Total	<u>\$ 11,476,497</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 33 percent. The LGIP is not registered with the SEC and does not issue a separate report. The LGIP is managed as a 2a-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 2a-7-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 2a-7 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, 2023, the City had \$21,279,895 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, 2023

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, 2023:

	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, 2023
Debt securities:				
U.S. Treasury securities	\$ 581,930	\$ -	\$ -	\$ 581,930
Agency bonds	4,034,103	-	-	4,034,103
Municipal bonds	-	2,971,186	-	2,971,186
	<u>4,616,033</u>	<u>2,971,186</u>	<u>-</u>	<u>7,587,219</u>
Total investments by fair value level	<u>\$ 4,616,033</u>	<u>\$ 2,971,186</u>	<u>\$ -</u>	<u>\$ 7,587,219</u>

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

Note 3 - Deposits and Investments (Continued)

At June 30, 2023, 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	\$ 3,889,278	\$ -	No restrictions	None
MERS Total Market fund	18,716,702	-	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, 2022	Additions	Disposals and Adjustments	Balance June 30, 2023
Capital assets not being depreciated - Land	\$ 5,009,299	\$ 532,768	\$ -	\$ 5,542,067
Capital assets being depreciated:				
Roads and sidewalks	75,152,501	4,186,364	-	79,338,865
Buildings, drains, and improvements	25,707,767	240,887	-	25,948,654
Machinery and equipment	4,893,445	374,926	(14,434)	5,253,937
Vehicles	6,429,456	231,387	(111,953)	6,548,890
Furniture and fixtures	1,324,960	49,094	(140)	1,373,914
Subtotal	113,508,129	5,082,658	(126,527)	118,464,260
Accumulated depreciation:				
Roads and sidewalks	60,306,924	1,923,002	-	62,229,926
Buildings, drains, and improvements	12,989,503	710,253	-	13,699,756
Machinery and equipment	3,904,414	238,998	(13,679)	4,129,733
Vehicles	4,474,894	396,117	(30,245)	4,840,766
Furniture and fixtures	954,791	53,428	(140)	1,008,079
Subtotal	82,630,526	3,321,798	(44,064)	85,908,260
Net capital assets being depreciated	30,877,603	1,760,860	(82,463)	32,556,000
Net capital assets	\$ 35,886,902	\$ 2,293,628	\$ (82,463)	\$ 38,098,067

June 30, 2023

Note 4 - Capital Assets (Continued)

Governmental Activities (Continued)

During the year ended June 30, 2023, the LDFA contributed capital in the amount of \$54,675 to the primary government.

Business-type Activities

	Balance July 1, 2022	Additions	Disposals and Adjustments	Balance June 30, 2023
Capital assets being depreciated:				
Water and sewer lines	\$ 70,251,839	\$ 6,012,103	\$ -	\$ 76,263,942
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	100,295	-	-	100,295
Subtotal	94,705,558	6,012,103	-	100,717,661
Accumulated depreciation:				
Water and sewer lines	23,621,141	1,680,217	-	25,301,358
Buildings and improvements	13,901,831	527,584	-	14,429,415
Machinery and equipment	1,634,190	7,864	-	1,642,054
Office furnishings	68,670	-	-	68,670
Information technology	63,296	3,817	-	67,113
Subtotal	39,289,128	2,219,482	-	41,508,610
Net capital assets	<u>\$ 55,416,430</u>	<u>\$ 3,792,621</u>	<u>\$ -</u>	<u>\$ 59,209,051</u>

Component Unit - Downtown Development Authority

	Balance July 1, 2022	Additions	Disposals and Adjustments	Balance June 30, 2023
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	435,924	6,925	1	442,850
Other tools and equipment	60,914	-	(1)	60,913
Subtotal	496,838	6,925	-	503,763
Net capital assets being depreciated	<u>63,967</u>	<u>(6,925)</u>	<u>-</u>	<u>57,042</u>
Net capital assets	<u>\$ 218,263</u>	<u>\$ (6,925)</u>	<u>\$ -</u>	<u>\$ 211,338</u>

June 30, 2023

Note 4 - Capital Assets (Continued)

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

Governmental activities:		
General government		\$ 359,703
Public safety		424,964
Public works		2,242,553
Economic development		143,634
Recreation and culture		150,944
		<u>3,321,798</u>
Total governmental activities		<u>\$ 3,321,798</u>
Business-type activities:		
Water		\$ 801,105
Sewer		1,418,377
		<u>2,219,482</u>
Total business-type activities		<u>\$ 2,219,482</u>

Note 5 - Interfund Receivables, Payables, and Transfers

The composition of interfund balances is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Major Road Capital Improvement Fund	\$ 37,444
	Special Holding Agency Fund	47,699
	Nonmajor funds	44,761
	Sewer Fund	7,181
	Total General Fund	<u>137,085</u>
Nonmajor funds	General Fund	277,844
Water Fund	General Fund	12,453
	Total	<u>\$ 427,382</u>

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

Receivable	Payable	Amount
General Fund	Local Development Finance Authority	\$ 2,408

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

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

Paying Fund (Transfer Out)	Receiving Fund (Transfer In)	Amount
General Fund	Nonmajor funds	\$ 3,075,000
	Major Road Capital Improvement Fund	1,120,000
	Sewer Fund	697,000
	Total General Fund	<u>4,892,000</u>
Nonmajor Funds	Sewer Fund	400,000
	Nonmajor funds	180,056
	Total Nonmajor Funds	<u>\$ 580,056</u>

June 30, 2023

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

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

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.

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	\$ 2,075,000	\$ -	\$ (380,000)	\$ 1,695,000	\$ 400,000
Bond premiums			138,288	-	(46,097)	92,191	46,097
General obligation pension bonds	2.55% - 4.15%	\$235,000 - \$13,750,000	14,040,000	-	(480,000)	13,560,000	595,000
General obligation health care bonds	2.55% - 4.13%	\$200,000 - \$485,000	5,385,000	-	(305,000)	5,080,000	315,000
Total other debt			21,638,288	-	(1,211,097)	20,427,191	1,356,097
Direct borrowings and direct placements - Contractual obligation with Oakland County, Michigan - Special assessment bonds							
	4.00% - 4.40%	\$200,000	580,000	-	(180,000)	400,000	200,000
Total bonds and contracts payable			22,218,288	-	(1,391,097)	20,827,191	1,556,097
Accumulated compensated absences			1,042,098	105,964	(207,317)	940,745	93,605
Total governmental activities long-term debt			\$ 23,260,386	\$ 105,964	\$ (1,598,414)	\$ 21,767,936	\$ 1,649,702

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	\$ 4,735,000	\$ -	\$ (215,000)	\$ 4,520,000	\$ 225,000
Bond premiums			213,847	-	(12,580)	201,267	12,579
Total business-type activities long-term debt			\$ 4,948,847	\$ -	\$ (227,580)	\$ 4,721,267	\$ 237,579

Other Long-term Liabilities

Compensated absences attributable to the governmental activities will be liquidated primarily by the resources and 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.

Note 6 - Long-term Debt (Continued)

Debt Service Requirements to Maturity

Total interest expense for the year was approximately \$993,863. 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	
2024	\$ 200,000	\$ 17,500	\$ 1,356,097	\$ 805,091	\$ 2,378,688
2025	200,000	8,800	1,401,094	750,816	2,360,710
2026	-	-	1,505,000	693,926	2,198,926
2027	-	-	1,660,000	639,638	2,299,638
2028	-	-	1,255,000	578,078	1,833,078
2029-2033	-	-	7,735,000	2,061,575	9,796,575
Thereafter	-	-	5,515,000	533,589	6,048,589
Total	\$ 400,000	\$ 26,300	\$ 20,427,191	\$ 6,062,713	\$ 26,916,204

Years Ending June 30	Business-type Activities				
	Direct Borrowings and Direct Placements		Other Debt		Total
	Principal	Interest	Principal	Interest	
2024	\$ -	\$ -	\$ 237,579	\$ 135,600	\$ 373,179
2025	-	-	242,579	128,850	371,429
2026	-	-	252,579	121,950	374,529
2027	-	-	257,579	114,750	372,329
2028	-	-	262,579	107,400	369,979
2029-2033	-	-	1,442,896	418,950	1,861,846
Thereafter	-	-	2,025,476	210,000	2,235,476
Total	\$ -	\$ -	\$ 4,721,267	\$ 1,237,500	\$ 5,958,767

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.

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; the Village of Milford, Michigan; and the Charter Township of Milford. 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 \$21,400 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, 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 supplementary 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.

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.

Note 9 - Pension Plan (Continued)

Benefit terms 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, 2022 measurement date, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	67
Inactive plan members entitled to but not yet receiving benefits	7
Active plan members	<u>18</u>
Total employees covered by MERS	<u><u>92</u></u>

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, 2023, 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 \$45,067 per month of covered payroll.

Net Pension Liability

The net pension liability reported at June 30, 2023 was determined using a measure of the total pension liability and the pension net position as of December 31, 2022. The December 31, 2022 total pension liability was determined by an actuarial valuation performed as of that date.

Note 9 - Pension Plan (Continued)

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

Changes in Net Pension (Asset) Liability	Increase (Decrease)		
	Total Pension Liability	Plan Net Position	Net Pension (Asset) Liability
Balance at January 1, 2022	\$ 43,778,808	\$ 44,498,881	\$ (720,073)
Service cost	263,589	-	263,589
Interest	3,096,539	-	3,096,539
Differences between expected and actual experience	289,770	-	289,770
Contributions - Employer	-	465,748	(465,748)
Contributions - Employee	-	66,084	(66,084)
Net investment loss	-	(4,899,105)	4,899,105
Benefit payments, including refunds	(2,399,448)	(2,399,448)	-
Administrative expenses	-	(80,394)	80,394
Net changes	1,250,450	(6,847,115)	8,097,565
Balance at December 31, 2022	\$ 45,029,258	\$ 37,651,766	\$ 7,377,492

The plan's fiduciary net position represents 83.62 percent of the total pension liability.

At June 30, 2023, the City reported a liability of \$7,153,215 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, 2023, the plan recognized pension expense of \$1,557,934. 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 Fund, Local Road Capital Improvement Fund, Water Fund, and Sewer Fund. The General Fund charges an administrative charge intended to cover some of the DPW costs.

At June 30, 2023, 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	\$ 3,709,024	\$ -
Employer contributions to the plan subsequent to the measurement date	270,402	-
Total	\$ 3,979,426	\$ -

At June 30, 2023, the City reported deferred outflows of \$3,858,447 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
2024	\$ 304,642
2025	661,502
2026	1,131,948
2027	1,610,932
Total	<u>\$ 3,709,024</u>

Actuarial Assumptions

The total pension liability in the December 31, 2022 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 7.25 percent, and the Pub-2010 mortality tables.

Discount Rate

The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that city contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate.

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, 2022, 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 %	4.50 %
Global fixed income	20.00	2.00
Real assets	20.00	7.00

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 7.25 percent, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.25 percent) or 1 percentage point higher (8.25 percent) than the current rate:

	1 Percentage Point Decrease (6.25%)	Current Discount Rate (7.25%)	1 Percentage Point Increase (8.25%)
Net pension liability of the City	\$ 12,807,815	\$ 7,377,492	\$ 2,859,151

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 supplementary 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, 2023 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, 2023 measurement date. The June 30, 2023 measurement date total OPEB liability was determined by an actuarial valuation performed as of June 30, 2022.

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, 2022	\$ 11,421,241	\$ 16,681,411	\$ (5,260,170)
Service cost	87,837	-	87,837
Interest	780,671	-	780,671
Differences between expected and actual a experience	(471,651)	-	(471,651)
Changes in assumptions	515,559	-	515,559
Contributions - Employer	-	184,704	(184,704)
Contributions - Employee	-	16,711	(16,711)
Net investment income	-	1,267,410	(1,267,410)
Benefit payments, including refunds	(625,433)	(625,433)	-
Miscellaneous other charges	-	(1,016)	1,016
Net changes	286,983	842,376	(555,393)
Balance at June 30, 2023	\$ 11,708,224	\$ 17,523,787	\$ (5,815,563)

The plan's fiduciary net position represents 149.67 percent of the total OPEB liability.

At June 30, 2023, the City reported an asset of \$5,718,444 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, 2023, the plan recognized an OPEB recovery of \$(424,822).

June 30, 2023

Note 10 - Other Postemployment Benefit Plan (Continued)

At June 30, 2023, 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	\$ -	\$ (225,910)
Changes in assumptions	252,563	-
Net difference between projected and actual earnings on OPEB plan investments	520,236	-
Total	<u>\$ 772,799</u>	<u>\$ (225,910)</u>

At June 30, 2023, the City reported deferred outflows of \$759,893 and deferred inflows of \$222,137 for its proportionate share of deferred outflows and deferred inflows that is allocated along with the Wixom Public Library.

Years Ending June 30	Amount
2024	\$ 90,567
2025	(76,798)
2026	556,038
2027	(22,918)
Total	<u>\$ 546,889</u>

Actuarial Assumptions

The total OPEB liability in the June 30, 2023 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 7.50 percent for 2022, 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.

Discount Rate

The discount rate used to measure the total OPEB liability was 7.0 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.

June 30, 2023

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, 2022 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	4.50 %
Global fixed income	2.00
Private investments	7.00

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 7.0 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	\$ 4,405,409	\$ 5,815,563	\$ 6,989,493

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 7.0 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 (6.0%)	Current Health Care Cost Trend Rate (7.0%)	1 Percentage Point Increase (8.0%)
Net OPEB asset of the plan	\$ 7,125,977	\$ 5,815,563	\$ 4,242,154

Assumption Changes

For the year ended June 30, 2023 valuation, the change in assumption was caused by the retiree health care trend rate being reset to 7.50 percent.

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, 2023:

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, 2023, the annual money-weighted rate of return on OPEB plan investments, net of OPEB plan investment expense, was 7.47 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, 2023, the City made contributions of \$107,770, and plan members contributed \$46,187 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 \$321,637, and employees contributed \$58,480 for the year ended June 30, 2023.

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 \$775,478 in captured revenue for the Brownfield Redevelopment Authority during fiscal year 2023.

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, 2023, the City abated \$76,272 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, 2023, the authority abated \$199,393 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.

Note 16 - Leases

The City leases certain assets to various third parties. The assets leased include a cell tower, water tower, and property for use of an antenna tower. Payments are generally fixed monthly payments.

During the year ended June 30, 2023, the City recognized approximately \$72,000 in lease revenue related to its lessor agreements.

Required Supplementary Information

Required Supplementary Information
Budgetary Comparison Schedule - General Fund

Year Ended June 30, 2023

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Taxes	\$ 8,937,368	\$ 8,882,487	\$ 8,989,710	\$ 107,223
Intergovernmental:				
Federal grants	500	500	-	(500)
State sources	2,041,972	2,603,436	2,577,934	(25,502)
Local grants and contributions	14,925	14,925	10,249	(4,676)
Charges for services	868,834	1,404,945	1,434,356	29,411
Fines and forfeitures	52,000	60,000	69,771	9,771
Licenses and permits	55,000	45,000	22,443	(22,557)
Interest and rentals	286,041	490,665	572,354	81,689
Other revenue	454,437	545,419	551,373	5,954
Total revenue	12,711,077	14,047,377	14,228,190	180,813
Expenditures				
Current services:				
General government:				
Legislative	15,626	15,626	14,130	1,496
City manager	372,367	384,527	354,631	29,896
Financial administration	382,523	406,407	390,414	15,993
Information systems	145,015	145,015	132,077	12,938
Assessing	231,792	234,559	199,088	35,471
Board of review	1,646	1,646	1,313	333
Clerk	241,253	260,464	250,177	10,287
Buildings and grounds	131,300	136,204	77,790	58,414
Legal counsel and assistance	58,000	102,500	80,412	22,088
General operating	1,077,141	910,329	802,659	107,670
Public safety:				
Police/Sheriff	3,873,144	4,257,377	4,109,534	147,843
Fire	1,345,728	1,452,362	1,250,200	202,162
Building inspections and related	511,600	797,346	709,753	87,593
Public works	836,221	927,184	725,966	201,218
Community and economic development - Planning, zoning, and related	113,550	113,550	88,155	25,395
Recreation and culture:				
Parks and recreation	461,035	472,904	443,278	29,626
Cultural center	313,223	318,240	295,023	23,217
Senior citizen committee	84,130	103,617	110,415	(6,798)
Debt service:				
Principal	785,000	785,000	785,000	-
Interest and fiscal charges	744,518	744,518	744,518	-
Total expenditures	11,724,812	12,569,375	11,564,533	1,004,842
Excess of Revenue Over Expenditures	986,265	1,478,002	2,663,657	1,185,655
Other Financing (Uses) Sources				
Transfers out	(4,195,000)	(4,892,000)	(4,892,000)	-
Sale of capital assets	18,000	42,035	46,419	4,384
Total other financing uses	(4,177,000)	(4,849,965)	(4,845,581)	4,384
Net Change in Fund Balance	(3,190,735)	(3,371,963)	(2,181,924)	1,190,039
Fund Balance - Beginning of year	8,953,125	8,953,125	8,953,125	-
Fund Balance - End of year	\$ 5,762,390	\$ 5,581,162	\$ 6,771,201	\$ 1,190,039

Required Supplementary Information
 Budgetary Comparison Schedule - Major Special Revenue Funds
 Major Road Capital Improvement Fund

Year Ended June 30, 2023

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Intergovernmental	\$ 1,288,289	\$ 1,288,289	\$ 1,290,331	\$ 2,042
Interest and rentals	9,000	81,000	101,465	20,465
Total revenue	1,297,289	1,369,289	1,391,796	22,507
Expenditures - Current services - Public works	1,352,626	2,313,815	1,924,337	389,478
Other Financing Sources - Transfers in	1,120,000	1,120,000	1,120,000	-
Net Change in Fund Balance	1,064,663	175,474	587,459	411,985
Fund Balance - Beginning of year	3,480,176	3,480,176	3,480,176	-
Fund Balance - End of year	<u>\$ 4,544,839</u>	<u>\$ 3,655,650</u>	<u>\$ 4,067,635</u>	<u>\$ 411,985</u>

Required Supplementary Information
 Budgetary Comparison Schedule - Major Special Revenue Funds (Continued)
 Special Holding Agency Fund

Year Ended June 30, 2023

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Intergovernmental	\$ 3,046	\$ 4,570	\$ 4,565	\$ (5)
Charges for services	305,500	359,400	524,198	164,798
Interest and rentals	432	68,500	799	(67,701)
Other revenue	150	1,503	1,503	-
Total revenue	309,128	433,973	531,065	97,092
Expenditures				
Current services:				
Public safety	3,196	6,720	5,405	1,315
Community and economic development	303,000	531,250	623,876	(92,626)
Recreation and culture	-	500	449	51
Total expenditures	306,196	538,470	629,730	(91,260)
Net Change in Fund Balance	2,932	(104,497)	(98,665)	5,832
Fund Balance - Beginning of year	876,872	876,872	876,872	-
Fund Balance - End of year	\$ 879,804	\$ 772,375	\$ 778,207	\$ 5,832

Required Supplementary Information
 Schedule of the City's Proportionate Share of the Net Pension Liability (Asset)
 Cost Sharing Plan

	Last Nine Plan Years								
	Plan Years Ended December 31								
	2022	2021	2020	2019	2018	2017	2016	2015	2014
City's proportion of the net pension liability (asset)	96.96000 %	96.97000 %	96.97000 %	98.92473 %	98.93617 %	96.17633 %	96.69933 %	98.94750 %	98.94737 %
City's proportionate share of the net pension liability (asset)	\$ 7,153,215	\$ (698,674)	\$ 214,024	\$ 1,267,153	\$ 2,960,159	\$ 13,884,065	\$ 14,974,219	\$ 15,257,723	\$ 11,516,991
City's covered payroll	\$ 1,480,189	\$ 1,531,769	\$ 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 (asset) as a percentage of its covered payroll	483.26 %	(45.61)%	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	83.62 %	101.64 %	99.46 %	96.73 %	91.74 %	58.62 %	54.23 %	52.35 %	60.36 %

Required Supplementary Information
 Schedule of Pension Contributions
 Cost Sharing Plan

Last Ten Plan Years
 Years Ended June 30

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 465,748	\$ 346,650	\$ 257,010	\$ 221,969	\$ 1,568,052	\$ 1,269,089	\$ 1,039,531	\$ 962,726	\$ 833,137	\$ 783,319
Contributions in relation to the contractually required contribution	465,748	346,650	257,010	2,422,726	16,281,743	1,269,089	1,039,531	962,726	833,137	783,319
Contribution Excess	\$ -	\$ -	\$ -	\$ 2,200,757	\$ 14,713,691	\$ -	\$ -	\$ -	\$ -	\$ -
City's Covered Payroll	\$ 1,480,189	\$ 1,531,769	\$ 1,552,123	\$ 1,489,420	\$ 1,802,784	\$ 1,975,451	\$ 2,061,173	\$ 2,185,701	\$ 2,394,251	\$ 2,410,014
Contributions as a Percentage of Covered Payroll	31.47 %	22.63 %	16.56 %	162.66 %	903.14 %	64.24 %	50.43 %	44.05 %	34.80 %	32.50 %

Notes to Schedule of Pension Contributions

Actuarial valuation information relative to the determination of contributions:

Valuation date Actuarially determined contribution rates are calculated as of December 31, 18 months prior to the beginning of the fiscal year in which the contributions are required.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	18 years
Asset valuation method	5-year smoothed market
Inflation	2.50 percent
Salary increase	3.00 percent
Investment rate of return	7.35 percent (net of administrative and investment expenses)
Retirement age	60-70 years of age with 6 or more years of service
Mortality	Pub-2010 Mortality tables using scale MP-2019
Other information	None

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

	Last Five Plan Years				
	Plan Years Ended June 30				
	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
City's proportion of the net OPEB asset	98.33000 %	98.33000 %	98.33000 %	97.74080 %	97.27054 %
City's proportionate share of the net OPEB asset	\$ (5,718,444) \$	(5,172,326) \$	(7,424,418) \$	(2,471,188) \$	(2,933,290)
City's covered-employee payroll	\$ 1,671,046 \$	1,638,336 \$	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	(342.21)%	(315.71)%	(490.89)%	(152.39)%	(157.86)%
Plan fiduciary net position as a percentage of total OPEB liability	149.67 %	146.06 %	167.00 %	120.53 %	125.34 %

City of Wixom, Michigan

Required Supplementary Information Schedule of OPEB Contributions Cost Sharing Plan

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ -	\$ -	\$ -	\$ -	\$ 702,395	\$ 722,604	\$ 563,990	\$ 569,089	\$ 537,268	\$ 651,658
Contributions in relation to the contractually required contribution	184,704	189,858	213,171	187,524	6,635,633	829,505	792,941	925,989	1,313,642	1,059,189
Contribution Excess	\$ 184,704	\$ 189,858	\$ 213,171	\$ 187,524	\$ 5,933,238	\$ 106,901	\$ 228,951	\$ 356,900	\$ 776,374	\$ 407,531
City's Covered-employee Payroll	\$ 1,671,046	\$ 1,638,336	\$ 1,512,455	\$ 1,621,591	\$ 1,858,200	\$ 2,145,023	\$ 2,441,102	\$ 2,441,102	\$ 2,441,102	\$ 3,481,219
Contributions as a Percentage of Covered-employee Payroll	11.05 %	11.59 %	14.09 %	11.56 %	357.10 %	38.67 %	32.48 %	37.93 %	53.81 %	30.43 %

Required Supplementary Information
Schedule of OPEB Investment Returns

Years Ended June 30

	2023	2022	2021
Annual money-weighted rate of return - Net of investment expense	7.47 %	(8.23)%	28.12 %

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	\$ 14,230,681	\$ 11,564,533	\$ (4,845,581)
Budget Stabilization Fund revenue	(2,491)	-	-
Amounts per budget statement	<u>\$ 14,228,190</u>	<u>\$ 11,564,533</u>	<u>\$ (4,845,581)</u>

During the year, the City of Wixom, Michigan incurred expenditures that were in excess of the amounts budgeted due to unforeseen expenses, as follows:

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
General Fund - Senior Citizen Committee	\$ 103,617	\$ 110,415	\$ (6,798)
Special Holding Agency Fund - Community and Economic Development	531,250	623,876	(92,626)

Other Supplementary Information

Other Supplementary Information
Combining Balance Sheet
Nonmajor Governmental Funds

June 30, 2023

	Special Revenue Funds								Debt Service Fund	Capital Project Funds	Total Nonmajor Governmental Funds	
	Community Development Fund	Opioid Settlement Fund	Local Road Capital Improvement Fund	Land Acquisition Fund	Safety Path Road Program Fund	Solid Waste Collection Fund	Forfeiture Funds	Cemetery Fund	Special Assessment Fund	DDA/VCA Development Bonds Fund		Capital Improvement Fund
Assets												
Cash and investments	\$ -	\$ -	\$ 4,586,197	\$ 1,742,097	\$ 1,598,957	\$ 157,764	\$ 14,787	\$ 78,214	\$ 21,524	\$ 21,885	\$ 2,803,707	\$ 11,025,132
Receivables - Due from other governments	-	52,234	127,469	-	291	-	-	-	438,338	-	35,613	653,945
Due from other funds	15,148	12,755	-	10,500	1,253	-	165,603	-	-	985	71,600	277,844
Inventory	-	-	49,322	-	-	-	-	-	-	-	-	49,322
Total assets	\$ 15,148	\$ 64,989	\$ 4,762,988	\$ 1,752,597	\$ 1,600,501	\$ 157,764	\$ 180,390	\$ 78,214	\$ 459,862	\$ 22,870	\$ 2,910,920	\$ 12,006,243
Liabilities												
Accounts payable	\$ -	\$ -	\$ 18,566	\$ -	\$ 56,561	\$ 44,174	\$ -	\$ 920	\$ -	\$ -	\$ 70,165	\$ 190,386
Due to other funds	9,199	-	28,816	-	-	-	-	-	6,746	-	-	44,761
Unearned revenue	-	-	-	-	-	-	-	-	27,000	-	189,468	216,468
Total liabilities	9,199	-	47,382	-	56,561	44,174	-	920	33,746	-	259,633	451,615
Deferred Inflows of Resources - Unavailable revenue	-	52,234	36,459	-	291	-	-	-	409,583	-	-	498,567
Total liabilities and deferred inflows of resources	9,199	52,234	83,841	-	56,852	44,174	-	920	443,329	-	259,633	950,182
Fund Balances												
Nonspendable	-	-	49,322	-	-	-	-	-	-	-	-	49,322
Restricted:												
Roads	-	-	4,629,825	-	1,543,649	-	-	-	-	-	-	6,173,474
Debt service	-	-	-	-	-	-	-	-	16,533	22,870	-	39,403
Land acquisition	-	-	-	1,752,597	-	-	-	-	-	-	-	1,752,597
Police forfeiture	-	-	-	-	-	-	180,390	-	-	-	-	180,390
Solid waste	-	-	-	-	-	113,590	-	-	-	-	-	113,590
Community development	5,949	-	-	-	-	-	-	-	-	-	-	5,949
Opioid settlement	-	12,755	-	-	-	-	-	-	-	-	-	12,755
Committed - Cemetery	-	-	-	-	-	-	-	77,294	-	-	-	77,294
Assigned - Capital improvements	-	-	-	-	-	-	-	-	-	-	2,651,287	2,651,287
Total fund balances	5,949	12,755	4,679,147	1,752,597	1,543,649	113,590	180,390	77,294	16,533	22,870	2,651,287	11,056,061
Total liabilities, deferred inflows of resources, and fund balances	\$ 15,148	\$ 64,989	\$ 4,762,988	\$ 1,752,597	\$ 1,600,501	\$ 157,764	\$ 180,390	\$ 78,214	\$ 459,862	\$ 22,870	\$ 2,910,920	\$ 12,006,243

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

Year Ended June 30, 2023

	Special Revenue Funds									Debt Service Fund	Capital Project Funds	Total Nonmajor Governmental Funds
	Community Development Fund	Opioid Settlement Fund	Local Road Capital Improvement Fund	Land Acquisition Fund	Safety Path Road Program Fund	Solid Waste Collection Fund	Forfeiture Funds	Cemetery Fund	Special Assessment Fund	DDA/VCA Development Bonds Fund	Capital Improvement Fund	
Revenue												
Taxes	\$ -	\$ -	\$ 1,027,193	\$ -	\$ 267,799	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,294,992
Special assessments	-	-	-	-	-	-	-	-	215,651	-	-	215,651
Intergovernmental:												
Federal grants	117,303	-	-	-	-	-	-	-	-	-	-	117,303
State sources	-	-	536,300	-	-	-	-	-	-	-	-	536,300
Local grants and contributions	-	-	37,140	-	-	-	-	-	-	-	17,532	54,672
Charges for services	-	-	-	-	-	573,997	-	8,700	-	-	-	582,697
Interest and rentals	-	-	129,861	52,320	116,114	17,750	520	3,120	1,117	-	70,519	391,321
Other revenue	-	12,755	-	-	91,667	1,094	-	-	-	464,716	399,574	969,806
Total revenue	117,303	12,755	1,730,494	52,320	475,580	592,841	520	11,820	216,768	464,716	487,625	4,162,742
Expenditures												
Current services:												
General government	-	-	-	524,627	-	-	-	369	731	731	-	526,458
Public safety	-	-	-	-	-	-	3,556	-	-	-	-	3,556
Public works	-	-	1,675,388	-	-	580,553	-	22,646	8,924	-	-	2,287,511
Community and economic development	14,809	-	-	-	-	-	-	-	-	-	-	14,809
Capital outlay	-	-	-	-	587,361	-	-	-	-	-	1,036,851	1,624,212
Debt service:												
Principal	-	-	-	-	-	-	-	-	180,000	380,000	-	560,000
Interest and fiscal charges	-	-	-	-	-	-	-	-	25,240	83,130	-	108,370
Total expenditures	14,809	-	1,675,388	524,627	587,361	580,553	3,556	23,015	214,895	463,861	1,036,851	5,124,916
Excess of Revenue Over (Under) Expenditures	102,494	12,755	55,106	(472,307)	(111,781)	12,288	(3,036)	(11,195)	1,873	855	(549,226)	(962,174)
Other Financing Sources (Uses)												
Transfers in	-	-	820,056	1,000,000	440,000	-	-	-	-	-	995,000	3,255,056
Transfers out	-	-	-	-	(134,271)	-	-	-	-	-	(445,785)	(580,056)
Total other financing sources	-	-	820,056	1,000,000	305,729	-	-	-	-	-	549,215	2,675,000
Net Change in Fund Balances	102,494	12,755	875,162	527,693	193,948	12,288	(3,036)	(11,195)	1,873	855	(11)	1,712,826
Fund Balances - Beginning of year	(96,545)	-	3,803,985	1,224,904	1,349,701	101,302	183,426	88,489	14,660	22,015	2,651,298	9,343,235
Fund Balances - End of year	\$ 5,949	\$ 12,755	\$ 4,679,147	\$ 1,752,597	\$ 1,543,649	\$ 113,590	\$ 180,390	\$ 77,294	\$ 16,533	\$ 22,870	\$ 2,651,287	\$ 11,056,061