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# City of Garden City, Michigan

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

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## Independent Auditor's Report

To the City Council  
City of Garden City, Michigan

### Report on the Financial Statements

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

### *Management's Responsibility for the Financial Statements*

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

### *Auditor's Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### *Opinions*

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

### *Emphasis of Matter*

As discussed in Note 2 to the financial statements, during the current year, the City adopted the provisions of Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*, which established accounting and financial reporting standards for the identification and reporting of fiduciary activities. Our opinion is not modified with respect to this matter.

To the City Council  
City of Garden City, Michigan

**Other Matters**

*Required Supplemental Information*

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

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Garden City, Michigan's basic financial statements. The nonmajor governmental funds combining schedules and the Downtown Development Authority schedules are presented for the purpose of additional analysis and are not a required part of the basic financial statements.

The nonmajor governmental funds combining schedules and the Downtown Development Authority schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the nonmajor governmental funds combining schedules and the Downtown Development Authority schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2021 on our consideration of City of Garden City, Michigan's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Garden City, Michigan's internal control over financial reporting and compliance.



December 15, 2021

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

### **Financial Highlights**

- The City's fiscal diligence and responsibility continue. This year's increase to the General Fund fund balance follows the trend of the past few years. The City monitors spending, increases productivity through technology, and consolidates services. We will continue to follow the policies that have strengthened our net position for the last several years.
- Total net position related to the City's governmental activities increased by \$8.4 million, primarily due to a decrease in the unfunded liability associated with retiree health care.
- The City's taxable value increased approximately \$22.1 million in the current year.
- All five bargaining groups have contracts that have been extended and expire in June 2022 or 2023.

### **Overview of the Financial Statements**

The discussion and analysis provided here are intended to serve as an introduction to City's basic financial statements. The City's basic financial statements consist of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also includes supplemental information intended to furnish additional detail to support the basic financial statements themselves.

### **Government-wide Statements**

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances in a manner similar to a private sector business. The statement of net position presents financial information on all of the City's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenue and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., the cost of pension and other postemployment benefits (OPEB)).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenue (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, public works, community and economic development, and culture and recreation. The business-type activities of the City include providing water and sewage disposal.

The government-wide financial statements include not only the City itself (known as the primary government) but also a legally separate Downtown Development Authority for which the City is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the primary government itself.

The Building Authority, although also legally separate, functions for all practical purposes as a department of the City and, therefore, has been included as part of the primary government.

#### ***Fund Financial Statements***

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the City's funds can be divided into the following three categories:

- **Governmental funds** - Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in assessing a government's near-term financing requirements. The City adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.
- **Proprietary funds** - The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water and sewage disposal activities. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for the management of its retained risks. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.
- **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's fiduciary funds include the district court and tax collection funds.

#### ***Notes and Other Information***

The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. In addition to the basic financial statements and accompanying notes, this report also presents required supplemental information concerning the City's progress in funding its obligation to provide pension and OPEB benefits to its employees. The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented immediately following the required supplemental information on pensions and OPEB.

# City of Garden City, Michigan

## Management's Discussion and Analysis (Continued)

### The City's Net Position

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
<b>Assets</b>						
Current and other assets	\$ 19,757,617	\$ 18,337,623	\$ 9,393,537	\$ 9,940,418	\$ 29,151,154	\$ 28,278,041
Capital assets	44,870,858	39,446,445	37,593,129	38,269,616	82,463,987	77,716,061
Total assets	64,628,475	57,784,068	46,986,666	48,210,034	111,615,141	105,994,102
<b>Deferred Outflows of Resources</b>	6,329,410	5,648,385	826,202	760,777	7,155,612	6,409,162
<b>Liabilities</b>						
Current liabilities	1,669,002	1,336,369	896,192	3,396,660	2,565,194	4,733,029
Noncurrent liabilities	153,831,919	161,457,738	25,145,737	26,807,625	178,977,656	188,265,363
Total liabilities	155,500,921	162,794,107	26,041,929	30,204,285	181,542,850	192,998,392
<b>Deferred Inflows of Resources</b>	11,047,675	5,613,003	1,594,452	828,750	12,642,127	6,441,753
<b>Net Position (Deficit)</b>						
Net investment in capital assets	34,378,184	31,052,096	32,598,230	32,916,913	66,976,414	63,969,009
Restricted	4,121,560	4,109,584	-	-	4,121,560	4,109,584
Unrestricted	(134,090,455)	(140,136,337)	(12,421,743)	(12,774,695)	(146,512,198)	(152,911,032)
Total net position (deficit)	<u>\$ (95,590,711)</u>	<u>\$ (104,974,657)</u>	<u>\$ 20,176,487</u>	<u>\$ 20,142,218</u>	<u>\$ (75,414,224)</u>	<u>\$ (84,832,439)</u>

The City's combined net position increased approximately 11.1 percent from a year ago, increasing from an \$84.8 million deficit to \$75.4 million deficit. A review of the governmental activities, separate from the business-type activities, shows an increase of 8.9 percent, or approximately \$9.4 million, during fiscal year 2021. The business-type activities experienced a slight increase in net position of approximately \$34,000 during fiscal year 2021.

Governmental unrestricted net position, the portion of net position available to finance day-to-day operations and future growth, changed from \$(140.1) million at June 30, 2020 to \$(134.1) million at June 30, 2021, mostly because of a reduction in the liability related to postemployment benefits.

The business-type unrestricted net position increased by \$353,000 for the fiscal year ended June 30, 2021. This is primarily due to a decrease in liabilities related to postemployment benefits.

# City of Garden City, Michigan

## Management's Discussion and Analysis (Continued)

### The City's Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
<b>Revenue</b>						
Program revenue:						
Charges for services	\$ 3,797,897	\$ 3,678,293	\$ 10,922,485	\$ 10,397,308	\$ 14,720,382	\$ 14,075,601
Operating grants	5,073,219	3,739,718	-	-	5,073,219	3,739,718
Capital grants	76,653	191,999	-	-	76,653	191,999
General revenue:						
Property taxes	15,362,077	14,397,457	-	-	15,362,077	14,397,457
State-shared revenue	3,480,998	3,034,503	-	-	3,480,998	3,034,503
Investment earnings	402,489	665,924	7,095	96,676	409,584	762,600
Other revenue:						
Cable franchise fees	469,685	472,350	-	-	469,685	472,350
Sale of capital assets	51,800	-	8,935	-	60,735	-
Other miscellaneous income	134,918	82,192	-	-	134,918	82,192
<b>Total revenue</b>	<b>28,849,736</b>	<b>26,262,436</b>	<b>10,938,515</b>	<b>10,493,984</b>	<b>39,788,251</b>	<b>36,756,420</b>
<b>Expenses</b>						
General government	2,219,202	2,520,015	-	-	2,219,202	2,520,015
21st District Court	1,114,269	1,508,952	-	-	1,114,269	1,508,952
Public safety	8,968,040	12,701,713	-	-	8,968,040	12,701,713
Public service	4,604,911	5,921,424	-	-	4,604,911	5,921,424
Community and economic development	817,418	420,779	-	-	817,418	420,779
Recreation and culture	2,206,625	2,709,225	-	-	2,206,625	2,709,225
Debt service	477,121	596,830	-	-	477,121	596,830
Rubbish Collection Fund	-	-	1,510,386	1,646,988	1,510,386	1,646,988
Water and sewer	-	-	9,393,860	10,799,332	9,393,860	10,799,332
<b>Total expenses</b>	<b>20,407,586</b>	<b>26,378,938</b>	<b>10,904,246</b>	<b>12,446,320</b>	<b>31,311,832</b>	<b>38,825,258</b>
<b>Change in Net Position</b>	<b>8,442,150</b>	<b>(116,502)</b>	<b>34,269</b>	<b>(1,952,336)</b>	<b>8,476,419</b>	<b>(2,068,838)</b>
<b>Net Position (Deficit) - Beginning of year</b>						
- As restated	(104,032,861)	(104,858,155)	20,142,218	22,094,554	(83,890,643)	(82,763,601)
<b>Net Position (Deficit) - End of year</b>	<b>\$ (95,590,711)</b>	<b>\$ (104,974,657)</b>	<b>\$ 20,176,487</b>	<b>\$ 20,142,218</b>	<b>\$ (75,414,224)</b>	<b>\$ (84,832,439)</b>

### Governmental Activities

The City's total governmental revenue and other items increased by approximately \$2.6 million, primarily due to an increase in property tax revenue and federal grant funding related to the CARES Act.

Governmental expenses decreased by approximately 22.6 percent, or \$6 million. The main component of the decrease was a decrease in the other postemployment benefits liability, which reduced expenses in the government-wide financial statements.

### Business-type Activities

The City's business-type activities consist of the Water and Sewer Fund and Rubbish Collection Fund. We provide water and sewer services directly to homes and businesses from Great Lakes Water Authority (GLWA) and the Wayne County Sewerage Department. The Water and Sewer Fund has experienced a slight net operating gain as a result of increased wholesale charges passed onto customers.

Residents and businesses receive curbside rubbish collection service. Curbside recycling is also available to residents. The Rubbish Collection Fund has experienced net operating income for the year due to steady costs and rate structure.



### ***Financial Analysis of Individual Funds***

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unrestricted fund balance may serve as a useful measure of a government's net resources available for discretionary use, as it represents the portion of the fund balance that has not yet been limited to use for a particular purpose by an external party. Uncommitted or unassigned fund balance provides further information about the resources that have not been constrained by either the City Council or a group or individual that has been delegated authority to assign resources for use for particular purposes by the City Council.

Within these governmental funds, the General Fund is the most significant to understanding the City's financial activities. In addition, the Water and Sewer Fund is a significant enterprise activity for the City. A brief analysis of the General Fund is presented below:

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

Over the course of the year, the City amended the budget to take into account events during the year, adding approximately \$759,000. The majority of the budget increase covered related to a increase in expected state-shared revenue compared to what was originally budgeted. The General Fund's fund balance increased by \$1 million during the year ended June 30, 2021.

### ***Capital Assets and Debt Administration***

The City's investment in capital assets is increasing as our revenue increases. Investment in our buildings, roads, public service equipment, public safety vehicles, and communications equipment sustains the City's infrastructure.

In August 2018, the voters of Garden City passed a five-year road bond millage beginning in the summer of 2019. In May 2019, a \$10,000,000 bond was secured, and construction began on various roads throughout the City, which included removal and replacement of concrete, concrete sectioning, asphalt milling and replacement, joint and crack sealing, and chip sealing. In May 2021, a \$5,000,000 bond was secured, and construction continued. Construction continued during fiscal year 2020-2021 totaling \$6,490,000.

### ***Economic Factors and Next Year's Budgets and Rates***

The City's budget for fiscal year 2021-2022 shows a nominal increase in taxable values. We expect this trend to continue. Also, the City, along with the rest of the country, is dealing with the COVID-19 pandemic. The virus has resulted in a continued partial shutdown of the local economy, and the City is projecting further revenue shortfalls in 2022. The City will continue to monitor its budget very closely. The City continues to receive grant revenue, including the CARES Act and ARPA funds, which complements its economic strategies and offsets expenditures. Even during the current pandemic, development within the City continues to increase. Also, significant emergency equipment replacements have already been undertaken for fiscal year 2021-2022.

Some capital investment in infrastructure is planned using financing and debt strategies offset by older debt being eliminated. Major improvements to our ice arena and municipal parking lots have been completed. Major park improvements have been planned and will begin in the spring of 2022.

Water and sewer rates were increased to pass on supplier cost increases to end users in the fiscal year ending June 30, 2022. The rate structure is reviewed annually to ensure the sustainability of the fund.

### ***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 office of the city treasurer.

June 30, 2021

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
<b>Assets</b>				
Cash and investments (Note 3)	\$ 14,423,362	\$ 6,350,584	\$ 20,773,946	\$ 455,490
Receivables:				
Property taxes receivable	103,936	-	103,936	24,228
Special assessments receivable	120,867	-	120,867	37,579
Accrued interest receivable	1,465	563	2,028	40
Customer receivables	-	3,011,020	3,011,020	-
Other receivables	785,773	-	785,773	-
Due from other governments	28,219	-	28,219	-
Prepaid expenses and other assets	874,882	26,633	901,515	2,055
Due from other governmental units	1,167,247	4,737	1,171,984	-
Restricted assets - Unspent bond proceeds	2,251,866	-	2,251,866	-
Capital assets: (Note 5)				
Assets not subject to depreciation	4,188,370	-	4,188,370	-
Assets subject to depreciation - Net	40,682,488	37,593,129	78,275,617	1,350,565
<b>Total assets</b>	<b>64,628,475</b>	<b>46,986,666</b>	<b>111,615,141</b>	<b>1,869,957</b>
<b>Deferred Outflows of Resources</b> - Deferred outflows related to pension (Note 9)	6,329,410	826,202	7,155,612	-
<b>Liabilities</b>				
Accounts payable	406,835	776,767	1,183,602	14,491
Due to other governmental units	1,485	-	1,485	-
Refundable deposits, bonds, etc.	232,325	-	232,325	-
Accrued liabilities and other	998,176	119,425	1,117,601	4,645
Unearned revenue	30,181	-	30,181	-
Noncurrent liabilities:				
Due within one year:				
Payable from restricted assets	1,684,206	-	1,684,206	-
Compensated absences (Note 7)	402,766	50,481	453,247	-
Current portion of long-term debt (Note 7)	3,195,300	514,700	3,710,000	-
Due in more than one year:				
Compensated absences	647,745	37,230	684,975	-
Net pension liability (Note 9)	40,041,075	5,307,154	45,348,229	-
Long-term debt (Note 7)	8,051,784	4,480,199	12,531,983	-
Total OPEB liability (Note 10)	99,809,043	14,755,973	114,565,016	-
<b>Total liabilities</b>	<b>155,500,921</b>	<b>26,041,929</b>	<b>181,542,850</b>	<b>19,136</b>
<b>Deferred Inflows of Resources</b>				
Deferred inflows related to pension (Note 9)	2,265,607	296,094	2,561,701	-
Deferred inflows related to OPEB (Note 10)	8,782,068	1,298,358	10,080,426	-
<b>Total deferred inflows of resources</b>	<b>11,047,675</b>	<b>1,594,452</b>	<b>12,642,127</b>	<b>-</b>
<b>Net Position (Deficit)</b>				
Net investment in capital assets	34,378,184	32,598,230	66,976,414	1,350,565
Restricted:				
Streets and highways	2,364,931	-	2,364,931	-
Debt service	79,649	-	79,649	-
Capital projects	748,243	-	748,243	-
Police grant activities	171,363	-	171,363	-
Community development	116,557	-	116,557	-
Library	640,817	-	640,817	-
Unrestricted	(134,090,455)	(12,421,743)	(146,512,198)	500,256
<b>Total net position (deficit)</b>	<b>\$ (95,590,711)</b>	<b>\$ 20,176,487</b>	<b>\$ (75,414,224)</b>	<b>\$ 1,850,821</b>

# City of Garden City, Michigan

Functions/Programs	Program Revenue			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 2,219,202	\$ 158,295	\$ 41,867	\$ -
District court	1,114,269	1,056,934	186,782	-
Public safety	8,968,040	622,761	1,235,003	-
Public works	4,604,911	1,111,256	3,103,417	76,653
Community and economic development	817,418	513,717	-	-
Recreation and culture	2,206,625	334,934	506,150	-
Interest on long-term debt	477,121	-	-	-
Total governmental activities	20,407,586	3,797,897	5,073,219	76,653
Business-type activities:				
Water and Sewer Fund	9,393,860	9,255,484	-	-
Rubbish Collection Fund	1,510,386	1,667,001	-	-
Total business-type activities	10,904,246	10,922,485	-	-
Total primary government	<b>\$ 31,311,832</b>	<b>\$ 14,720,382</b>	<b>\$ 5,073,219</b>	<b>\$ 76,653</b>
Component units	<b>\$ 389,612</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

General revenue:

- Taxes
- Unrestricted state-shared revenue
- Unrestricted investment income
- Cable franchise fees
- Gain on sale of capital assets
- Other miscellaneous income

Total general revenue

**Change in Net Position**

**Net Position (Deficit)** - Beginning of year, as restated

**Net Position (Deficit)** - End of year

## Statement of Activities

**Year Ended June 30, 2021**

Net (Expense) Revenue and Changes in Net Position			
Primary Government			
Governmental Activities	Business-type Activities	Total	Component Unit
\$ (2,019,040)	\$ -	\$ (2,019,040)	\$ -
129,447	-	129,447	-
(7,110,276)	-	(7,110,276)	-
(313,585)	-	(313,585)	-
(303,701)	-	(303,701)	-
(1,365,541)	-	(1,365,541)	-
(477,121)	-	(477,121)	-
(11,459,817)	-	(11,459,817)	-
-	(138,376)	(138,376)	-
-	156,615	156,615	-
-	18,239	18,239	-
(11,459,817)	18,239	(11,441,578)	-
-	-	-	(389,612)
15,362,077	-	15,362,077	432,426
3,480,998	-	3,480,998	39,841
402,489	7,095	409,584	317
469,685	-	469,685	-
51,800	8,935	60,735	-
134,918	-	134,918	12,920
19,901,967	16,030	19,917,997	485,504
8,442,150	34,269	8,476,419	95,892
(104,032,861)	20,142,218	(83,890,643)	1,754,930
<b>\$ (95,590,711)</b>	<b>\$ 20,176,487</b>	<b>\$ (75,414,224)</b>	<b>\$ 1,850,822</b>

Governmental Funds  
Balance Sheet

June 30, 2021

	General Fund	Capital Project - Roads Bond Fund	Debt Retirement Fund	Nonmajor Funds	Total Governmental Funds
<b>Assets</b>					
Cash and investments	\$ 9,425,910	\$ -	\$ 68,275	\$ 3,618,837	\$ 13,113,022
Receivables	857,294	80	11,374	171,396	1,040,144
Prepaid expenses and other assets	442,668	-	-	29,688	472,356
Due from other governmental units	675,539	-	-	491,708	1,167,247
Restricted assets	-	1,963,761	-	288,105	2,251,866
<b>Total assets</b>	<b>\$ 11,401,411</b>	<b>\$ 1,963,841</b>	<b>\$ 79,649</b>	<b>\$ 4,599,734</b>	<b>\$ 18,044,635</b>
<b>Liabilities</b>					
Accounts payable	\$ 321,655	\$ -	\$ -	\$ 80,659	\$ 402,314
Due to other governmental units	-	-	-	1,485	1,485
Refundable deposits, bonds, etc.	227,325	-	-	5,000	232,325
Accrued liabilities and other	890,415	-	-	17,191	907,606
Unearned revenue	-	-	-	30,181	30,181
Payable from restricted assets	-	1,684,206	-	-	1,684,206
<b>Total liabilities</b>	<b>1,439,395</b>	<b>1,684,206</b>	<b>-</b>	<b>134,516</b>	<b>3,258,117</b>
<b>Deferred Inflows of Resources -</b>					
Unavailable revenue	88,340	-	11,369	137,514	237,223
<b>Fund Balances</b>					
Nonspendable - Prepaids	442,668	-	-	29,688	472,356
Restricted:					
Roads	-	-	-	2,338,072	2,338,072
Public safety	-	-	-	171,363	171,363
Debt service	-	-	68,280	-	68,280
Community development	-	-	-	96,557	96,557
Capital projects	-	279,635	-	947,840	1,227,475
Library	-	-	-	636,955	636,955
Assigned - Capital projects	-	-	-	107,229	107,229
Unassigned	9,431,008	-	-	-	9,431,008
<b>Total fund balances</b>	<b>9,873,676</b>	<b>279,635</b>	<b>68,280</b>	<b>4,327,704</b>	<b>14,549,295</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 11,401,411</b>	<b>\$ 1,963,841</b>	<b>\$ 79,649</b>	<b>\$ 4,599,734</b>	<b>\$ 18,044,635</b>

**Governmental Funds**

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

**June 30, 2021**

<b>Fund Balances Reported in Governmental Funds</b>	<b>\$ 14,549,295</b>
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and are not reported in the funds	44,870,858
Special assessments, grant receivables, and property taxes are expected to be collected over several years and are not available to pay for current year expenditures	237,222
Certain pension and contributions and changes in pension plan net position are reported as deferred outflows of resources in the statement of net position but are reported as expenses in the governmental funds	6,329,410
Bonds payable and capital lease obligations are not due and payable in the current period and are not reported in the funds	(11,060,334)
Accrued interest is not due and payable in the current period and is not reported in the funds	(80,569)
Some employee fringe benefits are payable over a long period of years and do not represent a claim on current financial resources; therefore, they are not reported as fund liabilities:	
Employee compensated absences	(1,050,511)
Pension benefits	(40,041,075)
Other postemployment benefits	(99,809,043)
Deferred inflow of resources related to pension and OPEB are recorded in the statement of net position	(11,047,675)
Internal service funds are included as part of governmental activities	1,511,711
<b>Net Position (Deficit) of Governmental Activities</b>	<b><u>\$ (95,590,711)</u></b>

Governmental Funds

Statement of Revenue, Expenditures, and Changes in Fund Balances

Year Ended June 30, 2021

	General Fund	Capital Project - Roads Bond Fund	Debt Retirement Fund	Nonmajor Funds	Total Governmental Funds
<b>Revenue</b>					
Property taxes	\$ 10,947,188	\$ -	\$ 3,332,774	\$ 1,078,995	\$ 15,358,957
Special assessments	349,571	-	-	132,231	481,802
State and federal sources:					
Federal grants	1,143,556	-	-	7,498	1,151,054
State sources	3,966,718	-	20,191	3,146,793	7,133,702
Local grants and contributions	64,100	-	-	2,180	66,280
Charges for services	1,829,540	-	-	100,432	1,929,972
21st District Court	1,010,346	-	-	-	1,010,346
Licenses and permits	36,076	-	-	-	36,076
Interest and other	974,434	206	3,559	194,691	1,172,890
Cable franchise fees	550,907	-	-	-	550,907
Total revenue	20,872,436	206	3,356,524	4,662,820	28,891,986
<b>Expenditures</b>					
Current services:					
General government	2,733,834	-	-	-	2,733,834
21st District Court	1,061,296	-	-	324,202	1,385,498
Public safety	11,115,917	-	-	20,534	11,136,451
Public service	1,388,304	-	-	3,805,999	5,194,303
Community and economic development	1,139,975	-	-	4,442	1,144,417
Recreation and culture	1,555,129	-	-	576,890	2,132,019
Capital outlay	-	5,353,168	-	574,906	5,928,074
Debt service	567,794	84,140	3,320,500	-	3,972,434
Total expenditures	19,562,249	5,437,308	3,320,500	5,306,973	33,627,030
<b>Excess of Revenue Over (Under) Expenditures</b>	1,310,187	(5,437,102)	36,024	(644,153)	(4,735,044)
<b>Other Financing Sources (Uses)</b>					
Transfers in	-	-	-	1,435,527	1,435,527
Transfers out	(308,173)	-	-	(1,127,354)	(1,435,527)
New debt issued	-	4,256,010	-	-	4,256,010
Total other financing (uses) sources	(308,173)	4,256,010	-	308,173	4,256,010
<b>Net Change in Fund Balances</b>	1,002,014	(1,181,092)	36,024	(335,980)	(479,034)
<b>Fund Balances - Beginning of year (as restated) (Note 2)</b>	8,871,662	1,460,727	32,256	4,663,684	15,028,329
<b>Fund Balances - End of year</b>	<b>\$ 9,873,676</b>	<b>\$ 279,635</b>	<b>\$ 68,280</b>	<b>\$ 4,327,704</b>	<b>\$ 14,549,295</b>

**Governmental Funds**

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

**Year Ended June 30, 2021**

<b>Net Change in Fund Balances Reported in Governmental Funds</b>	<b>\$ (479,034)</b>
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures; however, in the statement of activities, these costs are allocated over their estimated useful lives as depreciation:	
Capital outlay	8,767,290
Depreciation expense	(3,342,876)
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	(7,583)
Repayment of bond principal is an expenditure in the governmental funds but not in the statement of activities (where it reduces long-term debt)	3,460,739
Issuing debt provides current financial resources to governmental funds but increases long-term liabilities in the statement of net position	(4,256,010)
Interest expense is recognized in the government-wide statements as it accrues	34,574
Change in personal property tax revenue	3,120
Change in accumulated employee sick and vacation pay and other similar expenses reported in the statement of activities do not require the use of current resources and, therefore, are not reported in the fund statements until they come due for payment	(27,091)
Bond premium is not recorded in the funds	176,046
Change in net other postemployment benefits liability and related deferrals is recorded when incurred in the statement of activities	6,540,098
Change in net pension liability and related deferrals are recorded when incurred in the statement of activities	(2,755,129)
Internal service funds are included as part of governmental activities	328,006
<b>Change in Net Position of Governmental Activities</b>	<b>\$ 8,442,150</b>



Proprietary Funds  
Statement of Net Position

June 30, 2021

	Enterprise Funds			Governmental
	Water and Sewer Fund	Rubbish Collection Fund	Total Enterprise Funds	Internal Service Funds
<b>Assets</b>				
Current assets:				
Cash and investments	\$ 5,472,362	\$ 878,222	\$ 6,350,584	\$ 1,310,340
Receivables - Net:				
Accrued interest receivable	485	78	563	116
Customer receivables	3,011,020	-	3,011,020	-
Prepaid expenses and other assets	26,633	-	26,633	402,526
Due from other governmental units	4,737	-	4,737	-
Total current assets	8,515,237	878,300	9,393,537	1,712,982
Noncurrent assets - Capital assets - Assets subject to depreciation - Net (Note 5)	37,593,129	-	37,593,129	-
Total assets	46,108,366	878,300	46,986,666	1,712,982
<b>Deferred Outflows of Resources</b> - Deferred outflows related to pension (Note 9)	826,202	-	826,202	-
<b>Liabilities</b>				
Current liabilities:				
Accounts payable	775,687	1,080	776,767	4,520
Accrued liabilities and other	119,425	-	119,425	10,001
Compensated absences	50,481	-	50,481	-
Current portion of long-term debt (Note 7)	514,700	-	514,700	-
Total current liabilities	1,460,293	1,080	1,461,373	14,521
Noncurrent liabilities:				
Compensated absences	37,230	-	37,230	-
Net pension liability (Note 9)	5,307,154	-	5,307,154	-
Long-term debt (Note 7)	4,480,199	-	4,480,199	186,750
Total OPEB liability (Note 10)	14,755,973	-	14,755,973	-
Total noncurrent liabilities	24,580,556	-	24,580,556	186,750
Total liabilities	26,040,849	1,080	26,041,929	201,271
<b>Deferred Inflows of Resources</b> - Deferred inflows related to OPEB	1,594,452	-	1,594,452	-
<b>Net Position</b>				
Net investment in capital assets	32,598,230	-	32,598,230	-
Unrestricted	(13,298,963)	877,220	(12,421,743)	1,511,711
Total net position	<u>\$ 19,299,267</u>	<u>\$ 877,220</u>	<u>\$ 20,176,487</u>	<u>\$ 1,511,711</u>

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

**Year Ended June 30, 2021**

	Enterprise Funds			Governmental Activities
	Water and Sewer Fund	Rubbish Collection Fund	Total Enterprise Funds	Internal Service Funds
<b>Operating Revenue</b>				
Water and sewer services	\$ 9,186,815	\$ -	\$ 9,186,815	\$ -
Interest and other	68,669	-	68,669	-
Charges for services	-	1,667,001	1,667,001	223,630
Other operating revenues	-	-	-	161,977
Total operating revenue	9,255,484	1,667,001	10,922,485	385,607
<b>Operating Expenses</b>				
Cost of water	1,762,176	-	1,762,176	-
Cost of sewage treatment	3,196,882	-	3,196,882	-
Cost of rubbish disposal	-	1,510,386	1,510,386	-
Supplies	295,017	-	295,017	-
Personnel services	1,593,303	-	1,593,303	-
Other services and charges	1,278,531	-	1,278,531	-
Claims recovery	-	-	-	58,871
Depreciation	1,131,894	-	1,131,894	-
Total operating expenses	9,257,803	1,510,386	10,768,189	58,871
<b>Operating (Loss) Income</b>	(2,319)	156,615	154,296	326,736
<b>Nonoperating Revenue (Expense)</b>				
Investment income	4,728	2,367	7,095	1,270
Interest expense	(136,057)	-	(136,057)	-
Gain on sale of assets	8,935	-	8,935	-
Total nonoperating (expense) revenue	(122,394)	2,367	(120,027)	1,270
<b>Change in Net Position</b>	(124,713)	158,982	34,269	328,006
<b>Net Position - Beginning of year</b>	19,423,980	718,238	20,142,218	1,183,705
<b>Net Position - End of year</b>	<b>\$ 19,299,267</b>	<b>\$ 877,220</b>	<b>\$ 20,176,487</b>	<b>\$ 1,511,711</b>

Proprietary Funds  
Statement of Cash Flows

Year Ended June 30, 2021

	Enterprise Funds			Governmental Activities
	Water and Sewer Fund	Rubbish Collection Fund	Total Enterprise Funds	Internal Service Funds
<b>Cash Flows from Operating Activities</b>				
Receipts from customers	\$ 9,319,992	\$ 1,667,001	\$ 10,986,993	\$ 233,631
Payments to suppliers	(6,569,037)	(1,509,846)	(8,078,883)	-
Payments to employees and fringes	(2,420,863)	-	(2,420,863)	-
Claims paid	-	-	-	(2,869)
Net cash and cash equivalents provided by operating activities	330,092	157,155	487,247	230,762
<b>Cash Flows from Capital and Related Financing Activities</b>				
Proceeds from sale of capital assets	8,935	-	8,935	-
Purchase of capital assets	(455,407)	-	(455,407)	-
Principal and interest paid on capital debt	(497,189)	-	(497,189)	-
Net cash and cash equivalents used in capital and related financing activities	(943,661)	-	(943,661)	-
<b>Cash Flows Provided by Investing Activities -</b>				
Interest received on investments	12,178	3,218	15,396	2,547
<b>Net (Decrease) Increase in Cash and Cash Equivalents</b>	(601,391)	160,373	(441,018)	233,309
<b>Cash and Cash Equivalents - Beginning of year</b>	6,073,753	717,849	6,791,602	1,077,031
<b>Cash and Cash Equivalents - End of year</b>	<u>\$ 5,472,362</u>	<u>\$ 878,222</u>	<u>\$ 6,350,584</u>	<u>\$ 1,310,340</u>
<b>Classification of Cash and Cash Equivalents</b>				
- Cash and investments	<u>\$ 5,472,362</u>	<u>\$ 878,222</u>	<u>\$ 6,350,584</u>	<u>\$ 1,310,340</u>

**Proprietary Funds  
Statement of Cash Flows (Continued)**

**Year Ended June 30, 2021**

	Enterprise Funds			Governmental Activities
	Water and Sewer Fund	Rubbish Collection Fund	Total Enterprise Funds	Internal Service Funds
<b>Reconciliation of Operating (Loss) Income to Net Cash from Operating Activities</b>				
Operating (loss) income	\$ (2,319)	\$ 156,615	\$ 154,296	\$ 326,736
Adjustments to reconcile operating (loss) income to net cash from operating activities:				
Depreciation	1,131,894	-	1,131,894	-
Changes in assets and liabilities:				
Receivables	64,508	-	64,508	-
Prepaid and other assets	33,054	-	33,054	-
Net pension or OPEB liability	(571,051)	-	(571,051)	10,001
Accounts payable	(325,994)	540	(325,454)	-
Estimated claims liability	-	-	-	(105,975)
Total adjustments	<u>332,411</u>	<u>540</u>	<u>332,951</u>	<u>(95,974)</u>
Net cash and cash equivalents provided by operating activities	<u><u>\$ 330,092</u></u>	<u><u>\$ 157,155</u></u>	<u><u>\$ 487,247</u></u>	<u><u>\$ 230,762</u></u>

**City of Garden City, Michigan**

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Fiduciary Funds  
Statement of Fiduciary Net Position

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**June 30, 2021**

	<u>Custodial Funds</u>
<b>Assets</b> - Cash and cash equivalents	\$ 36,836
<b>Liabilities</b> - Due to other governmental units	<u>36,836</u>
<b>Net Position</b>	<u><u>\$ -</u></u>

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

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**Year Ended June 30, 2021**

	<u>Custodial Funds</u>
<b>Additions</b>	
Property tax collections on behalf of other governments	\$ 19,552,508
District court receipts	<u>404,080</u>
Total additions	19,956,588
<b>Deductions</b>	
Tax distributions to other governments	19,552,508
District court disbursements	<u>404,080</u>
Total deductions	<u>19,956,588</u>
<b>Net Change in Fiduciary Net Position</b>	-
<b>Net Position - Beginning of year</b>	<u>-</u>
<b>Net Position - End of year</b>	<u><u>\$ -</u></u>

**Note 1 - Nature of Business**

The City of Garden City, Michigan (the "City") is governed by an elected seven-member council. The accompanying financial statements present the City and its component units, entities for which the City is considered to be financially accountable. Although blended component units are legally separate entities, in substance, they are part of the City's operations. The discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the City (see discussion below for description).

***Blended Component Units***

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

The District Court Funds of District No. 21 (the "District Court") activity is reported within the City's financial statements. Although it is legally separate from the City, it is reported as if it were part of the primary government because of the fiduciary relationship it has with the City.

***Discretely Presented Component Unit***

The following component unit is reported within the component unit column in the financial statements. It is reported in a separate column in the government-wide financial statements to emphasize it is legally separate from the City.

***Downtown Development Authority***

The Downtown Development Authority (DDA) was created to correct and prevent deterioration in the downtown district, encourage historical preservation, and promote economic growth within the district. The DDA's governing body, consisting of 10 individuals, is selected by the City Council. In addition, the DDA's budget is subject to approval by the City Council.

***Jointly Governed Organizations***

The City is a member of the Nankin Transit Commission, which provides transportation services to the residents of Garden City, Westland, Canton, Wayne, and Inkster. In addition, the City is a member of the Central Wayne County Sanitation Authority, which provides waste management services to the residents of Garden City, Inkster, Dearborn Heights, Wayne, and Westland. See Note 11 for additional information.

The City of Garden City Hospital Finance Authority's purpose is to construct, acquire, reconstruct, remodel, improve, add to, enlarge, repair, own, and lease hospital facilities for the use of any nonprofit hospital inside or outside the boundaries of the City. The City of Garden City Hospital Finance Authority holds no assets and had no financial activity during the year.

June 30, 2021

## Note 2 - Significant Accounting Policies

### *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. The following is a summary of the significant accounting policies used by the City:

### *Report Presentation*

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

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

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

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

### *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, district court fines, 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.



June 30, 2021

**Note 2 - Significant Accounting Policies (Continued)**

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

***Fund Accounting***

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

**Governmental Funds**

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

- The General Fund is the primary operating fund because it accounts for all financial resources used to provide government services other than those specifically assigned to another fund.
- The Capital Project - Roads Bond Fund is used to record bond proceeds and expenditures related to various road improvement projects.
- The Debt Retirement Fund is used to account for payments of principal and interest on various debt issuances.

**Proprietary Funds**

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

- The Water and Sewer Fund accounts for the activities of the water distribution system and sewage collection system.
- The Rubbish Collection Fund accounts for the activities of solid waste collection in the City.

The City's internal service funds are used to account for the general liability insurance and workers' compensation insurance provided to other departments of the City primarily on a cost-reimbursement basis.

**Fiduciary Funds**

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

- The custodial funds record tax collections for other units of government (the county, community college, school district, etc.) and the activity of the District Court.

June 30, 2021

**Note 2 - Significant Accounting Policies (Continued)**

**Interfund Activity**

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

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

**Specific Balances and Transactions**

**Cash and Investments**

Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value. The City manages and accounts for cash and cash equivalents via an internal pool cash management technique whereby all cash and cash equivalents of the City are consolidated.

**Receivables and Payables**

In general, outstanding balances between funds are reported as due to/from other funds. Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as advances to/from other funds. Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as internal balances. All trade and property tax receivables are shown as net of an allowance for uncollectible amounts.

**Prepaid Items**

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

**Restricted Assets**

Restricted assets in the governmental funds consist of unspent bond proceeds related to construction.

**Capital Assets**

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

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

June 30, 2021

**Note 2 - Significant Accounting Policies (Continued)**

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

	Depreciable Life - Years
Roads, bridges, and sidewalks	9-30
Water and sewer distribution systems	50-100
Drain separation project	40-50
Buildings and improvements	50
Vehicles and equipment	3-10
Meters	5-15
Office furnishings	5-10
Machinery and equipment	3-10

**Long-term Obligations**

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

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 the following deferred outflows of resources and deferred inflows of resources:

	Inflows	Outflows
Unavailable revenue (that is not collected within the period of availability) - Reported only at the modified accrual level	✓	
Deferred pension costs (or cost reductions)	✓	✓
Deferred OPEB costs (or cost reductions)	✓	

**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 2 - 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, 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 either to remove or revise a commitment.

**Property Tax Revenue**

Property taxes are levied on each July 1 and become an enforceable lien at that time; the tax is based on the taxable valuation of property as of the preceding December 31. Summer taxes are considered delinquent on September 15 of the following year, at which time penalties and interest are assessed. Delinquent summer and winter taxes are turned over to the county on March 1, at which time penalties and interest are assessed by the county.

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

**Note 2 - Significant Accounting Policies (Continued)**

The 2020 taxable valuation of the City totaled \$558 million, on which taxes levied consisted of 14.9208 mills for operating purposes, 0.8105 mills for refuse collection, 0.9528 mills for library operations, 3.3348 mills for public safety, 0.9826 mills for library building, and 5.9712 mills for road debt. This resulted in \$8.1 million for operating, \$452,000 for refuse collection, \$530,000 for library operations, \$1.8 million for public safety, \$547,000 for library building, and \$3.3 million for road debt. A portion of the operating millage is captured for the Downtown Development Authority.

**Pension**

The City offers pension benefits to some retirees. 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 are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**Other Postemployment Benefit Costs**

The City offers retiree health care benefits to some 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 fiduciary net position of the City of Garden City Retiree Health Care Plan and additions to/deductions from the OPEB plan's fiduciary net position have been determined on the same basis as they are reported in 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. There is no liability for unpaid accumulated sick leave since the City does not have a policy to pay any amounts when employees separate from service within the City. All vacation pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only for employee terminations as of year end. Generally, the funds that report each employee's compensation (primarily the General Fund and the Water and Sewer Fund) are used to liquidate the obligations.

**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 the Water and Sewer Fund and internal service funds is charges to customers for sales and services. The Water and Sewer Fund also recognizes as operation revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenue and expenses.

June 30, 2021

## Note 2 - 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.

### Upcoming Accounting Pronouncements

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

In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, which simplifies accounting for interest cost incurred before the end of construction and requires those costs to be expensed in the period incurred. As a result, interest cost incurred before the end of a construction period will not be capitalized and included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. This statement also reiterates that, in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles. The requirements of the standard will be applied prospectively and result in increased interest expense during periods of construction. The provisions of this statement were originally effective for the City's financial statements for the June 30, 2021 fiscal year but were extended to June 30, 2022 with the issuance of GASB Statement No. 95, *Postponement of the Effective Date of Certain Authoritative Guidance*.

In January 2020, the GASB issued Statement No. 92, *Omnibus 2020*. This statement addresses eight unrelated practice issues and technical inconsistencies in authoritative literature. The standard addresses leases, intraentity transfers of assets, postemployment benefits, government acquisitions, risk financing and insurance-related activities of public entity risk pools, fair value measurements, and derivative instruments. The standard has various effective dates. The City does not believe this pronouncement will have a significant impact on its financial statements but is still making a full evaluation.

In March 2020, the GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, to bring a uniform guidance on how to report public-private and public-public partnership arrangements. As a result, transferors in public-private or public-public arrangements will recognize receivables for installment payments; deferred inflows of resources; and, when applicable, capital assets. Operators will recognize liabilities for installment payments and intangible right-to-use assets and, when applicable, deferred outflows of resources and liabilities for assets being transferred. This statement also provides guidance for accounting and financial reporting for availability payment arrangements in which a government compensates an operator for services such as designing, constructing, financing, maintaining, or operating an underlying asset for a period of time in an exchange of exchange-like transaction. The provisions of this statement are effective for the City's financial statements for the year ending June 30, 2023.



June 30, 2021

**Note 2 - Significant Accounting Policies (Continued)**

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

In June 2020, the Governmental Accounting Standards Board issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. While this standard had certain aspects impacting defined contribution pension and OPEB plans and other employee benefit plans that were effective immediately, it also clarifies when a 457 should be considered a pension plan or an other employee benefit plan to assist in the application of GASB Statement No. 84 to these types of plans. The City is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement related to 457 plans are effective for the City's financial statements for the year ending June 30, 2022.

**Adoption of New Accounting Pronouncement**

During the current year, the City adopted GASB Statement No. 84, *Fiduciary Activities*, which establishes criteria for identifying and reporting fiduciary activities. As a result of implementing this standard, the following activities were previously reported as fiduciary activities but no longer meet the definition of such; therefore, these activities are now reported within governmental or proprietary funds: city department/program escrows, forfeitures, and miscellaneous donations.

The effect of this new standard on fund balance/net position was as follows:

	Governmental Activities	General Fund	Local Street - Nonmajor Governmental Fund	Police Drug Confiscations - Nonmajor Governmental Fund	Neighborhood Stabilization Program - Nonmajor Governmental Fund	Library - Nonmajor Governmental Fund	Total Nonmajor Governmental Funds
Net position/fund balance - June 30, 2020 - As previously reported	\$ (104,974,657)	\$ 8,005,028	\$ 1,679,240	\$ 66,804	\$ -	\$ 620,790	\$ 2,366,834
Adjustment for GASB Statement No. 84 - To change fund type	941,796	866,634	(294)	2,960	64,832	7,664	75,162
Net position/fund balance - June 30, 2020 - As restated	<u>\$ (104,032,861)</u>	<u>\$ 8,871,662</u>	<u>\$ 1,678,946</u>	<u>\$ 69,764</u>	<u>\$ 64,832</u>	<u>\$ 628,454</u>	<u>\$ 2,441,996</u>

**Subsequent Events**

The financial statements and related disclosures include evaluation of events up through and including December 15, 2021, which is the date the financial statements were available to be issued. In September 2021, the City entered into a contract to prepay \$944,823 for the purchase of a fire truck to be delivered to the City within 13-15 months of contract date.

June 30, 2021

### Note 3 - Deposits and Investments

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

The City's investment policy further restricts certificates of deposit, savings accounts, deposit accounts, or depository receipts by requiring these investments to be from a bank with a corporate headquarters or branches in the state of Michigan. The City's policy restricts repurchase agreements to being negotiated only with dealers or financial institutions with which the unit has negotiated a master repurchase agreement or with the City of Garden City, Michigan's primary bank. In addition, repurchase agreements must be signed with the bank or dealer and must contain provisions similar to those outlined in the Public Security Association's model master repurchase agreement, and collateralization shall be required on all repurchase agreements at a level of 102 percent of market value of principal and accrued interest. The City's policy states that investments in commercial paper shall be no more than 50 percent of the entire portfolio and that commercial paper held in the portfolio that subsequently receives a reduced rating lower than the top two shall be closely monitored and sold immediately if the principal invested may otherwise be jeopardized. In addition, to the extent possible, the investing officer will attempt to match investments with anticipated cash flow requirements, and, unless matched to a specific cash flow requirement, the City of Garden City, Michigan will not directly invest in securities maturing more than five years from the date of purchase.

The City's policy further indicates that no more than 40 percent of the City's total investment portfolio as of June 30 of the preceding year shall be placed in securities maturing in more than three years, and investments will be diversified by security type and institution. With the exception of U.S. Treasury securities and the City's primary bank, no more than 50 percent of the total investment portfolio will be invested in a single security type or 25 percent with a single financial institution.

The City has designated three 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 \$13,465,312 of bank deposits (certificates of deposit and checking and savings accounts) that were uninsured and uncollateralized. The City believes that, due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits. As a result, the City evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.



June 30, 2021

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

**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, and, unless matched to a specific cash flow requirement, the City cannot directly invest in securities maturing more than five years from the date of purchase. No more than 40 percent of the City's total investment portfolio can be placed in securities maturing in more than three years.

At year end, the City had the following investments:

Investment	Carrying Value	Weighted- average Maturity
Commercial paper	\$ 4,497,362	0.06

**Credit Risk**

State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations. The City requires commercial paper to have been rated within the top two rating categories by two nationally recognized statistical rating organizations. As of June 30, 2021, the credit quality ratings of debt securities (other than the U.S. government) are as follows:

Investment	Carrying Value	Rating	Rating Organization
Michigan CLASS investment pool	\$ 7,099,034	Not rated	N/A
Money market	3,557	Not rated	N/A
Commercial paper	<u>4,497,362</u>	A2	S&P
Total	<u>\$ 11,599,953</u>		

**Concentration of Credit Risk**

The City places no limit on the amount it may invest in any one issuer.

**Fair Value Measurements**

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

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

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

- Michigan CLASS investment pool of \$7,099,034 is measured at net asset value (NAV).

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

June 30, 2021

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

***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.

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

	<u>Carrying Value</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency, if Eligible</u>	<u>Redemption Notice Period</u>
Michigan CLASS investment pool	\$ 7,099,034	\$ -	None	None

The Michigan CLASS investment pool invests in U.S. Treasury obligations, federal agency obligations of the U.S. government, high-grade commercial paper (rated A 1 or better), collateralized bank deposits, repurchase agreements (collateralized at 102 percent by treasuries and agencies), and approved money market funds. The program is designed to meet the needs of Michigan public sector investors. It purchases securities that are legally permissible under state statutes and are available for investment by Michigan counties, cities, townships, school districts, authorities, and other public agencies.

**Note 4 - 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 shortfall as of June 30, 2021 is as follows:

Cumulative shortfall at July 1, 2020	\$ (1,774,358)
Current year permit revenue	737,905
Related expenses - Direct costs	<u>\$ 803,636</u>
Current year shortfall	<u>(65,731)</u>
Cumulative shortfall June 30, 2021	<u><u>\$ (1,840,089)</u></u>

June 30, 2021

**Note 5 - Capital Assets**

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

**Governmental Activities**

	Balance July 1, 2020	Reclassifications	Additions	Disposals and Adjustments	Balance June 30, 2021
Capital assets not being depreciated:					
Land and land improvements	\$ 1,514,961	\$ -	\$ -	\$ -	\$ 1,514,961
Construction in progress	4,070,306	(3,700,168)	2,673,407	(370,136)	2,673,409
Subtotal	5,585,267	(3,700,168)	2,673,407	(370,136)	4,188,370
Capital assets being depreciated:					
Roads and sidewalks	110,415,058	3,700,168	4,921,108	365,710	119,402,044
Buildings and improvements	10,002,855	-	263,297	-	10,266,152
Vehicles	13,933,139	-	913,903	(369,033)	14,478,009
Subtotal	134,351,052	3,700,168	6,098,308	(3,323)	144,146,205
Accumulated depreciation:					
Roads and sidewalks	84,238,674	-	2,663,374	-	86,902,048
Buildings and improvements	4,115,637	-	166,754	-	4,282,391
Vehicles and equipment	12,135,563	-	512,748	(369,033)	12,279,278
Subtotal	100,489,874	-	3,342,876	(369,033)	103,463,717
Net capital assets being depreciated	33,861,178	3,700,168	2,755,432	365,710	40,682,488
Net governmental activities capital assets	<u>\$ 39,446,445</u>	<u>\$ -</u>	<u>\$ 5,428,839</u>	<u>\$ (4,426)</u>	<u>\$ 44,870,858</u>

June 30, 2021

**Note 5 - Capital Assets (Continued)**

***Business-type Activities***

	Balance July 1, 2020	Reclassifications	Additions	Disposals and Adjustments	Balance June 30, 2021
Capital assets not being depreciated - Construction in progress	\$ 4,939,625	\$ (5,056,011)	\$ 137,893	\$ (21,507)	\$ -
Capital assets being depreciated:					
Water and sewer lines	20,326,602	5,056,011	178,878	-	25,561,491
Drain rights	28,122,982	-	-	-	28,122,982
Buildings and improvements	27,421	-	42,636	-	70,057
Vehicles	1,840,001	-	43,697	(188,418)	1,695,280
Meters	3,058,366	-	70,454	-	3,128,820
Office furnishings	110,330	-	-	-	110,330
Machinery and equipments	1,969,149	-	8,570	-	1,977,719
Subtotal	55,454,851	5,056,011	344,235	(188,418)	60,666,679
Accumulated depreciation:					
Water and sewer lines	5,726,997	-	257,931	-	5,984,928
Drain rights	11,811,654	-	562,459	-	12,374,113
Buildings and improvements	1,522	-	976	-	2,498
Vehicles	1,204,239	-	91,746	(188,418)	1,107,567
Meters	2,161,942	-	138,740	-	2,300,682
Office furnishings	90,750	-	4,818	-	95,568
Machinery and equipment	1,127,756	-	80,438	-	1,208,194
Subtotal	22,124,860	-	1,137,108	(188,418)	23,073,550
Net capital assets being depreciated	33,329,991	5,056,011	(792,873)	-	37,593,129
Net business-type activities capital assets	\$ 38,269,616	\$ -	\$ (654,980)	\$ (21,507)	\$ 37,593,129

***Component Unit***

	Balance July 1, 2020	Reclassifications	Additions	Disposals and Adjustments	Balance June 30, 2021
Capital assets being depreciated:					
Land improvements	\$ 2,573,296	\$ -	\$ -	\$ -	\$ 2,573,296
Equipment	134,592	-	-	-	134,592
Subtotal	2,707,888	-	-	-	2,707,888
Accumulated depreciation:					
Land improvements	1,168,830	-	53,899	-	1,222,729
Equipment	133,253	-	1,341	-	134,594
Subtotal	1,302,083	-	55,240	-	1,357,323
Net component unit capital assets	\$ 1,405,805	\$ -	\$ (55,240)	\$ -	\$ 1,350,565

June 30, 2021

**Note 5 - Capital Assets (Continued)**

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

Governmental activities:	
General government	\$ 205,435
Public safety	246,130
Public works	2,751,330
Recreation and culture	139,981
	<u>3,342,876</u>
Total governmental activities	<u>\$ 3,342,876</u>
Business-type activities - Water and sewer	\$ 1,137,108

**Construction Commitments**

At year end, the City's commitments with contractors for active construction projects are as follows:

	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Concrete Reconstruction	\$ 342,511	\$ 849,068
HMA Mill Fill Resurfacing	285,930	82,300
HMA Full Depth Reclamation	482,120	2,175,262
Chip Sealing	-	523,808
Concrete Reconstruction	1,563,900	130,640
Asphalt Project	3,952,501	523,670
Sidewalk Gap Program	186,171	117,429
Sanitary Sewer Sectional Pipe Lining	2,676,248	132,488
Braun Ambulance/ F-450 Diesel	-	283,136
Dodge Charger Police AWG V6 Vehicles	-	61,272
	<u>9,489,381</u>	<u>4,879,073</u>
Total	<u>\$ 9,489,381</u>	<u>\$ 4,879,073</u>

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

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

<u>Paying Fund (Transfer Out)</u>	<u>Receiving Fund (Transfer In)</u>	<u>Amount</u>
General Fund	Other nonmajor governmental funds (1)	\$ 308,173
Other nonmajor governmental funds	Other nonmajor governmental funds (2)	<u>1,127,354</u>
	Total	<u>\$ 1,435,527</u>

(1) Transfer for capital projects, asset purchases, and operating expenditure

(2) Transfer of Act 51 money to fund Local Street Fund project

June 30, 2021

**Note 7 - Long-term Debt**

The City issues bonds to provide for the acquisition and construction of major capital facilities. The City has also issued a judgment bond to pay for a settlement. General obligation bonds are direct obligations and pledge the full faith and credit of the City. County contractual agreements and installment purchase agreements are also general obligations of the government. Special assessment bonds provide for capital improvements that benefit specific properties and will be repaid from amounts levied against those properties benefited from the construction. In the event that a deficiency exists because of unpaid or delinquent special assessments at the time a debt service payment is due, the City is obligated to provide resources to cover the deficiency until other resources (such as tax sale proceeds or a reassessment of the district) are received.

**Governmental Activities**

	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Bonds and contracts payable:							
Direct borrowings and direct placements:							
Installment purchase			\$ 25,000	\$ -	\$ (25,000)	\$ -	\$ -
Other debt:							
2018 General Obligation Tax Refunding Bonds							
Amount of issue - \$151,061 (part of \$1,720,000 issue)	3.00% -	\$10,539-					
Maturing through 2027	4.00%	\$30,300	119,885	-	(30,741)	89,144	30,300
2018 Capital Improvement Bond							
Amount of issue - \$2,850,000		\$465,000-					
Maturing through 2024	4.00%	\$520,000	2,415,000	-	(445,000)	1,970,000	465,000
2019 General Obligation Unlimited Tax Bonds							
Amount of issue - \$10,000,000		\$1,330,000-					
Maturing through 2024	5.00%	\$1,490,000	7,190,000	-	(2,960,000)	4,230,000	1,330,000
2021 General Obligation Unlimited Tax Bonds							
Amount of issue - \$4,105,000		\$1,345,000-					
Maturing through 2023	3.00%	\$1,390,000	-	4,105,000	-	4,105,000	1,370,000
Total other debt principal outstanding			9,724,885	4,105,000	(3,435,741)	10,394,144	3,195,300
Unamortized bond premiums			691,226	151,010	(176,046)	666,190	-
Self-insurance claims			428,726	-	(241,976)	186,750	-
Total bonds and contracts payable			10,869,837	4,256,010	(3,878,763)	11,247,084	3,195,300
Compensated absences			1,023,421	430,372	(403,282)	1,050,511	402,766
Total governmental activities long-term debt			\$ 11,893,258	\$ 4,686,382	\$ (4,282,045)	\$ 12,297,595	\$ 3,598,066

June 30, 2021

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

**Business-type Activities**

	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Bonds and contracts payable:							
Direct borrowings and direct placements:							
State Revolving Fund Debt							
Amount of issue - \$4,570,000, of which \$4,446,093 has been drawn							
Maturing through 2037	2.50%	\$200,000-\$300,000	\$ 4,071,093	\$ 161,671	\$ (195,000)	\$ 4,037,764	\$ 200,000
Other debt:							
2018 General Obligation Limited Tax Refunding Bonds							
Amount of issue - \$1,568,939 (Part of \$1,720,000 issue)							
Maturing through 2027	3.00%-4.00%	\$91,217-\$314,700	1,245,117	-	(319,261)	925,856	314,700
Unamortized bond premiums			36,493	-	(5,214)	31,279	-
Total bonds and contracts payable			5,352,703	161,671	(519,475)	4,994,899	514,700
Compensated absences			109,047	41,732	(63,068)	87,711	50,481
Total business-type activities long-term debt			<u>\$ 5,461,750</u>	<u>\$ 203,403</u>	<u>\$ (582,543)</u>	<u>\$ 5,082,610</u>	<u>\$ 565,181</u>

**Debt Service Requirements to Maturity**

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

Years Ending June 30	Governmental Activities			Business-type Activities				
	Other Debt			Direct Borrowings and Direct Placements		Other Debt		
	Principal	Interest	Total	Principal	Interest	Principal	Interest	Total
2022	\$ 3,195,300	\$ 367,762	\$ 3,563,062	\$ 200,000	\$ 94,402	\$ 314,700	\$ 27,365	\$ 636,467
2023	3,248,783	259,228	3,508,011	205,000	89,340	91,217	19,247	404,804
2024	3,388,783	127,652	3,516,435	210,000	84,152	91,217	15,598	400,967
2025	528,783	11,546	540,329	215,000	78,840	91,217	11,904	396,961
2026	10,978	810	11,788	220,000	73,402	114,022	8,415	415,839
2027-2031	21,517	639	22,156	1,190,000	236,484	223,483	6,636	1,656,603
Thereafter	-	-	-	1,797,764	155,289	-	-	1,953,053
Total	<u>\$ 10,394,144</u>	<u>\$ 767,637</u>	<u>\$ 11,161,781</u>	<u>\$ 4,037,764</u>	<u>\$ 811,909</u>	<u>\$ 925,856</u>	<u>\$ 89,165</u>	<u>\$ 5,864,694</u>

**Note 8 - Risk Management**

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

June 30, 2021

**Note 8 - Risk Management (Continued)**

The Michigan Municipal Risk Management Authority (the "Authority") risk pool program operates as a claims servicing pool for amounts up to member retention limits and operates as a common risk-sharing management program for losses in excess of member retention amounts. Although premiums are paid annually to the Authority that it uses to pay claims up to the retention limits, the ultimate liability for those claims remains with the City.

The City estimates the liability for general liability and workers' compensation claims that have been incurred through the end of the fiscal year, including claims that have been reported and those that have not yet been reported. Changes in the estimated liability for the past two fiscal years were as follows:

	General Liability		Workers' Compensation	
	2021	2020	2021	2020
Estimated liability - Beginning of year	\$ 237,726	\$ 99,882	\$ 191,000	\$ 355,000
Estimated claims incurred, including changes in estimates	(110,551)	182,399	10,309	(28,635)
Claim payments	(37,425)	(44,555)	(104,309)	(135,365)
Estimated liability - End of year	<u>\$ 89,750</u>	<u>\$ 237,726</u>	<u>\$ 97,000</u>	<u>\$ 191,000</u>

**Note 9 - Pension Plans**

**Plan Description**

The City of Garden City, Michigan provides a monthly retirement benefit (with alternative lump-sum payment options) to employees who meet the eligibility requirements, including age and years of service. The benefits are provided through the MERS plan, an agent multiple-employer plan, administered by the Municipal Employees' Retirement System (MERS) of Michigan for both city and district court employees.

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 that includes the financial statements and required supplemental information of this defined benefit plan. This report can be obtained at [www.mersofmich.com](http://www.mersofmich.com) or in writing to MERS at 1134 Municipal Way, Lansing, MI 48917.

**Funding Policy**

The obligation to contribute and maintain the system for these employees was established by negotiation with the City's competitive bargaining units and requires contributions of 12 percent from city employees of all divisions. The court requires contributions of 5 percent from employees.

**Benefits Provided**

MERS Plan - City Employees and MERS Plan - District Court Employees provide certain retirement, disability, and death benefits to plan members and beneficiaries. PA 427 of 1984, as amended, established and amends the benefit provisions of the participants in MERS. The MERS plan covers police employees, fire employees, department heads, and court employees and judges.

Retirement benefits for GCSPPA, library, and district court employees are calculated as 2.5 percent of the employee's final three-year average salary times the employee's years of service. Normal retirement age is 60, with early retirement at 25 and out or a reduced benefit at 55 with 15 years of service. The vesting period is 10 years. Employees are eligible for nonduty disability benefits after one year 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 equal 85 percent of accrued retirement allowance benefit. An employee who leaves service may withdraw his or her contributions, plus any accumulated interest.



**Note 9 - Pension Plans (Continued)**

Retirement benefits for POAM dispatchers are calculated as 2.5 percent of the employee’s final four-year average salary times the employee’s years of service. Normal retirement age is 60, with early retirement at 25 and out or a reduced benefit at 55 with 15 years of service. The vesting period is 10 years. Employees are eligible for nonduty disability benefits after one year 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 equal 85 percent of accrued retirement allowance benefit. An employee who leaves service may withdraw his or her contributions, plus any accumulated interest.

Retirement benefits for IAFF fire, POAM police officers and detectives, and COAM command are calculated as 2.5 percent of the employee’s final three-year average salary times the employee’s years of service. Normal retirement age is 55, with early retirement at 25 and out. The vesting period is 10 years. Employees are eligible for nonduty disability benefits after one year 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 equal 85 percent of accrued retirement allowance benefit. An employee who leaves service may withdraw his or her contributions, plus any accumulated interest.

Retirement benefits for TPOAM are calculated as 2.57 percent of the employee’s final three-year average salary times the employee’s years of service. Normal retirement age is 60, with early retirement at 25 and out or a reduced benefit at 55 with 15 years of service. The vesting period is 10 years. Employees are eligible for nonduty disability benefits after one year 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 equal 85 percent of accrued retirement allowance benefit. An employee who leaves service may withdraw his or her contributions, plus any accumulated interest.

Retirement benefits for IAFF after July 1, 2011 are calculated as 2 percent of the employee’s final three-year average salary times the employee’s years of service. Normal retirement age is 55, with early retirement at 25 and out. The vesting period is 10 years. Employees are eligible for nonduty disability benefits after one year 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 equal 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 one-half of the change in the Consumer Price Index.

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**

The following members were covered by the benefit terms:

	MERS Plan - City	MERS Plan - District Court
Inactive plan members or beneficiaries currently receiving benefits	180	8
Inactive plan members entitled to but not yet receiving benefits	7	-
Active plan members	106	9
Pending refunds	19	-
	312	17
Total employees covered by the plan	312	17

June 30, 2021

**Note 9 - Pension Plans (Continued)**

**Contributions**

State law requires public employers to make pension contributions in accordance with an actuarial valuation. MERS hires an independent actuary to determine the annual contribution. The City's required contribution is determined after consideration of the required contribution rate of employees. For the year ended June 30, 2021, the average monthly contribution for the city and court plans was \$249,773 and \$12,831, respectively. The average monthly contribution from the employees for the city and court plans was \$88,901 and \$1,950, respectively.

**Net Pension Liability**

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

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

**MERS Plan - City Employees**

Changes in Net Pension Liability	Increase (Decrease)		
	Total Pension Liability	Plan Net Position	Net Pension Liability
<b>Balance at December 31, 2019</b>	\$ 98,612,194	\$ 57,445,734	\$ 41,166,460
Changes for the year:			
Service cost	1,305,579	-	1,305,579
Interest	7,301,141	-	7,301,141
Differences between expected and actual experience	1,605,712	-	1,605,712
Changes in assumptions	4,489,796	-	4,489,796
Contributions - Employer	-	2,997,274	(2,997,274)
Contributions - Employee	-	1,066,813	(1,066,813)
Net investment income	-	7,851,815	(7,851,815)
Benefit payments, including refunds	(6,394,707)	(6,394,707)	-
Administrative expenses	-	(113,800)	113,800
Net changes	8,307,521	5,407,395	2,900,126
<b>Balance at December 31, 2020</b>	<b>\$ 106,919,715</b>	<b>\$ 62,853,129</b>	<b>\$ 44,066,586</b>

The plan's fiduciary net position represents 58.8 percent of the total pension liability.

June 30, 2021

**Note 9 - Pension Plans (Continued)**

**MERS Plan - District Court Employees**

Changes in Net Pension Liability	Increase (Decrease)		
	Total Pension Liability	Plan Net Position	Net Pension Liability
<b>Balance at December 31, 2019</b>	\$ 3,201,289	\$ 1,945,480	\$ 1,255,809
Changes for the year:			
Service cost	70,151	-	70,151
Interest	238,903	-	238,903
Differences between expected and actual experience	48,413	-	48,413
Changes in assumptions	119,763	-	119,763
Contributions - Employer	-	153,975	(153,975)
Contributions - Employee	-	23,400	(23,400)
Net investment income	-	277,946	(277,946)
Benefit payments, including refunds	(185,816)	(185,816)	-
Administrative expenses	-	(3,925)	3,925
Net changes	291,414	265,580	25,834
<b>Balance at December 31, 2020</b>	<u>\$ 3,492,703</u>	<u>\$ 2,211,060</u>	<u>\$ 1,281,643</u>

The plan's fiduciary net position represents 63.3 percent of the total pension liability.

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

For the year ended June 30, 2021, the City recognized pension expense of \$6,364,133 from all plans.

At June 30, 2021, the City and district court 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
Difference between expected and actual experience	\$ 1,285,840	\$ (1,500)
Changes in assumptions	4,362,968	-
Net difference between projected and actual earnings on pension plan investments	-	(2,560,201)
Employer contributions to the plan subsequent to the measurement date	1,506,804	-
Total	<u>\$ 7,155,612</u>	<u>\$ (2,561,701)</u>

June 30, 2021

**Note 9 - Pension Plans (Continued)**

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

Years Ending June 30	Amount
2022	\$ 2,927,473
2023	2,155,511
2024	(1,287,634)
2025	(708,242)
Total	<u>\$ 3,087,108</u>

**Actuarial Assumptions**

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

	<u>MERS Plan - City and District Court Employees</u>
Inflation	2.50%
Salary increases (including inflation)	3.00%
Investment rate of return (net of investment expenses)	7.60%
Mortality rates	Pub-2010 Mortality Table

The investment return assumption used in the December 31, 2020 valuation was based on historically low interest rates, along with high equity market valuations, which led to reductions in projected returns for all asset classes.

**Discount Rate**

The discount rate used to measure the total pension liability was 7.6 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate.

**Investment Rate of Return**

Based on those assumptions, the pension plans' 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.

June 30, 2021

**Note 9 - Pension Plans (Continued)**

The long-term expected rate of return on pension plan investments was determined using a model in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return as of December 31, 2020, the measurement date, for each major asset class are summarized in the following table:

**MERS Plan - City and District Court Employees**

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

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

	1 Percentage Point Decrease (6.60%)	Current Discount Rate (7.60%)	1 Percentage Point Increase (8.60%)
Net pension liability of the MERS Plan - City Employees	\$ 57,286,769	\$ 44,066,586	\$ 33,153,634
Net pension liability of the MERS Plan - District Court Employees	1,758,693	1,281,643	891,717

***Pension Plan Fiduciary Net Position***

Detailed information about the plans' 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 pensions, and pension expense, information about the plans' fiduciary net position and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by the plans. The plans use the economic resources measurement focus and the full accrual basis of accounting. Investments are stated at fair value. Contribution revenue is recorded as contributions are due, pursuant to legal requirements. Benefit payments and refunds of employee contributions are recognized as expense when due and payable in accordance with the benefit terms.

***Assumption Changes***

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

**Note 10 - Other Postemployment Benefit Plan**

***Plan Description***

The City provides OPEB for all employees who meet eligibility requirements. The benefits are provided through the City of Garden City Retiree Health Care Plan, a single-employer plan administered by the City. The benefits are provided under collective bargaining agreements. The plan does not issue a separate stand-alone financial statement. No assets are accumulated in a trust that meets the criteria of paragraph 4 of GASB 75.

June 30, 2021

**Note 10 - Other Postemployment Benefit Plan (Continued)**

**Benefits Provided**

The City of Garden City Retiree Health Care Plan provides retiree health care benefits for eligible employees and their spouses. Benefits are provided to public safety and general employees in accordance with labor contracts.

**Employees Covered by Benefit Terms**

The following members were covered by the benefit terms:

	<u>City of Garden City Retiree Health Care Plan</u>
Date of member count	July 1, 2020
Inactive plan members or beneficiaries currently receiving benefits	173
Active plan members	<u>115</u>
Total plan members	<u><u>288</u></u>

**Contributions**

Retiree health care costs are paid by the City on a pay-as-you-go basis. The City has no obligation to make contributions in advance of when the insurance premiums are due for payment.

**Total OPEB Liability**

The June 30, 2021 total OPEB liability was determined by an actuarial valuation performed as of July 1, 2020, which used update procedures to roll forward the estimated liability to June 30, 2021.

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

<u>Changes in Net OPEB Liability</u>	<u>Total OPEB Liability</u>
<b>Balance at July 1, 2020</b>	<b>\$ 127,312,340</b>
Changes for the year:	
Service cost	780,949
Interest	3,071,316
Changes in assumptions	(13,722,099)
Benefit payments, including refunds	<u>(2,877,490)</u>
Net changes	<u>(12,747,324)</u>
<b>Balance at June 30, 2021</b>	<b><u><u>\$ 114,565,016</u></u></b>

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

For the year ended June 30, 2021, the City recognized OPEB cost recovery of \$10,371,275.

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in assumptions	\$ -	\$ (10,080,426)

June 30, 2021

**Note 10 - Other Postemployment Benefit Plan (Continued)**

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

Year Ending June 30	Amount
2022	\$ (10,080,426)

**Actuarial Assumptions**

The total OPEB liability in the June 30, 2020 actuarial valuation was determined using an inflation assumption of 3.0 percent; assumed salary increases (including inflation) of 3.0 percent; a health care cost trend rate of 7.0 percent for 2022, decreasing 0.25 percent per year to an ultimate rate of 4.5 percent for 2032 and later years; and the Pub-2010 Mortality Tables. These assumptions were applied to all periods included in the measurement.

**Discount Rate**

The discount rate used to measure the total OPEB liability was 2.09 percent. The discount rate was based on the average of three 20-year indices.

**Sensitivity of the Total OPEB Liability to Changes in the Discount Rate**

The following presents the total OPEB liability of the City, calculated using the discount rate of 2.09 percent, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1 Percentage Point Decrease (1.09%)	Current Discount Rate (2.09%)	1 Percentage Point Increase (3.09%)
Total OPEB liability of the City of Garden City Retiree Health Care Plan	\$ 137,558,455	\$ 114,565,016	\$ 96,906,166

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

The following presents the total OPEB liability of the City, calculated using the health care cost trend rate of 7.0 percent, decreasing 0.25 percent per year to 4.50 percent, as well as what the City's total OPEB liability would be if it were calculated using a health care cost trend rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1 Percentage Point Decrease	Current Health Care Cost Trend Rate	1 Percentage Point Increase
Total OPEB liability of the City of Garden City Retiree Health Care Plan	\$ 96,766,088	\$ 114,565,016	\$ 137,366,248

**Assumption Changes**

From the previous measurement date, the primary assumption changes include a decrease in discount rate from 2.44 percent to 2.09 percent and changes in health care trend rates and mortality tables.

**June 30, 2021**

**Note 11 - Joint Ventures**

The City is a member of the Nankin Transit Commission, which provides transportation services to residents of Garden City, Westland, Canton, Wayne, and Inkster. The participating communities provide annual funding for its operations. During the current year, the City contributed \$34,000 for its operations. The City has no definable equity interest in the Nankin Transit Commission at June 30, 2021. The City is unaware of any circumstances that would cause an additional significant benefit or burden to the participating governments in the near future. Complete financial statements for the Nankin Transit Commission can be obtained from the administrative offices at 37137 Marquette, Westland, MI 48185.

The City is also a member of the Central Wayne County Sanitation Authority (the "Sanitation Authority"). The City appoints one member to the joint venture's governing board, which approves the annual budget. The debt of the joint venture, including the postclosure costs, is being financed by operations and member millage. The postclosure liability will be funded over the next 25 years as the costs come due.

The City contributed \$562,753 for sanitation costs passed through the Sanitation Authority. The City is unaware of any circumstances that would cause an additional significant benefit or burden to the participating governments in the near future. Complete financial statements for the Sanitation Authority can be obtained from the administrative offices at 28200 S. Huron Road, Flat Rock, MI 48134.



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## Required Supplemental Information

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**City of Garden City, Michigan**

**Required Supplemental Information  
Budgetary Comparison Schedule - General Fund**

**Year Ended June 30, 2021**

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
<b>Revenue</b>				
Property taxes	\$ 11,131,530	\$ 11,098,530	\$ 10,947,188	\$ (151,342)
Special assessments	350,500	350,500	349,571	(929)
State and federal sources	3,894,337	4,438,351	5,174,374	736,023
Charges for services	1,993,250	2,083,250	1,829,540	(253,710)
21st District Court	1,057,100	1,057,100	1,010,346	(46,754)
Licenses and permits	43,300	43,300	36,076	(7,224)
Interest and other	983,192	1,098,192	973,606	(124,586)
Cable franchise fees	478,500	478,500	550,907	72,407
Total revenue	19,931,709	20,647,723	20,871,608	223,885
<b>Expenditures</b>				
Current services:				
General government:				
Mayor and City Council	183,374	183,374	202,668	(19,294)
Board and commissions	20,100	20,100	9,750	10,350
Clerk/Treasurer	1,157,212	1,141,712	1,112,113	29,599
General government services	1,046,827	933,027	981,745	(48,718)
City administration	487,597	478,547	427,558	50,989
21st District Court	1,112,873	1,132,887	1,061,296	71,591
Public safety	11,492,168	11,402,718	11,115,917	286,801
Department of public service	1,601,107	1,590,507	1,388,304	202,203
Community and economic development	1,052,529	1,119,029	1,139,975	(20,946)
Recreation and culture	1,811,420	1,807,770	1,555,129	252,641
Debt service	567,295	567,795	567,794	1
Total expenditures	20,532,502	20,377,466	19,562,249	815,217
<b>Excess of Revenue (Under) Over Expenditures</b>	(600,793)	270,257	1,309,359	1,039,102
<b>Other Financing Uses - Transfers out</b>	(161,700)	(274,200)	(308,173)	(33,973)
<b>Net Change in Fund Balance</b>	(762,493)	(3,943)	1,001,186	1,005,129
<b>Fund Balance - Beginning of year - As restated</b>	8,051,173	8,051,173	8,051,173	-
<b>Fund Balance - End of year</b>	<u>\$ 7,288,680</u>	<u>\$ 8,047,230</u>	<u>\$ 9,052,359</u>	<u>\$ 1,005,129</u>

Required Supplemental Information  
Schedule of City Pension Contributions

Last Ten Fiscal Years  
Years Ended June 30

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Actuarially determined contribution	\$ 3,084,986	\$ 2,773,286	\$ 2,352,077	\$ 2,036,022	\$ 1,813,606	\$ 1,757,052	\$ 1,601,381	\$ 1,553,789	\$ 1,327,738	\$ 1,062,459
Contributions in relation to the actuarially determined contribution	3,084,986	2,773,286	2,352,077	2,036,022	1,813,606	1,757,052	1,601,381	1,553,789	1,327,738	1,062,459
<b>Contribution Deficiency</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Covered Payroll</b>	<b>\$ 6,980,597</b>	<b>\$ 6,371,545</b>	<b>\$ 5,928,099</b>	<b>\$ 7,332,391</b>	<b>\$ 7,440,818</b>	<b>\$ 7,570,432</b>	<b>\$ 7,225,238</b>	<b>\$ 5,880,419</b>	<b>\$ 5,682,296</b>	<b>\$ 5,495,028</b>
<b>Contributions as a Percentage of Covered Payroll</b>	<b>44.19 %</b>	<b>43.53 %</b>	<b>39.68 %</b>	<b>27.77 %</b>	<b>24.37 %</b>	<b>23.21 %</b>	<b>22.16 %</b>	<b>26.42 %</b>	<b>23.37 %</b>	<b>19.33 %</b>

Notes to Schedule of City Pension Contributions

Actuarial valuation information relative to the determination of contributions:

Valuation date Actuarially determined contribution rates are calculated as of December 31, two years prior to the end of the fiscal year in which the contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, closed
Remaining amortization period	18 years
Asset valuation method	5-year smoothed
Inflation	2.50 percent
Salary increase	3.00-14.00 percent
Investment rate of return	7.60 percent
Retirement age	Varies by bargaining unit
Mortality	RP-2014 Mortality Table
Other information	None



Required Supplemental Information  
Schedule of Changes in the Net Pension Liability and Related Ratios  
City Employees

**Last Seven Plan Years**

	2020	2019	2018	2017	2016	2015	2014
<b>Total Pension Liability</b>							
Service cost	\$ 1,305,579	\$ 1,166,275	\$ 1,056,603	\$ 1,079,806	\$ 1,074,769	\$ 1,064,238	\$ 1,053,039
Interest	7,301,141	7,209,894	7,006,991	6,824,827	6,567,622	6,272,941	6,094,598
Changes in benefit terms	-	-	44,818	-	-	-	-
Differences between expected and actual experience	1,605,712	469,382	805,483	394,489	1,287,026	(371,306)	-
Changes in assumptions	4,489,796	3,610,457	-	-	-	4,305,506	-
Benefit payments, including refunds	(6,394,707)	(6,768,718)	(6,096,090)	(5,924,907)	(5,508,825)	(4,925,236)	(5,057,759)
<b>Net Change in Total Pension Liability</b>	<b>8,307,521</b>	<b>5,687,290</b>	<b>2,817,805</b>	<b>2,374,215</b>	<b>3,420,592</b>	<b>6,346,143</b>	<b>2,089,878</b>
<b>Total Pension Liability - Beginning of year</b>	<b>98,612,194</b>	<b>92,924,904</b>	<b>90,107,099</b>	<b>87,732,884</b>	<b>84,312,292</b>	<b>77,966,149</b>	<b>75,876,271</b>
<b>Total Pension Liability - End of year</b>	<b>\$ 106,919,715</b>	<b>\$ 98,612,194</b>	<b>\$ 92,924,904</b>	<b>\$ 90,107,099</b>	<b>\$ 87,732,884</b>	<b>\$ 84,312,292</b>	<b>\$ 77,966,149</b>
<b>Plan Fiduciary Net Position</b>							
Contributions - Employer	\$ 2,997,274	\$ 2,584,224	\$ 2,193,823	\$ 1,935,837	\$ 1,783,229	\$ 1,671,678	\$ 1,575,233
Contributions - Member	1,066,813	944,470	934,637	790,939	828,143	704,883	824,715
Net investment income (loss)	7,851,815	7,104,634	(2,227,226)	7,126,289	5,841,587	(812,190)	3,435,202
Administrative expenses	(113,800)	(122,139)	(112,346)	(113,105)	(115,385)	(120,264)	(125,638)
Benefit payments, including refunds	(6,394,707)	(6,768,718)	(6,096,090)	(5,924,907)	(5,508,825)	(4,925,236)	(5,057,759)
Other	-	-	-	-	256	-	-
<b>Net Change in Plan Fiduciary Net Position</b>	<b>5,407,395</b>	<b>3,742,471</b>	<b>(5,307,202)</b>	<b>3,815,053</b>	<b>2,829,005</b>	<b>(3,481,129)</b>	<b>651,753</b>
<b>Plan Fiduciary Net Position - Beginning of year</b>	<b>57,445,734</b>	<b>53,703,263</b>	<b>59,010,465</b>	<b>55,195,412</b>	<b>52,366,407</b>	<b>55,847,536</b>	<b>55,195,783</b>
<b>Plan Fiduciary Net Position - End of year</b>	<b>\$ 62,853,129</b>	<b>\$ 57,445,734</b>	<b>\$ 53,703,263</b>	<b>\$ 59,010,465</b>	<b>\$ 55,195,412</b>	<b>\$ 52,366,407</b>	<b>\$ 55,847,536</b>
<b>City's Net Pension Liability - Ending</b>	<b>\$ 44,066,586</b>	<b>\$ 41,166,460</b>	<b>\$ 39,221,641</b>	<b>\$ 31,096,634</b>	<b>\$ 32,537,472</b>	<b>\$ 31,945,885</b>	<b>\$ 22,118,613</b>
<b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	<b>58.79 %</b>	<b>58.25 %</b>	<b>57.79 %</b>	<b>65.49 %</b>	<b>62.91 %</b>	<b>62.11 %</b>	<b>71.63 %</b>
<b>Covered Payroll</b>	<b>\$ 6,980,597</b>	<b>\$ 6,371,545</b>	<b>\$ 5,928,099</b>	<b>\$ 7,332,391</b>	<b>\$ 7,440,818</b>	<b>\$ 7,570,432</b>	<b>\$ 7,225,238</b>
<b>City's Net Pension Liability as a Percentage of Covered Payroll</b>	<b>631.27 %</b>	<b>646.10 %</b>	<b>661.62 %</b>	<b>424.10 %</b>	<b>437.28 %</b>	<b>421.98 %</b>	<b>306.13 %</b>

**Assumption Changes:**

In the 2020 valuation, the mortality tables were updated to Pub-2010, and in the 2019 valuation, the discount rate was reduced from 8 percent to 7.6 percent. The wage inflation was reduced from 3.75 percent to 3.00 percent.

In the 2015 valuation, mortality tables were updated.

Required Supplemental Information  
 Schedule of Changes in the Net Pension Liability and Related Ratios  
 District Court Employees

**Last Seven Plan Years**

	2020	2019	2018	2017	2016	2015	2014
<b>Total Pension Liability</b>							
Service cost	\$ 70,151	\$ 62,330	\$ 60,608	\$ 51,388	\$ 51,970	\$ 51,028	\$ 59,368
Interest	238,903	230,931	222,082	215,449	203,906	187,611	178,381
Differences between expected and actual experience	48,413	25,860	11,646	(7,501)	52,938	61,880	-
Changes in assumptions	119,763	117,458	-	-	-	115,138	-
Benefit payments, including refunds	(185,816)	(181,553)	(187,576)	(174,504)	(153,976)	(128,763)	(114,639)
<b>Net Change in Total Pension Liability</b>	291,414	255,026	106,760	84,832	154,838	286,894	123,110
<b>Total Pension Liability - Beginning of year</b>	3,201,289	2,946,263	2,839,503	2,754,671	2,599,833	2,312,939	2,189,829
<b>Total Pension Liability - End of year</b>	<u>\$ 3,492,703</u>	<u>\$ 3,201,289</u>	<u>\$ 2,946,263</u>	<u>\$ 2,839,503</u>	<u>\$ 2,754,671</u>	<u>\$ 2,599,833</u>	<u>\$ 2,312,939</u>
<b>Plan Fiduciary Net Position</b>							
Contributions - Employer	\$ 153,975	\$ 132,132	\$ 108,283	\$ 100,740	\$ 93,403	\$ 81,930	\$ 85,762
Contributions - Member	23,400	21,172	19,023	19,141	19,373	17,950	19,017
Net investment income (loss)	277,946	235,505	(72,311)	224,000	178,418	(24,581)	98,201
Administrative expenses	(3,925)	(4,054)	(3,611)	(3,547)	(3,523)	(3,578)	(3,611)
Benefit payments, including refunds	(185,816)	(181,553)	(187,576)	(174,504)	(153,976)	(128,763)	(114,639)
<b>Net Change in Plan Fiduciary Net Position</b>	265,580	203,202	(136,192)	165,830	133,695	(57,042)	84,730
<b>Plan Fiduciary Net Position - Beginning of year</b>	1,945,480	1,742,278	1,878,470	1,712,640	1,578,945	1,635,987	1,551,257
<b>Plan Fiduciary Net Position - End of year</b>	<u>\$ 2,211,060</u>	<u>\$ 1,945,480</u>	<u>\$ 1,742,278</u>	<u>\$ 1,878,470</u>	<u>\$ 1,712,640</u>	<u>\$ 1,578,945</u>	<u>\$ 1,635,987</u>
<b>City's Net Pension Liability - Ending</b>	<u>\$ 1,281,643</u>	<u>\$ 1,255,809</u>	<u>\$ 1,203,985</u>	<u>\$ 961,033</u>	<u>\$ 1,042,031</u>	<u>\$ 1,020,888</u>	<u>\$ 676,952</u>
<b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	63.31 %	60.77 %	59.14 %	66.15 %	62.17 %	60.73 %	70.73 %
<b>Covered Payroll</b>	\$ 472,718	\$ 423,435	\$ 380,705	\$ 443,160	\$ 443,646	\$ 445,544	\$ 429,582
<b>City's Net Pension Liability as a Percentage of Covered Payroll</b>	271.12 %	296.58 %	316.25 %	216.86 %	234.88 %	229.13 %	157.58 %

**Assumption Changes:**

In the 2020 valuation, the mortality tables were updated to Pub-2010 tables, and in the 2019 valuation, the discount rate was reduced from 8 percent to 7.6 percent. The wage inflation was reduced from 3.75 percent to 3.00 percent.

In the 2015 valuation, the mortality tables were updated.

**City of Garden City, Michigan**

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

	<b>Last Four Fiscal Years</b>			
	2021	2020	2019	2018
<b>Total OPEB Liability</b>				
Service cost	\$ 780,949	\$ 995,945	\$ 624,759	\$ 835,371
Interest	3,071,316	4,145,220	4,456,300	4,396,828
Changes in assumptions	(13,722,099)	(9,658,130)	4,835,598	-
Benefit payments, including refunds	(2,877,490)	(3,774,947)	(3,270,533)	(3,795,435)
<b>Net Change in Total OPEB Liability</b>	(12,747,324)	(8,291,912)	6,646,124	1,436,764
<b>Total OPEB Liability - Beginning of year</b>	127,312,340	135,604,252	128,958,128	127,521,364
<b>Total OPEB Liability - End of year</b>	<b>\$ 114,565,016</b>	<b>\$ 127,312,340</b>	<b>\$ 135,604,252</b>	<b>\$ 128,958,128</b>

**Assumption Changes:**

In the 2021 fiscal year, the primary assumption changes include a decrease in discount rate from 2.44 percent to 2.09 percent, change to Pub-2010 Mortality table and change in assumptions to reflect more favorable health care trend rates.

In the 2020 fiscal year, the primary assumption changes include a decrease in discount rate from 3.1 percent to 2.44 percent and changes in assumptions to reflect more favorable health care trend rates.

In the 2019 fiscal year, the discount rate was decrease from 3.5 percent to 3.1 percent.

Required Supplemental Information  
Schedule of OPEB Contributions

Last Ten Fiscal Years  
Years Ended June 30

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Actuarially determined contribution	\$ 5,958,956	\$ 7,423,085	\$ 7,289,445	\$ 5,733,970	\$ 5,718,760	\$ 7,007,046	\$ 7,007,046	\$ 7,218,107	\$ 7,218,107	\$ 6,470,740
Contributions in relation to the actuarially determined contribution	2,877,490	3,774,947	3,270,533	3,795,435	2,550,614	2,071,320	2,420,712	2,348,853	2,299,303	2,422,791
<b>Contribution Deficiency</b>	<b>\$ (3,081,466)</b>	<b>\$ (3,648,138)</b>	<b>\$ (4,018,912)</b>	<b>\$ (1,938,535)</b>	<b>\$ (3,168,146)</b>	<b>\$ (4,935,726)</b>	<b>\$ (4,586,334)</b>	<b>\$ (4,869,254)</b>	<b>\$ (4,918,804)</b>	<b>\$ (4,047,949)</b>

Notes to Schedule of Contributions

Actuarial valuation information relative to the determination of contributions:

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal as a percentage of payroll
Inflation	3.00 percent
Health care cost trend rates	7.00 percent
Salary increase	3.00 percent
Investment rate of return	2.44 percent
Mortality	Pub-2010 Mortality Tables
Other information	None



**Budgetary Information**

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund and all special revenue funds, except that operating transfers and debt proceeds have been included in the revenue and expenditures categories, rather than as other financing sources (uses). Reimbursements from other funds have been included in revenue, rather than as a reduction of expenditures.

The budget statements are presented on the same basis of accounting used in preparing the adopted budget. All annual appropriations lapse at fiscal year end.

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

- On or before the first day of April, the city manager must submit a budget for the ensuing fiscal year to the City Council at a regular council meeting.
- Public hearings are conducted to obtain citizen comment.
- The budget must be adopted by the ordinance on or before the 20th day of May of the fiscal year currently ending.

During the year, the budget was amended in a legally permissible manner.

For most funds, including the General Fund, the budget has been adopted on an activity basis; expenditures at this level in excess of amounts budgeted are a violation of Michigan law. The budgets for other funds are adopted at the fund level. A comparison of actual results of operations to the City Council is included in the required supplemental information. This comparison includes expenditure budget overruns. A comparison of the actual results of operations in the nonmajor special revenue funds' budgets, as adopted by the City Council, is available for inspection at the clerk's office.

A reconciliation of the budgetary comparison schedules to the fund-based statement of revenue, expenditures, and changes in fund balances is shown below. This reconciliation illustrates the effects of GASB Statement No. 54 on the General Fund, as funds that previously were considered to be special revenue funds are now included in the General Fund on the fund-based statements.

	<u>Total Revenue</u>	<u>Total Expenditures</u>	<u>Other Financing Uses</u>
Amounts per operating statement	\$ 20,872,436	\$ 19,562,249	\$ (308,173)
736 - Retiree health care	(828)	-	-
Amounts per budget statement	<u>\$ 20,871,608</u>	<u>\$ 19,562,249</u>	<u>\$ (308,173)</u>

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

During the year, the City of Garden City, Michigan incurred the following expenditures in excess of the amount budgeted as follows:

	<u>General Fund</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Mayor and City Council	\$ 183,374	\$ 202,668	\$ (19,294)
Community and economic development	1,119,029	1,139,975	(20,946)
Transfers out	274,200	308,173	(33,973)
General government services	933,027	981,745	(48,718)

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## Other Supplemental Information

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# City of Garden City, Michigan

	Special Revenue Funds					
	Major Roads	Local Street	248 - Community Development Block Grant	296 - Rehabilitation Revolving	264 - Police Drug Confiscations	297 - Neighborhood Stabilization Program
<b>Assets</b>						
Cash and investments	\$ 572,952	\$ 1,317,739	\$ 6,731	\$ 29,001	\$ 171,349	\$ 66,010
Receivables	18,732	8,385	20,000	1,300	14	-
Prepaid expenses and other assets	-	-	-	-	-	-
Due from other governmental units	350,147	141,561	-	-	-	-
Restricted assets	-	-	-	-	-	-
<b>Total assets</b>	<b>\$ 941,831</b>	<b>\$ 1,467,685</b>	<b>\$ 26,731</b>	<b>\$ 30,301</b>	<b>\$ 171,363</b>	<b>\$ 66,010</b>
<b>Liabilities</b>						
Accounts payable	\$ 10,803	\$ 33,782	\$ -	\$ -	\$ -	\$ -
Due to other governmental units	-	-	1,485	-	-	-
Refundable deposits, bonds, etc.	-	-	-	-	-	5,000
Accrued liabilities and other	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-
<b>Total liabilities</b>	<b>10,803</b>	<b>33,782</b>	<b>1,485</b>	<b>-</b>	<b>-</b>	<b>5,000</b>
<b>Deferred Inflows of Resources - Unavailable revenue</b>	<b>18,630</b>	<b>8,229</b>	<b>20,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances</b>						
Nonspendable	-	-	-	-	-	-
Restricted:						
Roads	912,398	1,425,674	-	-	-	-
Public safety	-	-	-	-	171,363	-
Community development	-	-	5,246	30,301	-	61,010
Capital projects	-	-	-	-	-	-
Library	-	-	-	-	-	-
Assigned - Capital projects	-	-	-	-	-	-
<b>Total fund balances</b>	<b>912,398</b>	<b>1,425,674</b>	<b>5,246</b>	<b>30,301</b>	<b>171,363</b>	<b>61,010</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 941,831</b>	<b>\$ 1,467,685</b>	<b>\$ 26,731</b>	<b>\$ 30,301</b>	<b>\$ 171,363</b>	<b>\$ 66,010</b>

Other Supplemental Information  
Combining Balance Sheet  
Nonmajor Governmental Funds

June 30, 2021

Special Revenue Funds		Capital Project Funds						
260 - Michigan Indigent Defense Commission	790 - Library	401 - Capital Projects	436 - District Court Building	824 - Sidewalk 2015	850 - Florence Reconstruction	471 - Library Building	Total	
\$ 7,974	\$ 661,950	\$ -	\$ 125,456	\$ 109,165	\$ 1,920	\$ 548,590	\$ 3,618,837	
27,832	2,207	2	4,358	83,800	4,045	721	171,396	
-	1,715	27,973	-	-	-	-	29,688	
-	-	-	-	-	-	-	491,708	
-	-	288,105	-	-	-	-	288,105	
<b>\$ 35,806</b>	<b>\$ 665,872</b>	<b>\$ 316,080</b>	<b>\$ 129,814</b>	<b>\$ 192,965</b>	<b>\$ 5,965</b>	<b>\$ 549,311</b>	<b>\$ 4,599,734</b>	
\$ 5,625	\$ 7,864	\$ -	\$ 22,585	\$ -	\$ -	\$ -	\$ 80,659	
-	-	-	-	-	-	-	1,485	
-	-	-	-	-	-	-	5,000	
-	17,191	-	-	-	-	-	17,191	
30,181	-	-	-	-	-	-	30,181	
35,806	25,055	-	22,585	-	-	-	134,516	
-	2,147	-	-	83,790	4,045	673	137,514	
-	1,715	27,973	-	-	-	-	29,688	
-	-	-	-	-	-	-	2,338,072	
-	-	-	-	-	-	-	171,363	
-	-	-	-	-	-	-	96,557	
-	-	288,107	-	109,175	1,920	548,638	947,840	
-	636,955	-	-	-	-	-	636,955	
-	-	-	107,229	-	-	-	107,229	
-	638,670	316,080	107,229	109,175	1,920	548,638	4,327,704	
<b>\$ 35,806</b>	<b>\$ 665,872</b>	<b>\$ 316,080</b>	<b>\$ 129,814</b>	<b>\$ 192,965</b>	<b>\$ 5,965</b>	<b>\$ 549,311</b>	<b>\$ 4,599,734</b>	

# City of Garden City, Michigan

	Special Revenue Funds					
	Major Roads	Local Street	248 - Community Development Block Grant	296 - Rehabilitation Revolving	264 - Police Drug Confiscations	297 - Neighborhood Stabilization Program
<b>Revenue</b>						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	21,405	-	-	-	-	-
State and federal sources	2,138,444	864,541	-	-	-	-
Charges for services	-	100,432	-	-	-	-
Interest and other	1,069	1,634	-	-	122,133	-
<b>Total revenue</b>	<b>2,160,918</b>	<b>966,607</b>	<b>-</b>	<b>-</b>	<b>122,133</b>	<b>-</b>
<b>Expenditures</b>						
Current services:						
21st District Court	-	-	-	-	-	-
Public safety	-	-	-	-	20,534	-
Public service	1,484,006	2,321,993	-	-	-	-
Community and economic development	-	-	620	-	-	3,822
Recreation and culture	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
<b>Total expenditures</b>	<b>1,484,006</b>	<b>2,321,993</b>	<b>620</b>	<b>-</b>	<b>20,534</b>	<b>3,822</b>
<b>Excess of Revenue Over (Under) Expenditures</b>	<b>676,912</b>	<b>(1,355,386)</b>	<b>(620)</b>	<b>-</b>	<b>101,599</b>	<b>(3,822)</b>
<b>Other Financing Sources (Uses)</b>						
Transfers in	25,212	1,102,142	-	-	-	-
Transfers out	(986,163)	(28)	-	-	-	-
<b>Total other financing (uses) sources</b>	<b>(960,951)</b>	<b>1,102,114</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>(284,039)</b>	<b>(253,272)</b>	<b>(620)</b>	<b>-</b>	<b>101,599</b>	<b>(3,822)</b>
<b>Fund Balances - Beginning of year - As restated</b>	<b>1,196,437</b>	<b>1,678,946</b>	<b>5,866</b>	<b>30,301</b>	<b>69,764</b>	<b>64,832</b>
<b>Fund Balances - End of year</b>	<b>\$ 912,398</b>	<b>\$ 1,425,674</b>	<b>\$ 5,246</b>	<b>\$ 30,301</b>	<b>\$ 171,363</b>	<b>\$ 61,010</b>

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

**Year Ended June 30, 2021**

Special Revenue Funds		Capital Project Funds					
260 - Michigan Indigent Defense Commission	790 - Library	401 - Capital Projects	436 - District Court Building	824 - Sidewalk Program 2015	850 - Florence Reconstruction	471 - Library Building	Total
\$ -	\$ 532,098	\$ -	\$ -	\$ -	\$ -	\$ 546,897	\$ 1,078,995
-	-	-	-	108,918	1,908	-	132,231
119,425	34,061	-	-	-	-	-	3,156,471
-	-	-	-	-	-	-	100,432
-	20,947	131	46,768	257	11	1,741	194,691
119,425	587,106	131	46,768	109,175	1,919	548,638	4,662,820
128,363	-	-	195,839	-	-	-	324,202
-	-	-	-	-	-	-	20,534
-	-	-	-	-	-	-	3,805,999
-	-	-	-	-	-	-	4,442
-	576,890	-	-	-	-	-	576,890
-	-	574,906	-	-	-	-	574,906
128,363	576,890	574,906	195,839	-	-	-	5,306,973
(8,938)	10,216	(574,775)	(149,071)	109,175	1,919	548,638	(644,153)
8,938	-	299,235	-	-	-	-	1,435,527
-	-	-	-	(135,231)	(5,932)	-	(1,127,354)
8,938	-	299,235	-	(135,231)	(5,932)	-	308,173
-	10,216	(275,540)	(149,071)	(26,056)	(4,013)	548,638	(335,980)
-	628,454	591,620	256,300	135,231	5,933	-	4,663,684
<b>\$ -</b>	<b>\$ 638,670</b>	<b>\$ 316,080</b>	<b>\$ 107,229</b>	<b>\$ 109,175</b>	<b>\$ 1,920</b>	<b>\$ 548,638</b>	<b>\$ 4,327,704</b>

**City of Garden City, Michigan**

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**Other Supplemental Information  
Statement of Fiduciary Net Position  
Custodial Funds**

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**June 30, 2021**

	District Court	Tax Collection Fund	Total Custodial Funds
<b>Assets - Cash and cash equivalents</b>	\$ 35,550	\$ 1,286	\$ 36,836
<b>Liabilities - Due to other governmental units</b>	35,550	1,286	36,836
<b>Net Position</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**Other Supplemental Information  
Statement of Changes in Fiduciary Net Position  
Custodial Funds**

**Year Ended June 30, 2021**

	District Court	Tax Collection Fund	Total Custodial Funds
<b>Additions</b>			
Property tax collections on behalf of other governments	\$ -	\$ 19,552,508	\$ 19,552,508
District court receipts	404,080	-	404,080
Total additions	404,080	19,552,508	19,956,588
<b>Deductions</b>			
Tax distributions to other governments	-	19,552,508	19,552,508
District court disbursements	404,080	-	404,080
Total deductions	404,080	19,552,508	19,956,588
<b>Net Change in Fiduciary Net Position</b>	-	-	-
<b>Net Position - Beginning of year</b>	-	-	-
<b>Net Position - End of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



**City of Garden City, Michigan**

**Other Supplemental Information  
Balance Sheet - Modified Accrual Basis**

	<b>June 30, 2021</b>
	Downtown Development Authority
<b>Assets</b>	
Cash and investments	\$ 455,490
Receivables - Net	61,847
Prepaid expenses and other assets	2,055
	<u>2,055</u>
Total assets	<b><u>\$ 519,392</u></b>
<b>Liabilities</b>	
Accounts payable	\$ 14,491
Accrued liabilities and other	4,645
	<u>4,645</u>
Total liabilities	19,136
<b>Deferred Inflows of Resources - Unavailable revenue</b>	61,787
<b>Fund Balance</b>	
Nonspendable	2,055
Unassigned	436,414
	<u>436,414</u>
Total fund balance	438,469
	<u>438,469</u>
Total liabilities, deferred inflows of resources, and fund balance	<b><u>\$ 519,392</u></b>

**City of Garden City, Michigan**

Other Supplemental Information  
Statement of Revenue, Expenditures, and Changes in Fund Balance  
Modified Accrual Basis

**Year Ended June 30, 2021**

	<u>Downtown Development Authority</u>
<b>Revenue</b>	
Property taxes	\$ 408,218
State and federal sources	39,841
Interest and other	<u>26,932</u>
Total revenue	474,991
<b>Expenditures</b> - Current services - Community maintenance, development, and other	<u>336,057</u>
<b>Excess of Revenue Over Expenditures</b>	138,934
<b>Fund Balance</b> - Beginning of year	<u>299,535</u>
<b>Fund Balance</b> - End of year	<u><u>\$ 438,469</u></u>