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# City of Garden City, Michigan

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**Financial Report  
with Supplemental Information  
June 30, 2022**

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## Independent Auditor's Report

To the City Council  
City of Garden City, Michigan

### **Opinions**

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

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

### **Basis for Opinions**

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

### **Responsibilities of Management for the Financial Statements**

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

To the City Council  
City of Garden City, Michigan

In performing an audit in accordance with GAAS, we:

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

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

***Required Supplemental Information***

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

***Supplemental Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The 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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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.

*Plante & Moran, PLLC*

December 8, 2022

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, 2022.

### ***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 \$20.1 million, primarily due to a decrease in the unfunded liability associated with retiree health care.
- The City's taxable value increased by approximately \$24.3 million in the current year.
- All five bargaining groups have contracts that have been extended and now expire in June 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 the 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 fiduciary 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	
	2022	2021	2022	2021	2022	2021
<b>Assets</b>						
Current and other assets	\$ 18,235,146	\$ 19,757,617	\$ 7,561,921	\$ 9,393,537	\$ 25,797,067	\$ 29,151,154
Capital assets	45,026,447	44,870,858	37,680,708	37,593,129	82,707,155	82,463,987
Total assets	63,261,593	64,628,475	45,242,629	46,986,666	108,504,222	111,615,141
<b>Deferred Outflows of Resources</b>	6,374,747	6,329,410	822,042	826,202	7,196,789	7,155,612
<b>Liabilities</b>						
Current liabilities	2,050,496	1,669,002	639,333	896,192	2,689,829	2,565,194
Noncurrent liabilities	126,968,640	153,831,919	21,055,020	25,145,737	148,023,660	178,977,656
Total liabilities	129,019,136	155,500,921	21,694,353	26,041,929	150,713,489	181,542,850
<b>Deferred Inflows of Resources</b>	16,067,862	11,047,675	2,239,497	1,594,452	18,307,359	12,642,127
<b>Net Position (Deficit)</b>						
Net investment in capital assets	37,576,902	34,378,184	33,205,723	32,598,230	70,782,625	66,976,414
Restricted	2,602,694	4,121,560	-	-	2,602,694	4,121,560
Unrestricted	(115,630,254)	(134,090,455)	(11,074,902)	(12,421,743)	(126,705,156)	(146,512,198)
Total net position (deficit)	<u>\$ (75,450,658)</u>	<u>\$ (95,590,711)</u>	<u>\$ 22,130,821</u>	<u>\$ 20,176,487</u>	<u>\$ (53,319,837)</u>	<u>\$ (75,414,224)</u>

The City's combined net position decreased by approximately 41.4 percent from a year ago, from \$(75.4) million to \$(53.3) million. A review of the governmental activities, separate from the business-type activities, shows an increase of 26.6 percent, or approximately \$20.1 million, during fiscal year 2022. The business-type activities experienced an increase in net position of approximately \$1.9 million during fiscal year 2022.

# City of Garden City, Michigan

## Management's Discussion and Analysis (Continued)

### The City's Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
<b>Revenue</b>						
Program revenue:						
Charges for services	\$ 3,656,933	\$ 3,797,897	\$ 10,433,513	\$ 10,922,485	\$ 14,090,446	\$ 14,720,382
Operating grants	7,157,360	5,073,219	-	-	7,157,360	5,073,219
Capital grants	70,075	76,653	-	-	70,075	76,653
General revenue:						
Property taxes	15,656,706	15,362,077	-	-	15,656,706	15,362,077
State-shared revenue	3,732,294	3,480,998	-	-	3,732,294	3,480,998
Investment earnings	388,127	402,489	6,818	7,095	394,945	409,584
Other revenue:						
Cable franchise fees	438,937	469,685	-	-	438,937	469,685
(Loss) gain on disposal of assets	(172,749)	51,800	-	8,935	(172,749)	60,735
Other miscellaneous income	368,268	134,918	-	-	368,268	134,918
<b>Total revenue</b>	<b>31,295,951</b>	<b>28,849,736</b>	<b>10,440,331</b>	<b>10,938,515</b>	<b>41,736,282</b>	<b>39,788,251</b>
<b>Expenses</b>						
General government	1,316,262	2,219,202	-	-	1,316,262	2,219,202
21st District Court	437,713	1,114,269	-	-	437,713	1,114,269
Public safety	2,277,233	8,968,040	-	-	2,277,233	8,968,040
Public service	3,778,555	4,604,911	-	-	3,778,555	4,604,911
Community and economic development	502,332	817,418	-	-	502,332	817,418
Recreation and culture	506,300	2,206,625	-	-	506,300	2,206,625
Debt service	361,013	477,121	-	-	361,013	477,121
Rubbish Collection Fund	-	-	1,414,268	1,510,386	1,414,268	1,510,386
Water and sewer	-	-	7,100,718	9,393,860	7,100,718	9,393,860
<b>Total expenses</b>	<b>9,179,408</b>	<b>20,407,586</b>	<b>8,514,986</b>	<b>10,904,246</b>	<b>17,694,394</b>	<b>31,311,832</b>
<b>Transfers</b>	<b>(28,989)</b>	<b>-</b>	<b>28,989</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Special Item</b> - Disposal of library operations	<b>(1,947,501)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,947,501)</b>	<b>-</b>
<b>Change in Net Position</b>	<b>20,140,053</b>	<b>8,442,150</b>	<b>1,954,334</b>	<b>34,269</b>	<b>22,094,387</b>	<b>8,476,419</b>
<b>Net Position (Deficit) - Beginning of year</b>	<b>(95,590,711)</b>	<b>(104,032,861)</b>	<b>20,176,487</b>	<b>20,142,218</b>	<b>(75,414,224)</b>	<b>(83,890,643)</b>
<b>Net Position (Deficit) - End of year</b>	<b>\$ (75,450,658)</b>	<b>\$ (95,590,711)</b>	<b>\$ 22,130,821</b>	<b>\$ 20,176,487</b>	<b>\$ (53,319,837)</b>	<b>\$ (75,414,224)</b>

### Governmental Activities

The City's total governmental revenue and other items increased by approximately \$2.4 million, primarily due to an increase in property tax revenue and federal grant funding related to the American Rescue Plan Act (ARPA).

Governmental expenses decreased by approximately 55 percent, or \$11.2 million. The main component of the decrease was a recovery in the other postemployment benefits liability of approximately \$20 million for governmental activities due to a change in the discount rate used in the actuarial valuation, 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 the Great Lakes Water Authority (GLWA) and the Wayne County Sewerage Department. The Water and Sewer Fund has experienced an operating gain as a result of decreased expenses, which were the result of a decrease in the other postemployment benefits liability.



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 \$359,000. The majority of the budget increase related to an increase in expected state-shared revenue and federal revenue, as compared to what was originally budgeted. The General Fund's fund balance increased by \$1.6 million during the year ended June 30, 2022.

### ***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. See Notes 5 and 7.

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

The City's budget for fiscal year 2022-2023 shows a moderate increase in taxable values. We expect this trend to continue. Also, the City, along with the rest of the country, is dealing with the post-COVID-19 pandemic effects, supply chain shortages, and inflation costs. The City will continue to monitor its budget very closely. The City expects grant revenue, including the CARES Act and ARPA funds to begin to significantly decrease over the coming year. Development within the City continues to increase. Also, significant emergency equipment replacements are expected to be placed in service for fiscal year 2022-2023.

### ***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, 2022

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
<b>Assets</b>				
Cash and investments (Note 3)	\$ 14,287,149	\$ 4,306,968	\$ 18,594,117	\$ 597,426
Receivables:				
Property taxes receivable	99,054	-	99,054	24,228
Special assessments receivable	65,726	-	65,726	180,287
Accrued interest receivable	5,781	1,650	7,431	228
Customer receivables	-	3,175,121	3,175,121	-
Other receivables	570,209	-	570,209	-
Due from other governments	267,975	-	267,975	-
Prepaid expenses and other assets	1,556,975	73,445	1,630,420	967
Due from other governmental units	1,155,867	4,737	1,160,604	-
Restricted assets - Unspent bond proceeds	226,410	-	226,410	-
Capital assets: (Note 5)				
Assets not subject to depreciation	2,179,335	-	2,179,335	-
Assets subject to depreciation - Net	42,847,112	37,680,708	80,527,820	1,267,790
<b>Total assets</b>	<b>63,261,593</b>	<b>45,242,629</b>	<b>108,504,222</b>	<b>2,070,926</b>
<b>Deferred Outflows of Resources</b> - Deferred outflows related to pension	6,374,747	822,042	7,196,789	-
<b>Liabilities</b>				
Accounts payable	865,288	583,847	1,449,135	8,192
Due to other governmental units	1,485	-	1,485	-
Refundable deposits, bonds, etc.	303,577	-	303,577	-
Accrued liabilities and other	876,436	55,486	931,922	1,945
Unearned revenue	3,710	-	3,710	-
Noncurrent liabilities:				
Due within one year:				
Payable from restricted assets	37,304	-	37,304	-
Compensated absences (Note 7)	341,568	82,496	424,064	-
Current portion of long-term debt (Note 7)	3,248,783	296,217	3,545,000	-
Due in more than one year:				
Compensated absences	545,633	47,166	592,799	-
Net pension liability (Note 9)	41,040,851	5,446,081	46,486,932	-
Long-term debt (Note 7)	4,804,305	4,178,768	8,983,073	-
Total OPEB liability (Note 10)	76,950,196	11,004,292	87,954,488	-
<b>Total liabilities</b>	<b>129,019,136</b>	<b>21,694,353</b>	<b>150,713,489</b>	<b>10,137</b>
<b>Deferred Inflows of Resources</b>				
Deferred inflows related to pension (Note 9)	4,474,299	582,271	5,056,570	-
Deferred inflows related to OPEB (Note 10)	11,593,563	1,657,226	13,250,789	-
<b>Total deferred inflows of resources</b>	<b>16,067,862</b>	<b>2,239,497</b>	<b>18,307,359</b>	<b>-</b>
<b>Net Position (Deficit)</b>				
Net investment in capital assets	37,576,902	33,205,723	70,782,625	1,267,790
Restricted:				
Roads	1,413,447	-	1,413,447	-
Debt service	103,861	-	103,861	-
Capital projects	809,144	-	809,144	-
Public safety	110,565	-	110,565	-
MIDC	56	-	56	-
Community development	165,621	-	165,621	-
Unrestricted	(115,630,254)	(11,074,902)	(126,705,156)	792,999
<b>Total net position (deficit)</b>	<b>\$ (75,450,658)</b>	<b>\$ 22,130,821</b>	<b>\$ (53,319,837)</b>	<b>\$ 2,060,789</b>

# City of Garden City, Michigan

Functions/Programs	Expenses	Program Revenue		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 1,316,262	\$ 149,125	\$ 2,033	\$ -
District court	437,713	783,579	172,361	-
Public safety	2,277,233	657,349	2,839,838	-
Public works	3,778,555	1,117,576	3,261,883	70,075
Health and welfare	-	-	90,676	-
Community and economic development	502,332	437,865	-	-
Recreation and culture	506,300	511,439	790,569	-
Interest on long-term debt	361,013	-	-	-
Total governmental activities	9,179,408	3,656,933	7,157,360	70,075
Business-type activities:				
Water and Sewer Fund	7,100,718	8,996,233	-	-
Rubbish Collection Fund	1,414,268	1,437,280	-	-
Total business-type activities	8,514,986	10,433,513	-	-
Total primary government	<b>\$ 17,694,394</b>	<b>\$ 14,090,446</b>	<b>\$ 7,157,360</b>	<b>\$ 70,075</b>
Component units	<b>\$ 455,292</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 166,935</b>

General revenue:

- Taxes
- Unrestricted state-shared revenue:
  - State-shared revenue
  - Local community stabilization authority
- Unrestricted investment income
- Cable franchise fees
- Loss on sale of capital assets
- Other miscellaneous income

Total general revenue

Transfers

Special item - Disposal of library operations

**Change in Net Position**

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

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

# Statement of Activities

**Year Ended June 30, 2022**

Net (Expense) Revenue and Changes in Net Position				
Primary Government				
Governmental Activities	Business-type Activities	Total	Component Unit	
\$ (1,165,104)	\$ -	\$ (1,165,104)	\$ -	-
518,227	-	518,227	-	-
1,219,954	-	1,219,954	-	-
670,979	-	670,979	-	-
90,676	-	90,676	-	-
(64,467)	-	(64,467)	-	-
795,708	-	795,708	-	-
(361,013)	-	(361,013)	-	-
1,704,960	-	1,704,960	-	-
-	1,895,515	1,895,515	-	-
-	23,012	23,012	-	-
-	1,918,527	1,918,527	-	-
1,704,960	1,918,527	3,623,487	-	-
-	-	-	(288,357)	-
15,656,706	-	15,656,706	414,899	-
3,674,699	-	3,674,699	-	-
57,595	-	57,595	38,661	-
388,127	6,818	394,945	43,718	-
438,937	-	438,937	-	-
(172,749)	-	(172,749)	-	-
368,268	-	368,268	1,047	-
20,411,583	6,818	20,418,401	498,325	-
(28,989)	28,989	-	-	-
(1,947,501)	-	(1,947,501)	-	-
20,140,053	1,954,334	22,094,387	209,968	-
(95,590,711)	20,176,487	(75,414,224)	1,850,821	-
<b>\$ (75,450,658)</b>	<b>\$ 22,130,821</b>	<b>\$ (53,319,837)</b>	<b>\$ 2,060,789</b>	<b>\$ -</b>

Governmental Funds  
Balance Sheet

June 30, 2022

	General Fund	Debt Retirement Fund	Nonmajor Funds	Total Governmental Funds
<b>Assets</b>				
Cash and investments	\$ 11,375,747	\$ 90,697	\$ 1,739,883	\$ 13,206,327
Receivables	931,543	13,164	63,528	1,008,235
Due from other funds	-	-	173,222	173,222
Prepaid expenses and other assets	379,495	-	727,141	1,106,636
Due from other governmental units	669,230	-	486,637	1,155,867
Restricted assets	-	-	226,410	226,410
<b>Total assets</b>	<b>\$ 13,356,015</b>	<b>\$ 103,861</b>	<b>\$ 3,416,821</b>	<b>\$ 16,876,697</b>
<b>Liabilities</b>				
Accounts payable	\$ 425,032	\$ -	\$ 429,166	\$ 854,198
Due to other governmental units	-	-	1,485	1,485
Due to other funds	-	-	173,222	173,222
Refundable deposits, bonds, etc.	303,577	-	-	303,577
Accrued liabilities and other	804,116	-	-	804,116
Unearned revenue	-	-	3,710	3,710
Payable from restricted assets	-	-	37,304	37,304
<b>Total liabilities</b>	<b>1,532,725</b>	<b>-</b>	<b>644,887</b>	<b>2,177,612</b>
<b>Deferred Inflows of Resources - Unavailable revenue</b>	<b>329,920</b>	<b>13,132</b>	<b>59,556</b>	<b>402,608</b>
<b>Fund Balances</b>				
Nonspendable - Prepays	379,495	-	727,141	1,106,636
Restricted:				
Roads	-	-	1,403,536	1,403,536
Public safety	-	-	110,565	110,565
Debt service	-	90,729	-	90,729
Community development	-	-	165,621	165,621
Capital projects	-	-	258,768	258,768
MIDC	-	-	56	56
Assigned - Capital projects	2,775,183	-	46,691	2,821,874
Unassigned	8,338,692	-	-	8,338,692
<b>Total fund balances</b>	<b>11,493,370</b>	<b>90,729</b>	<b>2,712,378</b>	<b>14,296,477</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 13,356,015</b>	<b>\$ 103,861</b>	<b>\$ 3,416,821</b>	<b>\$ 16,876,697</b>

**Governmental Funds**

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

**June 30, 2022**

<b>Fund Balances Reported in Governmental Funds</b>	\$ 14,296,477
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets and lease assets used in governmental activities are not financial resources and are not reported in the funds	45,026,447
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	402,608
Bonds payable and lease liabilities are not due and payable in the current period and are not reported in the funds	(7,638,651)
Accrued interest is not due and payable in the current period and is not reported in the funds	(72,320)
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	(887,201)
Pension benefits	(39,140,403)
Other postemployment benefits	(88,543,759)
Internal service funds are included as part of governmental activities	<u>1,106,144</u>
<b>Net Position (Deficit) of Governmental Activities</b>	<b><u><u>\$ (75,450,658)</u></u></b>

**City of Garden City, Michigan**

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

**Year Ended June 30, 2022**

	General Fund	Debt Retirement Fund	Nonmajor Funds	Total Governmental Funds
<b>Revenue</b>				
Property taxes:				
Property taxes	\$ 11,600,989	\$ 2,999,293	\$ 1,055,879	\$ 15,656,161
Special assessments	349,340	-	91,868	441,208
Intergovernmental:				
Federal grants	2,810,074	-	78,890	2,888,964
State sources	4,545,995	19,268	3,404,471	7,969,734
Local grants and contributions	73,945	-	1,688	75,633
Charges for services	2,034,386	-	3,000	2,037,386
21st District Court	749,589	-	-	749,589
Licenses and permits	44,295	-	-	44,295
Interest and other	909,846	516	158,426	1,068,788
Cable franchise fees	593,292	-	-	593,292
<b>Total revenue</b>	<b>23,711,751</b>	<b>3,019,077</b>	<b>4,794,222</b>	<b>31,525,050</b>
<b>Expenditures</b>				
Current services:				
General government	2,745,986	-	-	2,745,986
21st District Court	1,084,075	-	219,650	1,303,725
Public safety	11,868,985	-	23,237	11,892,222
Public service	1,532,001	-	4,332,930	5,864,931
Community and economic development	1,156,696	-	71,766	1,228,462
Recreation and culture	1,859,370	-	334,586	2,193,956
Capital outlay	-	-	1,256,192	1,256,192
Debt service	567,934	2,996,628	-	3,564,562
<b>Total expenditures</b>	<b>20,815,047</b>	<b>2,996,628</b>	<b>6,238,361</b>	<b>30,050,036</b>
<b>Excess of Revenue Over (Under) Expenditures</b>	<b>2,896,704</b>	<b>22,449</b>	<b>(1,444,139)</b>	<b>1,475,014</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	219,669	-	2,846,343	3,066,012
Transfers out	(1,496,679)	-	(1,349,664)	(2,846,343)
<b>Total other financing (uses) sources</b>	<b>(1,277,010)</b>	<b>-</b>	<b>1,496,679</b>	<b>219,669</b>
<b>Special Items - Disposal of library operations (Note 12)</b>	<b>-</b>	<b>-</b>	<b>(1,947,501)</b>	<b>(1,947,501)</b>
<b>Net Change in Fund Balances</b>	<b>1,619,694</b>	<b>22,449</b>	<b>(1,894,961)</b>	<b>(252,818)</b>
<b>Fund Balances - Beginning of year</b>	<b>9,873,676</b>	<b>68,280</b>	<b>4,607,339</b>	<b>14,549,295</b>
<b>Fund Balances - End of year</b>	<b>\$ 11,493,370</b>	<b>\$ 90,729</b>	<b>\$ 2,712,378</b>	<b>\$ 14,296,477</b>

**Governmental Funds**

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

**Year Ended June 30, 2022**

<b>Net Change in Fund Balances Reported in Governmental Funds</b>	<b>\$ (252,818)</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	4,168,074
Net book value of assets disposed of	(172,747)
Depreciation expense	(3,839,738)
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	165,386
Repayment of bond principal and lease liabilities is an expenditure in the governmental funds but not in the statement of activities (where it reduces long-term debt)	3,421,683
Interest expense is recognized in the government-wide statements as it accrues	8,249
Change in net pension liability and related deferrals are recorded when incurred in the statement of activities	(3,163,131)
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	163,310
Change in other postemployment benefits liability and related deferrals is recorded when incurred in the statement of activities	20,047,352
Internal service funds are included as part of governmental activities:	(405,567)
<b>Change in Net Position of Governmental Activities</b>	<b><u><u>\$ 20,140,053</u></u></b>



Proprietary Funds  
Statement of Net Position

June 30, 2022

	Enterprise Funds			Governmental Activities
	Water and Sewer Fund	Rubbish Collection Fund	Total Enterprise Funds	Internal Service Funds
<b>Assets</b>				
Current assets:				
Cash and investments	\$ 3,413,900	\$ 893,068	\$ 4,306,968	\$ 1,080,822
Receivables - Net:				
Accrued interest receivable	1,319	331	1,650	510
Customer receivables	3,175,121	-	3,175,121	-
Prepaid expenses and other assets	63,780	9,665	73,445	450,339
Due from other governmental units	4,737	-	4,737	-
Total current assets	6,658,857	903,064	7,561,921	1,531,671
Noncurrent assets - Capital assets - Assets subject to depreciation (Note 5)	37,680,708	-	37,680,708	-
Total assets	44,339,565	903,064	45,242,629	1,531,671
<b>Deferred Outflows of Resources</b> - Deferred outflows related to pension (Note 9)	822,042	-	822,042	-
<b>Liabilities</b>				
Current liabilities:				
Accounts payable	582,587	1,260	583,847	11,090
Accrued liabilities and other	55,486	-	55,486	-
Compensated absences	82,496	-	82,496	-
Current portion of long-term debt (Note 7)	296,217	-	296,217	-
Total current liabilities	1,016,786	1,260	1,018,046	11,090
Noncurrent liabilities:				
Compensated absences	47,166	-	47,166	-
Net pension liability (Note 9)	5,446,081	-	5,446,081	-
Long-term debt (Note 7)	4,178,768	-	4,178,768	414,437
Total OPEB liability (Note 10)	11,004,292	-	11,004,292	-
Total noncurrent liabilities	20,676,307	-	20,676,307	414,437
Total liabilities	21,693,093	1,260	21,694,353	425,527
<b>Deferred Inflows of Resources</b>				
Deferred inflows related to pension	582,271	-	582,271	-
Deferred inflows related to OPEB	1,657,226	-	1,657,226	-
Total deferred inflows of resources	2,239,497	-	2,239,497	-
<b>Net Position</b>				
Net investment in capital assets	33,205,723	-	33,205,723	-
Unrestricted	(11,976,706)	901,804	(11,074,902)	1,106,144
Total net position	<u>\$ 21,229,017</u>	<u>\$ 901,804</u>	<u>\$ 22,130,821</u>	<u>\$ 1,106,144</u>

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

Year Ended June 30, 2022

	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	\$ 8,917,888	\$ -	\$ 8,917,888	\$ -
Interest and other	78,345	-	78,345	-
Charges for services	-	1,437,280	1,437,280	247,866
Other operating revenues	-	-	-	225,425
<b>Total operating revenue</b>	<b>8,996,233</b>	<b>1,437,280</b>	<b>10,433,513</b>	<b>473,291</b>
<b>Operating Expenses</b>				
Cost of water	1,761,290	-	1,761,290	-
Cost of sewage treatment	3,161,691	-	3,161,691	-
Cost of rubbish disposal	-	1,414,268	1,414,268	-
Supplies	222,030	-	222,030	-
Personnel services	2,535,167	-	2,535,167	-
Other services and charges	1,548,240	-	1,548,240	-
Claims expense	-	-	-	632,151
OPEB recovery	(3,392,813)	-	(3,392,813)	-
Depreciation	1,143,627	-	1,143,627	-
<b>Total operating expenses</b>	<b>6,979,232</b>	<b>1,414,268</b>	<b>8,393,500</b>	<b>632,151</b>
<b>Operating Income (Loss)</b>	<b>2,017,001</b>	<b>23,012</b>	<b>2,040,013</b>	<b>(158,860)</b>
<b>Nonoperating Revenue (Expense)</b>				
Investment income	5,246	1,572	6,818	1,951
Interest expense	(121,486)	-	(121,486)	-
<b>Total nonoperating (expense) revenue</b>	<b>(116,240)</b>	<b>1,572</b>	<b>(114,668)</b>	<b>1,951</b>
<b>Transfers In</b>	<b>28,989</b>	<b>-</b>	<b>28,989</b>	<b>-</b>
<b>Transfers Out</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(248,658)</b>
<b>Change in Net Position</b>	<b>1,929,750</b>	<b>24,584</b>	<b>1,954,334</b>	<b>(405,567)</b>
<b>Net Position - Beginning of year</b>	<b>19,299,267</b>	<b>877,220</b>	<b>20,176,487</b>	<b>1,511,711</b>
<b>Net Position - End of year</b>	<b>\$ 21,229,017</b>	<b>\$ 901,804</b>	<b>\$ 22,130,821</b>	<b>\$ 1,106,144</b>

Proprietary Funds  
Statement of Cash Flows

Year Ended June 30, 2022

	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	\$ 8,832,132	\$ 1,437,280	\$ 10,269,412	\$ 473,291
Payments to suppliers	(6,524,892)	(1,423,753)	(7,948,645)	-
Payments to employees and fringes	(2,522,027)	-	(2,522,027)	(10,001)
Claims paid	-	-	-	(445,707)
Net cash and cash equivalents (used in) provided by operating activities	(214,787)	13,527	(201,260)	17,583
<b>Cash Flows from Noncapital Financing Activities</b>				
Transfers from other funds	28,989	-	28,989	-
Transfers to other funds	-	-	-	(248,658)
Net cash and cash equivalents provided by (used in) noncapital financing activities	28,989	-	28,989	(248,658)
<b>Cash Flows from Capital and Related Financing Activities</b>				
Purchase of capital assets	(1,231,206)	-	(1,231,206)	-
Principal and interest paid on capital debt	(645,870)	-	(645,870)	-
Net cash and cash equivalents used in capital and related financing activities	(1,877,076)	-	(1,877,076)	-
<b>Cash Flows Provided by Investing Activities -</b>				
Interest received on investments	4,412	1,319	5,731	1,557
<b>Net (Decrease) Increase in Cash and Cash Equivalents</b>	(2,058,462)	14,846	(2,043,616)	(229,518)
<b>Cash and Cash Equivalents - Beginning of year</b>	5,472,362	878,222	6,350,584	1,310,340
<b>Cash and Cash Equivalents - End of year</b>	<b>\$ 3,413,900</b>	<b>\$ 893,068</b>	<b>\$ 4,306,968</b>	<b>\$ 1,080,822</b>

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

**Year Ended June 30, 2022**

	Enterprise Funds			Governmental Activities
	Water and Sewer Fund	Rubbish Collection Fund	Total Enterprise Funds	Internal Service Funds
<b>Reconciliation of Operating Income (Loss) to Net Cash from Operating Activities</b>				
Operating income (loss)	\$ 2,017,001	\$ 23,012	\$ 2,040,013	\$ (158,860)
Adjustments to reconcile operating income (loss) to net cash from operating activities:				
Depreciation	1,143,627	-	1,143,627	-
Changes in assets and liabilities:				
Receivables	(164,101)	-	(164,101)	-
Prepaid and other assets	(37,147)	(9,665)	(46,812)	-
Net pension or total OPEB liability	(2,981,067)	-	(2,981,067)	(10,001)
Accounts payable	(193,100)	180	(192,920)	-
Estimated claims liability	-	-	-	186,444
Total adjustments	<u>(2,231,788)</u>	<u>(9,485)</u>	<u>(2,241,273)</u>	<u>176,443</u>
Net cash and cash equivalents (used in) provided by operating activities	<u>\$ (214,787)</u>	<u>\$ 13,527</u>	<u>\$ (201,260)</u>	<u>\$ 17,583</u>

## City of Garden City, Michigan

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### Fiduciary Funds Statement of Fiduciary Net Position

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**June 30, 2022**

Custodial Funds

<b>Assets</b> - Cash and cash equivalents	\$ 620,361
<b>Liabilities</b> - Due to other governmental units	<u>25,285</u>
<b>Net Position</b>	<u><u>\$ 595,076</u></u>

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

**Year Ended June 30, 2022**

	<u>Custodial Funds</u>
<b>Additions</b>	
Property tax collections on behalf of other governments	\$ 20,313,276
Collections on behalf of library	55,712
District court receipts	301,711
Distribution from Library Fund	<u>1,946,923</u>
Total additions	22,617,622
<b>Deductions</b>	
Tax distributions to other governments	20,313,276
Distributions to library	1,407,559
District court disbursements	<u>301,711</u>
Total deductions	<u>22,022,546</u>
<b>Net Change in Fiduciary Net Position</b>	595,076
<b>Net Position - Beginning of year</b>	<u>-</u>
<b>Net Position - End of year</b>	<u><u>\$ 595,076</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.

**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.



**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 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.), collections for the library and library building, and the activity of the District Court.

**Interfund Activity**

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

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

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

***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.

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

	Depreciable Life - Years
	<hr/>
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

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

**Long-term Obligations**

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

**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.

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

**Fund Balance Flow Assumptions**

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

**Fund Balance Policies**

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The City itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

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

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The City 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 2021 property tax revenue was levied and collectible on July 1, 2021 and is recognized as revenue in the year ended June 30, 2022 when the proceeds of the levy are budgeted and available for the financing of operations.

The 2021 taxable valuation of the City totaled \$582 million, on which taxes levied consisted of 14.9208 mills for operating purposes, 1.25 mills for refuse collection, 0.9355 mills for library operations, 3.2741 mills for public safety, 0.9647 mills for library building, and 5.1455 mills for road debt. This resulted in \$8.5 million for operating, \$727,000 for refuse collection, \$542,000 for library operations, \$1.9 million for public safety, \$557,000 for library building, and \$3.0 million for road debt. A portion of the operating millage is captured for the Downtown Development Authority.

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

**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 an OPEB liability as calculated by the actuary, as there are no plan assets. For the purpose of measuring the OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense 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.

**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.

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

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

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 or exchange-like transaction. The provisions of this statement are effective for the City's financial statements for the year ending June 30, 2023.

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

**Subsequent Events**

The financial statements and related disclosures include evaluation of events up through and including December 8, 2022, which is the date the financial statements were available to be issued. In August 2022, voters approved a \$15 million bond proposal, with planned financing of \$7.5 million in May 2024, a bond millage beginning in July 2024, and the \$7.5 million balance to be bonded in 2026 according to plans.

**Note 3 - Deposits and Investments**

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

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

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

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

***Custodial Credit Risk of Bank Deposits***

Custodial credit risk is the risk that, in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk. At year end, the City had bank deposits of \$10,147,727 (certificates of deposit and checking and savings accounts) that were uninsured and uncollateralized. The City believes that, due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits. As a result, the City evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

***Interest Rate Risk***

Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. The City's investment policy does not restrict investment maturities other than commercial paper, which can only be purchased with a 270-day maturity, 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 (Years)
Commercial paper	\$ 4,490,037	0.02

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

**Credit Risk**

State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations. The City requires commercial paper to have been rated within the top two rating categories by two nationally recognized statistical rating organizations. As of June 30, 2022, 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	\$ 2,208,856	Not rated	N/A
Michigan CLASS EDGE investment pool	5,006,216	Not rated	N/A
Money market	47,388	Not rated	N/A
Commercial paper	1,994,778	A1	S&P
Commercial paper	2,495,259	A2	S&P
Total	<u>\$ 11,752,497</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, 2022:

- Michigan CLASS investment pool of \$2,208,856 is measured at net asset value (NAV).
- Michigan CLASS EDGE investment pool of \$5,006,216 is measured at net asset value.

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

**Investments in Entities that Calculate Net Asset Value per Share**

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



June 30, 2022

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

As of June 30, 2022, the fair value, unfunded commitments, and redemption rules of those investments are as follows:

	Carrying Value	Unfunded Commitments	Redemption Frequency, if Eligible	Redemption Notice Period
Michigan CLASS investment pool	\$ 2,208,856	\$ -	None	None
Michigan CLASS EDGE investment pool	5,006,216	-	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.

The Michigan CLASS EDGE 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), approved certificates of deposit, mutual funds approved under the Investment Company Act of 1940 maintaining a \$1.00 per share net asset value, and any other investment permissible to all participants individually under Michigan law and authorized by the board. The program is designed to meet the needs of Michigan public sector investors and achieve a higher yield than the Michigan CLASS investment. 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, 2022 is as follows:

Cumulative shortfall at July 1, 2021	\$ (1,840,089)
Current year permit revenue	723,129
Estimated indirect costs	<u>787,498</u>
Current year shortfall	<u>(64,369)</u>
Cumulative shortfall at June 30, 2022	<u><u>\$ (1,904,458)</u></u>

June 30, 2022

**Note 5 - Capital Assets**

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

**Governmental Activities**

	Balance July 1, 2021	Reclassifications	Additions	Disposals and Adjustments	Balance June 30, 2022
Capital assets not being depreciated:					
Land and land improvements	\$ 1,514,961	\$ -	\$ -	\$ -	\$ 1,514,961
Construction in progress	2,673,409	(2,673,409)	664,374	-	664,374
Subtotal	4,188,370	(2,673,409)	664,374	-	2,179,335
Capital assets being depreciated:					
Roads and sidewalks	119,402,044	2,673,409	2,495,383	-	124,570,836
Buildings and improvements	10,266,152	-	420,901	-	10,687,053
Vehicles and equipment	14,478,009	-	587,416	(1,599,813)	13,465,612
Subtotal	144,146,205	2,673,409	3,503,700	(1,599,813)	148,723,501
Accumulated depreciation:					
Roads and sidewalks	86,902,048	-	3,082,510	(1,427,066)	88,557,492
Buildings and improvements	4,282,391	-	175,920	-	4,458,311
Vehicles and equipment	12,279,278	-	581,308	-	12,860,586
Subtotal	103,463,717	-	3,839,738	(1,427,066)	105,876,389
Net capital assets being depreciated	40,682,488	2,673,409	(336,038)	(172,747)	42,847,112
Net governmental activities capital assets	\$ 44,870,858	\$ -	\$ 328,336	\$ (172,747)	\$ 45,026,447

June 30, 2022

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

***Business-type Activities***

	Balance July 1, 2021	Reclassifications	Additions	Disposals and Adjustments	Balance June 30, 2022
Capital assets being depreciated:					
Water and sewer lines	\$ 25,561,491	\$ -	\$ 1,137,835	\$ -	\$ 26,699,326
Drain rights	28,122,982	-	-	-	28,122,982
Buildings and improvements	70,057	-	14,626	-	84,683
Vehicles	1,695,280	-	-	-	1,695,280
Meters	3,128,820	-	71,306	-	3,200,126
Office furnishings	110,330	-	7,583	-	117,913
Machinery and equipments	1,977,719	-	5,070	-	1,982,789
Subtotal	60,666,679	-	1,236,420	-	61,903,099
Accumulated depreciation:					
Water and sewer lines	5,984,928	-	269,309	-	6,254,237
Drain rights	12,374,113	-	562,460	-	12,936,573
Buildings and improvements	2,498	-	1,767	-	4,265
Vehicles	1,107,567	-	93,131	-	1,200,698
Meters	2,300,682	-	133,779	-	2,434,461
Office furnishings	95,568	-	6,716	-	102,284
Machinery and equipment	1,208,194	-	81,679	-	1,289,873
Subtotal	23,073,550	-	1,148,841	-	24,222,391
Net capital assets being depreciated	37,593,129	-	87,579	-	37,680,708
Net business-type activities capital assets	<u>\$ 37,593,129</u>	<u>\$ -</u>	<u>\$ 87,579</u>	<u>\$ -</u>	<u>\$ 37,680,708</u>

***Component Unit***

	Balance July 1, 2021	Reclassifications	Additions	Disposals and Adjustments	Balance June 30, 2022
Capital assets being depreciated:					
Land improvements	\$ 2,573,296	\$ -	\$ -	\$ (35,001)	\$ 2,538,295
Equipment	134,592	-	-	-	134,592
Subtotal	2,707,888	-	-	(35,001)	2,672,887
Accumulated depreciation:					
Land improvements	1,222,729	-	52,149	(4,375)	1,270,503
Equipment	134,594	-	-	-	134,594
Subtotal	1,357,323	-	52,149	(4,375)	1,405,097
Net component unit capital assets	<u>\$ 1,350,565</u>	<u>\$ -</u>	<u>\$ (52,149)</u>	<u>\$ (30,626)</u>	<u>\$ 1,267,790</u>

June 30, 2022

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

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

Governmental activities:	
General government	\$ 220,418
Public safety	256,024
Public works	3,240,687
Recreation and culture	122,609
	<u>3,839,738</u>
Total governmental activities	<u>\$ 3,839,738</u>
Business-type activities - Water and sewer	\$ 1,148,841

**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>
HMA mill fill resurfacing	\$ -	\$ 400,000
HMA full-depth reclamation	2,425,088	232,294
Chip sealing	26,656	278,344
Sidewalk replacement program	-	396,850
New phone systems	-	116,411
Dance floor	-	88,400
Braun ambulance/F-450 diesel	27,973	251,753
Water main improvements	-	307,771
	<u>\$ 2,479,717</u>	<u>\$ 2,071,823</u>
Total		

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

The composition of interfund balances is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Nonmajor governmental funds	Nonmajor governmental funds	\$ 173,222

The payable represents amounts owed to the Local Street Fund from the Major Roads Fund for capital project work performed on behalf of major roads.

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)	\$ 1,496,679
Other nonmajor governmental funds	Other nonmajor governmental funds (1)	125,840
	Other nonmajor governmental funds (2)	<u>1,223,824</u>
	Total other nonmajor governmental funds	1,349,664
Internal service funds	General Fund (3)	219,669
	Water and Sewer Fund (3)	<u>28,989</u>
	Total internal service funds	<u>248,658</u>
	Total	<u>\$ 3,095,001</u>

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

June 30, 2022

**Note 6 - Interfund Receivables, Payables, and Transfers (Continued)**

- (2) Transfer of Act 51 money to fund Local Street Fund projects
- (3) Return of funds from Workers' Compensation Fund

**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:							
Other debt:							
2018 General Obligation Tax Refunding Bonds							
Amount of issue - \$151,061 (part of \$1,720,000 issue)							
3.00% - 4.00%	\$8,873 - \$10,978	\$ 89,144	\$ -	\$ (30,300)	\$ 58,844	\$ 8,783	
2018 Capital Improvement Bond							
Amount of issue - \$2,850,000							
4.00%	\$485,000 - \$520,000	1,970,000	-	(465,000)	1,505,000	485,000	
2019 General Obligation Unlimited Tax Bonds							
Amount of issue - \$10,000,000							
5.00%	\$1,410,000 - \$1,490,000	4,230,000	-	(1,330,000)	2,900,000	1,410,000	
2021 General Obligation Unlimited Tax Bonds							
Amount of issue - \$4,105,000							
3.00%	\$1,345,000 - \$1,390,000	4,105,000	-	(1,370,000)	2,735,000	1,345,000	
Total other debt principal outstanding			10,394,144	-	(3,195,300)	7,198,844	3,248,783
Unamortized bond premiums			666,190	-	(226,383)	439,807	-
Self-insurance claims			186,750	401,744	(174,057)	414,437	-
Total bonds and contracts payable			11,247,084	401,744	(3,595,740)	8,053,088	3,248,783
Compensated absences			1,050,511	239,456	(402,766)	887,201	341,568
Total governmental activities long-term debt			<u>\$ 12,297,595</u>	<u>\$ 641,200</u>	<u>\$ (3,998,506)</u>	<u>\$ 8,940,289</u>	<u>\$ 3,590,351</u>

June 30, 2022

**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%	\$205,000 - \$300,000	\$ 4,037,764	\$ -	\$ (200,000)	\$ 3,837,764	\$ 205,000
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	925,856	-	(314,700)	611,156	91,217
Unamortized bond premiums			31,279	-	(5,214)	26,065	-
Total bonds and contracts payable			4,994,899	-	(519,914)	4,474,985	296,217
Compensated absences			87,711	92,432	(50,481)	129,662	82,496
Total business-type activities long-term debt			<u>\$ 5,082,610</u>	<u>\$ 92,432</u>	<u>\$ (570,395)</u>	<u>\$ 4,604,647</u>	<u>\$ 378,713</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
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	10,978	481	11,459	225,000	67,840	114,022	4,994	411,856
2028-2032	10,539	158	10,697	1,220,000	212,762	109,461	1,642	1,543,865
Thereafter	-	-	-	1,542,764	125,365	-	-	1,668,129
Total	<u>\$ 7,198,844</u>	<u>\$ 399,875</u>	<u>\$ 7,598,719</u>	<u>\$ 3,837,764</u>	<u>\$ 731,701</u>	<u>\$ 611,156</u>	<u>\$ 61,800</u>	<u>\$ 5,242,421</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.

**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	
	2022	2021	2022	2021
Estimated liability - Beginning of year	\$ 89,750	\$ 237,726	\$ 97,000	\$ 191,000
Estimated claims incurred, including changes in estimates	322,656	(110,551)	79,088	10,309
Claim payments	(14,969)	(37,425)	(160,135)	(104,309)
Estimated liability - End of year	<u>\$ 397,437</u>	<u>\$ 89,750</u>	<u>\$ 15,953</u>	<u>\$ 97,000</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 3-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 1 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 4-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 1 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 3-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 1 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 3-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 1 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 3-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 1 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	184	8
Inactive plan members entitled to but not yet receiving benefits	5	1
Active plan members	105	9
Pending refunds	21	-
Total employees covered by the plan	315	18



**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, 2022, the average monthly contribution for the city and court plans was \$283,066 and \$13,650, respectively. The average monthly contribution from the employees for the city and court plans was \$73,154 and \$1,946, respectively.

**Net Pension Liability**

The net pension liability reported at June 30, 2022 was determined using a measure of the total pension liability and the pension net position as of December 31, 2021. The December 31, 2021 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, 2020</b>	\$ 106,919,715	\$ 62,853,129	\$ 44,066,586
Changes for the year:			
Service cost	1,324,817	-	1,324,817
Interest	7,905,533	-	7,905,533
Differences between expected and actual experience	(12,020)	-	(12,020)
Changes in assumptions	4,386,646	-	4,386,646
Contributions - Employer	-	3,396,789	(3,396,789)
Contributions - Employee	-	877,842	(877,842)
Net investment income	-	8,270,808	(8,270,808)
Benefit payments, including refunds	(7,123,929)	(7,123,929)	-
Administrative expenses	-	(98,193)	98,193
Net changes	6,481,047	5,323,317	1,157,730
<b>Balance at December 31, 2021</b>	<b>\$ 113,400,762</b>	<b>\$ 68,176,446</b>	<b>\$ 45,224,316</b>

The plan's fiduciary net position represents 60.1 percent of the total pension liability.

**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, 2020</b>	\$ 3,492,703	\$ 2,211,060	\$ 1,281,643
Changes for the year:			
Service cost	75,010	-	75,010
Interest	260,974	-	260,974
Differences between expected and actual experience	(33,467)	-	(33,467)
Changes in assumptions	160,070	-	160,070
Contributions - Employer	-	163,798	(163,798)
Contributions - Employee	-	23,347	(23,347)
Net investment income	-	297,995	(297,995)
Benefit payments, including refunds	(192,675)	(192,675)	-
Administrative expenses	-	(3,526)	3,526
Net changes	269,912	288,939	(19,027)
<b>Balance at December 31, 2021</b>	<u>\$ 3,762,615</u>	<u>\$ 2,499,999</u>	<u>\$ 1,262,616</u>

The plan's fiduciary net position represents 66.4 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, 2022, the City recognized pension expense of \$7,598,082 from all plans.

At June 30, 2022, 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	\$ 576,958	\$ (34,787)
Changes in assumptions	4,667,926	-
Net difference between projected and actual earnings on pension plan investments	-	(5,021,783)
Employer contributions to the plan subsequent to the measurement date	1,951,905	-
Total	<u>\$ 7,196,789</u>	<u>\$ (5,056,570)</u>

**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
2023	\$ 2,891,785
2024	(551,359)
2025	(1,430,177)
2026	(721,935)
Total	<u>\$ 188,314</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)	7.25%
Mortality rates	Pub-2010 Mortality Table

The investment return assumption used in the December 31, 2021 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 7.25 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.

**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, 2021, 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 %	4.50 %
Global fixed income	20.00	2.00
Private investments	20.00	7.00

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

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

	1 Percentage Point Decrease (6.25%)	Current Discount Rate (7.25%)	1 Percentage Point Increase (8.25%)
Net pension liability of the MERS Plan - City Employees	\$ 59,561,881	\$ 45,224,316	\$ 33,433,744
Net pension liability of the MERS Plan - District Court Employees	1,788,829	1,262,616	833,233

***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 a discount rate of 7.60 percent, and the end of year total pension liability was based on a discount rate of 7.25 percent.

**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, 2022

**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, 2022 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, 2022.

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

<u>Changes in Total OPEB Liability</u>	<u>Total OPEB Liability</u>
<b>Balance at July 1, 2021</b>	\$ 114,565,016
Changes for the year:	
Service cost	474,303
Interest	2,363,614
Changes in assumptions	(26,501,578)
Benefit payments, including refunds	<u>(2,946,867)</u>
Net changes	<u>(26,610,528)</u>
<b>Balance at June 30, 2022</b>	<u><u>\$ 87,954,488</u></u>

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

For the year ended June 30, 2022, the City recognized OPEB cost recovery of \$26,387,032.

At June 30, 2022, 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	\$ -	\$ (13,250,789)

**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
2023	\$ (13,250,789)

**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 3.77 percent. The discount rate was based on an 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 3.77 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 (2.77%)	Current Discount Rate (3.77%)	1 Percentage Point Increase (4.77%)
Total OPEB liability of the City of Garden City Retiree Health Care Plan	\$ 102,560,803	\$ 87,954,488	\$ 76,429,427

**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	\$ 75,489,509	\$ 87,954,488	\$ 103,596,810

**Assumption Changes**

From the previous measurement date, the primary assumption changes include an increase in discount rate from 2.09 percent to 3.77 percent.

**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, 2022. 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 post-closure costs, is being financed by operations and member millage. The post-closure liability will be funded over the next 25 years as the costs come due.

The City contributed \$512,420 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.

**Note 12 - Disposal of Library Operations**

On January 31, 2022, the fiscal relationship between the City and the Garden City Public Library (the "Library") ended, with the Garden City Public Library taking full fiscal control over its operations. Prior to January 31, 2022, the Garden City Public Library activity was included within the City's financial statements as a special revenue fund. Effective February 1, 2022, the special revenue fund ceased operations, and fiduciary funds were created to handle the Library's funds, as the City still collects receipts on behalf of the Library and holds funds in a custodial relationship. The reason for the fiscal relationship ending was because, during a review of the legal relationship between the City and the Library, it was determined that, as a state-governed MCL 397.210a library, the Library is not a department of the City of Garden City, Michigan.

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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, 2022**

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
<b>Revenue</b>				
Property taxes	\$ 11,611,400	\$ 11,611,400	\$ 11,600,989	\$ (10,411)
Special assessments	350,500	350,500	349,340	(1,160)
Intergovernmental	3,826,800	5,340,297	7,430,014	2,089,717
Charges for services	1,897,500	1,897,500	2,034,386	136,886
21st District Court	1,067,800	1,067,800	749,589	(318,211)
Licenses and permits	42,500	42,500	44,295	1,795
Interest and other	1,025,500	1,025,500	908,639	(116,861)
Cable franchise fees	555,800	555,800	593,292	37,492
Total revenue	20,377,800	21,891,297	23,710,544	1,819,247
<b>Expenditures</b>				
Current services:				
General government:				
Mayor and City Council	184,500	184,500	272,231	(87,731)
Board and commissions	17,100	17,100	19,499	(2,399)
Clerk/Treasurer	1,223,000	1,223,000	1,230,490	(7,490)
General government services	1,037,000	1,037,000	744,358	292,642
City administration	490,000	490,000	479,408	10,592
21st District Court	1,147,200	1,147,200	1,084,075	63,125
Public safety	11,891,300	11,891,300	11,868,985	22,315
Department of public service	1,481,600	1,481,600	1,532,001	(50,401)
Community and economic development	1,123,100	1,123,100	1,156,696	(33,596)
Recreation and culture	1,768,800	1,768,800	1,859,370	(90,570)
Debt service	568,000	568,000	567,934	66
Total expenditures	20,931,600	20,931,600	20,815,047	116,553
<b>Excess of Revenue (Under) Over Expenditures</b>	(553,800)	959,697	2,895,497	1,935,800
<b>Other Financing Uses - Transfers out</b>	(156,200)	(1,311,100)	(1,277,010)	34,090
<b>Net Change in Fund Balance</b>	(710,000)	(351,403)	1,618,487	1,969,890
<b>Fund Balance - Beginning of year</b>	9,052,359	9,052,359	9,052,359	-
<b>Fund Balance - End of year</b>	<u>\$ 8,342,359</u>	<u>\$ 8,700,956</u>	<u>\$ 10,670,846</u>	<u>\$ 1,969,890</u>

Required Supplemental Information  
Schedule of City Pension Contributions

Last Ten Fiscal Years  
Years Ended June 30

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Actuarially determined contribution	\$ 3,370,567	\$ 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
Contributions in relation to the actuarially determined contribution	3,829,471	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
<b>Contribution Excess</b>	<b>\$ 458,904</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Covered Payroll</b>	<b>\$ 6,833,638</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>Contributions as a Percentage of Covered Payroll</b>	<b>56.04 %</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>

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	17 years
Asset valuation method	5-year smoothed
Inflation	2.5 percent
Salary increase	3.00-14.00 percent
Investment rate of return	7.60 percent
Retirement age	Varies by bargaining unit
Mortality	Pub-2010 Mortality Tables
Other information	None



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

**Last Eight Plan Years**

	2021	2020	2019	2018	2017	2016	2015	2014
<b>Total Pension Liability</b>								
Service cost	\$ 1,324,817	\$ 1,305,579	\$ 1,166,275	\$ 1,056,603	\$ 1,079,806	\$ 1,074,769	\$ 1,064,238	\$ 1,053,039
Interest	7,905,533	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	(12,020)	1,605,712	469,382	805,483	394,489	1,287,026	(371,306)	-
Changes in assumptions	4,386,646	4,489,796	3,610,457	-	-	-	4,305,506	-
Benefit payments, including refunds	(7,123,929)	(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>6,481,047</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>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>75,876,271</b>
<b>Total Pension Liability - End of year</b>	<b>\$ 113,400,762</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	\$ 3,396,789	\$ 2,997,274	\$ 2,584,224	\$ 2,193,823	\$ 1,935,837	\$ 1,783,229	\$ 1,671,678	\$ 1,575,233
Contributions - Member	877,842	1,066,813	944,470	934,637	790,939	828,143	704,883	824,715
Net investment income (loss)	8,270,808	7,851,815	7,104,634	(2,227,226)	7,126,289	5,841,587	(812,190)	3,435,202
Administrative expenses	(98,193)	(113,800)	(122,139)	(112,346)	(113,105)	(115,385)	(120,264)	(125,638)
Benefit payments, including refunds	(7,123,929)	(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>5,323,317</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>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>55,195,783</b>
<b>Plan Fiduciary Net Position - End of year</b>	<b>\$ 68,176,446</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>\$ 45,224,316</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>	60.12 %	58.79 %	58.25 %	57.79 %	65.49 %	62.91 %	62.11 %	71.63 %
<b>Covered Payroll</b>	\$ 6,833,638	\$ 6,980,597	\$ 6,371,545	\$ 5,928,099	\$ 7,332,391	\$ 7,440,818	\$ 7,570,432	\$ 7,225,238
<b>City's Net Pension Liability as a Percentage of Covered Payroll</b>	661.79 %	631.27 %	646.10 %	661.62 %	424.10 %	437.28 %	421.98 %	306.13 %

**Assumption Changes**

In the 2021 valuation, the discount rate was reduced from 7.6 percent to 7.25 percent.

In the 2020 valuation, the mortality tables were updated to Pub-2010 tables; 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 Eight Plan Years**

	2021	2020	2019	2018	2017	2016	2015	2014
<b>Total Pension Liability</b>								
Service cost	\$ 75,010	\$ 70,151	\$ 62,330	\$ 60,608	\$ 51,388	\$ 51,970	\$ 51,028	\$ 59,368
Interest	260,974	238,903	230,931	222,082	215,449	203,906	187,611	178,381
Differences between expected and actual experience	(33,467)	48,413	25,860	11,646	(7,501)	52,938	61,880	-
Changes in assumptions	160,070	119,763	117,458	-	-	-	115,138	-
Benefit payments, including refunds	(192,675)	(185,816)	(181,553)	(187,576)	(174,504)	(153,976)	(128,763)	(114,639)
<b>Net Change in Total Pension Liability</b>	<b>269,912</b>	<b>291,414</b>	<b>255,026</b>	<b>106,760</b>	<b>84,832</b>	<b>154,838</b>	<b>286,894</b>	<b>123,110</b>
<b>Total Pension Liability - Beginning of year</b>	<b>3,492,703</b>	<b>3,201,289</b>	<b>2,946,263</b>	<b>2,839,503</b>	<b>2,754,671</b>	<b>2,599,833</b>	<b>2,312,939</b>	<b>2,189,829</b>
<b>Total Pension Liability - End of year</b>	<b>\$ 3,762,615</b>	<b>\$ 3,492,703</b>	<b>\$ 3,201,289</b>	<b>\$ 2,946,263</b>	<b>\$ 2,839,503</b>	<b>\$ 2,754,671</b>	<b>\$ 2,599,833</b>	<b>\$ 2,312,939</b>
<b>Plan Fiduciary Net Position</b>								
Contributions - Employer	\$ 163,798	\$ 153,975	\$ 132,132	\$ 108,283	\$ 100,740	\$ 93,403	\$ 81,930	\$ 85,762
Contributions - Member	23,347	23,400	21,172	19,023	19,141	19,373	17,950	19,017
Net investment income (loss)	297,995	277,946	235,505	(72,311)	224,000	178,418	(24,581)	98,201
Administrative expenses	(3,526)	(3,925)	(4,054)	(3,611)	(3,547)	(3,523)	(3,578)	(3,611)
Benefit payments, including refunds	(192,675)	(185,816)	(181,553)	(187,576)	(174,504)	(153,976)	(128,763)	(114,639)
<b>Net Change in Plan Fiduciary Net Position</b>	<b>288,939</b>	<b>265,580</b>	<b>203,202</b>	<b>(136,192)</b>	<b>165,830</b>	<b>133,695</b>	<b>(57,042)</b>	<b>84,730</b>
<b>Plan Fiduciary Net Position - Beginning of year</b>	<b>2,211,060</b>	<b>1,945,480</b>	<b>1,742,278</b>	<b>1,878,470</b>	<b>1,712,640</b>	<b>1,578,945</b>	<b>1,635,987</b>	<b>1,551,257</b>
<b>Plan Fiduciary Net Position - End of year</b>	<b>\$ 2,499,999</b>	<b>\$ 2,211,060</b>	<b>\$ 1,945,480</b>	<b>\$ 1,742,278</b>	<b>\$ 1,878,470</b>	<b>\$ 1,712,640</b>	<b>\$ 1,578,945</b>	<b>\$ 1,635,987</b>
<b>City's Net Pension Liability - Ending</b>	<b>\$ 1,262,616</b>	<b>\$ 1,281,643</b>	<b>\$ 1,255,809</b>	<b>\$ 1,203,985</b>	<b>\$ 961,033</b>	<b>\$ 1,042,031</b>	<b>\$ 1,020,888</b>	<b>\$ 676,952</b>
<b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	<b>66.44 %</b>	<b>63.31 %</b>	<b>60.77 %</b>	<b>59.14 %</b>	<b>66.15 %</b>	<b>62.17 %</b>	<b>60.73 %</b>	<b>70.73 %</b>
<b>Covered Payroll</b>	<b>\$ 469,986</b>	<b>\$ 472,718</b>	<b>\$ 423,435</b>	<b>\$ 380,705</b>	<b>\$ 443,160</b>	<b>\$ 443,646</b>	<b>\$ 445,544</b>	<b>\$ 429,582</b>
<b>City's Net Pension Liability as a Percentage of Covered Payroll</b>	<b>268.65 %</b>	<b>271.12 %</b>	<b>296.58 %</b>	<b>316.25 %</b>	<b>216.86 %</b>	<b>234.88 %</b>	<b>229.13 %</b>	<b>157.58 %</b>

**Assumption Changes**

In the 2021 valuation, the discount rate was reduced from 7.6 percent to 7.25 percent.

In the 2020 valuation, the mortality tables were updated to Pub-2010 tables; 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.

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

	<b>Last Five Fiscal Years</b>				
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Total OPEB Liability</b>					
Service cost	\$ 474,303	\$ 780,949	\$ 995,945	\$ 624,759	\$ 835,371
Interest	2,363,614	3,071,316	4,145,220	4,456,300	4,396,828
Changes in assumptions	(26,501,578)	(13,722,099)	(9,658,130)	4,835,598	-
Benefit payments, including refunds	<u>(2,946,867)</u>	<u>(2,877,490)</u>	<u>(3,774,947)</u>	<u>(3,270,533)</u>	<u>(3,795,435)</u>
<b>Net Change in Total OPEB Liability</b>	(26,610,528)	(12,747,324)	(8,291,912)	6,646,124	1,436,764
<b>Total OPEB Liability - Beginning of year</b>	<u>114,565,016</u>	<u>127,312,340</u>	<u>135,604,252</u>	<u>128,958,128</u>	<u>127,521,364</u>
<b>Total OPEB Liability - End of year</b>	<b><u>\$ 87,954,488</u></b>	<b><u>\$ 114,565,016</u></b>	<b><u>\$ 127,312,340</u></b>	<b><u>\$ 135,604,252</u></b>	<b><u>\$ 128,958,128</u></b>

**Assumption Changes**

In the 2022 fiscal year, the primary assumption changed related to an increase in discount rate from 2.09 percent to 3.77 percent.

In the 2021 fiscal year, the primary assumption changes include a decrease in discount rate from 2.44 percent to 2.09 percent, a change to Pub-2010 Mortality Tables, and changes 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 decreased from 3.5 percent to 3.1 percent.

Required Supplemental Information  
Schedule of OPEB Contributions

Last Ten Fiscal Years  
Years Ended June 30

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Actuarially determined contribution	\$ 6,915,827	\$ 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
Contributions in relation to the actuarially determined contribution	2,946,867	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
<b>Contribution Deficiency</b>	<b><u>\$ (3,968,960)</u></b>	<b><u>\$ (3,081,466)</u></b>	<b><u>\$ (3,648,138)</u></b>	<b><u>\$ (4,018,912)</u></b>	<b><u>\$ (1,938,535)</u></b>	<b><u>\$ (3,168,146)</u></b>	<b><u>\$ (4,935,726)</u></b>	<b><u>\$ (4,586,334)</u></b>	<b><u>\$ (4,869,254)</u></b>	<b><u>\$ (4,918,804)</u></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	2.09 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 budget adopted by 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.

	Total Revenue	Total Expenditures	Other Financing Uses
Amounts per operating statement	\$ 23,711,751	\$ 20,815,047	\$ (1,277,010)
736 - Retiree health care	(1,207)	-	-
Amounts per budget statement	<u>\$ 23,710,544</u>	<u>\$ 20,815,047</u>	<u>\$ (1,277,010)</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 due to unforeseen expenses as follows:

	General Fund		
	Budget	Actual	Variance
Mayor and City Council	\$ 184,500	\$ 272,231	\$ (87,731)
Board and commissions	17,100	19,499	(2,399)
Clerk/Treasurer	1,223,000	1,230,490	(7,490)
Department of public service	1,481,600	1,532,001	(50,401)
Community and economic development	1,123,100	1,156,696	(33,596)
Recreation and culture	1,768,800	1,859,370	(90,570)



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## Other Supplemental Information

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# City of Garden City, Michigan

	Special Revenue Funds					
	Major Roads	Local Street	Community Development Block Grant	Rehabilitation Revolving	Police Drug Confiscations	Neighborhood Stabilization Program
<b>Assets</b>						
Cash and investments	\$ 83,881	\$ 1,257,911	\$ -	\$ 103,285	\$ 101,806	\$ 62,495
Receivables	7,148	3,276	-	1,300	36	26
Due from other funds	-	173,222	-	-	-	-
Prepaid expenses and other assets	-	-	-	-	-	-
Due from other governmental units	346,443	140,194	-	-	-	-
Restricted assets	-	-	-	-	-	-
<b>Total assets</b>	<b>\$ 437,472</b>	<b>\$ 1,574,603</b>	<b>\$ -</b>	<b>\$ 104,585</b>	<b>\$ 101,842</b>	<b>\$ 62,521</b>
<b>Liabilities</b>						
Accounts payable	\$ 45,983	\$ 379,423	\$ -	\$ -	\$ -	\$ -
Due to other governmental units	-	-	-	1,485	-	-
Due to other funds	173,222	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-
Payable from restricted assets	-	-	-	-	-	-
<b>Total liabilities</b>	<b>219,205</b>	<b>379,423</b>	<b>-</b>	<b>1,485</b>	<b>-</b>	<b>-</b>
<b>Deferred Inflows of Resources - Unavailable revenue</b>	<b>7,113</b>	<b>2,798</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances</b>						
Nonspendable	-	-	-	-	-	-
Restricted:						
Roads	211,154	1,192,382	-	-	-	-
Public safety	-	-	-	-	101,842	-
Community development	-	-	-	103,100	-	62,521
Capital projects	-	-	-	-	-	-
MIDC	-	-	-	-	-	-
Assigned - Capital projects	-	-	-	-	-	-
<b>Total fund balances</b>	<b>211,154</b>	<b>1,192,382</b>	<b>-</b>	<b>103,100</b>	<b>101,842</b>	<b>62,521</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 437,472</b>	<b>\$ 1,574,603</b>	<b>\$ -</b>	<b>\$ 104,585</b>	<b>\$ 101,842</b>	<b>\$ 62,521</b>

Other Supplemental Information  
Combining Balance Sheet  
Nonmajor Governmental Funds

**June 30, 2022**

Special Revenue Funds			Capital Project Funds							
Michigan Indigent Defense Commission	Federal Forfeiture	Library	Capital Projects	District Court Building	Sidewalk 2015	Capital Projects - Roads Bond	Florence Reconstruction	Library Building	Total	
\$ 7,521	\$ 8,720	\$ -	\$ -	\$ 44,622	\$ 69,623	\$ -	\$ 19	\$ -	\$ 1,739,883	
-	3	-	-	2,069	47,258	-	2,412	-	63,528	
-	-	-	-	-	-	-	-	-	173,222	
-	-	-	727,141	-	-	-	-	-	727,141	
-	-	-	-	-	-	-	-	-	486,637	
-	-	-	226,410	-	-	-	-	-	226,410	
<b>\$ 7,521</b>	<b>\$ 8,723</b>	<b>\$ -</b>	<b>\$ 953,551</b>	<b>\$ 46,691</b>	<b>\$ 116,881</b>	<b>\$ -</b>	<b>\$ 2,431</b>	<b>\$ -</b>	<b>\$ 3,416,821</b>	
\$ 3,755	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5	\$ -	\$ 429,166	
-	-	-	-	-	-	-	-	-	1,485	
-	-	-	-	-	-	-	-	-	173,222	
3,710	-	-	-	-	-	-	-	-	3,710	
-	-	-	37,304	-	-	-	-	-	37,304	
7,465	-	-	37,304	-	-	-	5	-	644,887	
-	-	-	-	-	47,234	-	2,411	-	59,556	
-	-	-	727,141	-	-	-	-	-	727,141	
-	-	-	-	-	-	-	-	-	1,403,536	
-	8,723	-	-	-	-	-	-	-	110,565	
-	-	-	-	-	-	-	-	-	165,621	
-	-	-	189,106	-	69,647	-	15	-	258,768	
56	-	-	-	-	-	-	-	-	56	
-	-	-	-	46,691	-	-	-	-	46,691	
56	8,723	-	916,247	46,691	69,647	-	15	-	2,712,378	
<b>\$ 7,521</b>	<b>\$ 8,723</b>	<b>\$ -</b>	<b>\$ 953,551</b>	<b>\$ 46,691</b>	<b>\$ 116,881</b>	<b>\$ -</b>	<b>\$ 2,431</b>	<b>\$ -</b>	<b>\$ 3,416,821</b>	

# City of Garden City, Michigan

	Special Revenue Funds					
	Major Roads	Local Street	Community Development Block Grant	Rehabilitation Revolving	Police Drug Confiscations	Neighborhood Stabilization Program
<b>Revenue</b>						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	20,488	-	-	-	-	-
Intergovernmental:						
Federal grants	-	-	-	-	-	70,179
State sources	2,249,433	1,012,450	-	-	-	-
Local grants and contributions	-	-	-	-	-	-
Charges for services	-	-	-	-	-	3,000
Interest and other	327	2,681	-	67,553	33,716	98
<b>Total revenue</b>	<b>2,270,248</b>	<b>1,015,131</b>	<b>-</b>	<b>67,553</b>	<b>33,716</b>	<b>73,277</b>
<b>Expenditures</b>						
Current services:						
21st District Court	-	-	-	-	-	-
Public safety	-	-	-	-	23,237	-
Public service	1,860,683	2,472,247	-	-	-	-
Community and economic development	-	-	-	-	-	71,766
Recreation and culture	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
<b>Total expenditures</b>	<b>1,860,683</b>	<b>2,472,247</b>	<b>-</b>	<b>-</b>	<b>23,237</b>	<b>71,766</b>
<b>Excess of Revenue Over (Under) Expenditures</b>	<b>409,565</b>	<b>(1,457,116)</b>	<b>-</b>	<b>67,553</b>	<b>10,479</b>	<b>1,511</b>
<b>Other Financing Sources (Uses)</b>						
Transfers in	40,594	1,223,824	-	5,246	-	-
Transfers out	(1,151,403)	-	(5,246)	-	(80,000)	-
<b>Total other financing (uses) sources</b>	<b>(1,110,809)</b>	<b>1,223,824</b>	<b>(5,246)</b>	<b>5,246</b>	<b>(80,000)</b>	<b>-</b>
<b>Special Items - Disposal of library operations</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>(701,244)</b>	<b>(233,292)</b>	<b>(5,246)</b>	<b>72,799</b>	<b>(69,521)</b>	<b>1,511</b>
<b>Fund Balances - Beginning 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>
<b>Fund Balances - End of year</b>	<b>\$ 211,154</b>	<b>\$ 1,192,382</b>	<b>\$ -</b>	<b>\$ 103,100</b>	<b>\$ 101,842</b>	<b>\$ 62,521</b>

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

**Year Ended June 30, 2022**

Special Revenue Funds			Capital Project Funds							
Michigan Indigent Defense Commission	Federal Forfeiture	Library	Capital Projects	District Court Building	Sidewalk Program 2015	Capital Projects - Roads Bond	Florence Reconstruction	Library Building	Total	
\$ -	\$ -	\$ 520,329	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 535,550	\$ 1,055,879	
-	-	-	-	-	69,454	-	1,926	-	91,868	
-	8,711	-	-	-	-	-	-	-	78,890	
125,067	-	14,774	-	-	-	-	-	2,747	3,404,471	
-	-	1,688	-	-	-	-	-	-	1,688	
-	-	-	-	-	-	-	-	-	3,000	
56	12	19,328	45	34,045	193	-	9	363	158,426	
125,123	8,723	556,119	45	34,045	69,647	-	1,935	538,660	4,794,222	
125,067	-	-	-	94,583	-	-	-	-	219,650	
-	-	-	-	-	-	-	-	-	23,237	
-	-	-	-	-	-	-	-	-	4,332,930	
-	-	-	-	-	-	-	-	-	71,766	
-	-	334,586	-	-	-	-	-	-	334,586	
-	-	-	976,557	-	-	279,635	-	-	1,256,192	
125,067	-	334,586	976,557	94,583	-	279,635	-	-	6,238,361	
56	8,723	221,533	(976,512)	(60,538)	69,647	(279,635)	1,935	538,660	(1,444,139)	
-	-	-	1,576,679	-	-	-	-	-	2,846,343	
-	-	-	-	-	(109,175)	-	(3,840)	-	(1,349,664)	
-	-	-	1,576,679	-	(109,175)	-	(3,840)	-	1,496,679	
-	-	(860,203)	-	-	-	-	-	(1,087,298)	(1,947,501)	
56	8,723	(638,670)	600,167	(60,538)	(39,528)	(279,635)	(1,905)	(548,638)	(1,894,961)	
-	-	638,670	316,080	107,229	109,175	279,635	1,920	548,638	4,607,339	
<b>\$ 56</b>	<b>\$ 8,723</b>	<b>\$ -</b>	<b>\$ 916,247</b>	<b>\$ 46,691</b>	<b>\$ 69,647</b>	<b>\$ -</b>	<b>\$ 15</b>	<b>\$ -</b>	<b>\$ 2,712,378</b>	

**City of Garden City, Michigan**

Other Supplemental Information  
Statement of Fiduciary Net Position  
Custodial Funds

**June 30, 2022**

	District Court	Tax Collection Fund	Library Holding Fund	Library Building Holding Fund	Total Custodial Funds
<b>Assets</b> - Cash and cash equivalents	\$ 21,295	\$ 3,990	\$ 28,842	\$ 566,234	\$ 620,361
<b>Liabilities</b> - Due to other governmental units	21,295	3,990	-	-	25,285
<b>Net Position</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,842</u>	<u>\$ 566,234</u>	<u>\$ 595,076</u>

**City of Garden City, Michigan**

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

**Year Ended June 30, 2022**

	District Court	Tax Collection Fund	Library Holding Fund	Library Building Holding Fund	Total Custodial Funds
<b>Additions</b>					
Property tax collections on behalf of other governments	\$ -	\$ 20,313,276	\$ -	\$ -	\$ 20,313,276
Collections on behalf of library	-	-	28,138	27,574	55,712
District court receipts	301,711	-	-	-	301,711
Distribution from Library Fund	-	-	859,625	1,087,298	1,946,923
Total additions	301,711	20,313,276	887,763	1,114,872	22,617,622
<b>Deductions</b>					
Tax distributions to other governments	-	20,313,276	-	-	20,313,276
Distributions to library	-	-	858,921	548,638	1,407,559
District court disbursements	301,711	-	-	-	301,711
Total deductions	301,711	20,313,276	858,921	548,638	22,022,546
<b>Net Change in Fiduciary Net Position</b>	-	-	28,842	566,234	595,076
<b>Net Position - Beginning of year</b>	-	-	-	-	-
<b>Net Position - End of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,842</u>	<u>\$ 566,234</u>	<u>\$ 595,076</u>

**City of Garden City, Michigan**

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

**June 30, 2022**

	<u>Downtown Development Authority</u>
<b>Assets</b>	
Cash and investments	\$ 597,426
Receivables - Net	204,743
Prepaid expenses and other assets	<u>967</u>
Total assets	<b><u><u>\$ 803,136</u></u></b>
<b>Liabilities</b>	
Accounts payable	\$ 8,192
Accrued liabilities and other	<u>1,945</u>
Total liabilities	10,137
<b>Deferred Inflows of Resources - Unavailable revenue</b>	204,515
<b>Fund Balance</b>	
Nonspendable	967
Unassigned	<u>587,517</u>
Total fund balance	<u>588,484</u>
Total liabilities, deferred inflows of resources, and fund balance	<b><u><u>\$ 803,136</u></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, 2022**

	<u>Downtown Development Authority</u>
<b>Revenue</b>	
Property taxes	\$ 439,107
Intergovernmental	38,661
Interest and other	<u>44,765</u>
Total revenue	522,533
<b>Expenditures</b> - Current services - Community maintenance, development, and other	<u>372,518</u>
<b>Excess of Revenue Over Expenditures</b>	150,015
<b>Fund Balance</b> - Beginning of year	<u>438,469</u>
<b>Fund Balance</b> - End of year	<u><u>\$ 588,484</u></u>