

**ANNUAL COMPREHENSIVE
FINANCIAL REPORT**

CITY OF HUNTINGTON WOODS, MICHIGAN

**PREPARED BY THE
FINANCE DEPARTMENT**

FISCAL YEAR ENDED JUNE 30, 2021

CITY COMMISSION

**ROBERT F. PAUL, MAYOR
JULES OLSMAN, MAYOR PRO-TEM
JEFFREY JENKS, COMMISSIONER
JOE ROZELL, COMMISSIONER
MICHELLE ELDER, COMMISSIONER**

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INTRODUCTORY SECTION



A D M I N I S T R A T I V E O F F I C E S

*Mayor Robert F. Paul
Mayor Pro-Tem Jules B. Olsman
City Manager Amy Sullivan*

*Commissioner Jeff Jenks
Commissioner Joe Rozell
Commissioner Michelle Elder*

November 30, 2021

Honorable Mayor,
City Commission
City of Huntington Woods, Michigan

Preface

The City Finance Department is pleased to present to you the Annual Comprehensive Financial Report (ACFR). The finance department takes great pride in its work and believes that the report gives the reader a clear and comprehensive view of the financial health and strength of the City as of the fiscal year ended June 30, 2021. The State of Michigan department of local government and finance mandates that each jurisdiction prepares a report outlining the financial position of the City and that the operations of the unit of government be audited by an independent licensed firm of certified public accountants. In doing so, the report is prepared according to the regulations as set forth by the Governmental Accounting Standards Board (GASB) and the State of Michigan Department of Treasury.

The City is charged with the preparation of all the notes and schedules, the MDA and the statistical section of this document. The City is responsible for the contents of the ACFR and the data contained therein. The Finance Department worked closely with our Audit team at Maner Costerisan to complete the body of the basic financial statements based upon the data provided by the City Finance Department. The City is very mindful of the responsibility inherent in the financial operations of this unit of government and relies upon those policies, procedures, and rules as defined in the charter and ordinances to assist the staff in our work. To the best of our knowledge and belief, this data is accurate in all material respects and is reported in a manner that is fair and consistent. The report includes all disclosures and charts required to enable the reader to understand the City financial structure from a historical, operating, and administrative perspective.

This will be the eighteenth year that the City has prepared an Annual Comprehensive Financial Report. The finance staff will continue to make the changes that will serve to illustrate the health of the City in the clearest most concise form possible. We encourage comments in this regard and look forward using best practices in our operations.

Report Organization

The Annual Comprehensive Financial Report was prepared to meet the needs of a broad spectrum of financial statement readers and is divided into the following major sections:

Introductory Section - This section introduces the reader to the City of Huntington Woods and various aspects of this report including continuing disclosure reporting enhancements, organizational chart, and a list of principal officials.

Financial Section - The independent Auditor's report, Management's Discussion and Analysis, government-wide financial statements, fund based financial statements, required supplemental information, and the notes to the financial statements are included here. These are the City's basic financial statements and provide an overview for readers who require less detailed information than is contained in the balance of this report. The Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter and should be read in conjunction with it.

Statistical Section - Although this section contains substantial financial data, these schedules differ from financial statements in that they present some non-accounting data, cover more than the current year, and are designed to reflect social and economic data, financial trends and the fiscal capabilities of the City.

Audit Requirement

The City Charter IX § 7, and State Statute require an annual audit of financial records and transactions of public sector units of government to be completed by independent certified public accountants at the close of each fiscal year. Huntington Woods is in full compliance with this requirement and has recently received an "unmodified opinion" from Maner Costerisan for the fiscal year ended June 30, 2021. This status lets the reader know that the examination of the financial records of the City disclosed no conditions that cause the auditors to believe that the financial statements are not fairly stated in all material respects.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Reporting Entity and Services Provided

The City of Huntington Woods has defined its financial reporting entity in accordance with the pronouncements of the Governmental Accounting Standards Board. The City of Huntington Woods (the "City") is defined as; all funds, agencies, commissions, boards and authorities that are controlled and managed by the Elected Mayor and City Commission. As of this writing, the City does not contain any component units of government as per current pronouncements.

The City of Huntington Woods was incorporated as a village in 1926 and remained so until 1932 when it became a city under the home-rule City Act 279 of 1909. The City has developed into a well-respected full-service municipality operating in Southeast Oakland County. This report covers the operations of the City as it relates to all departments and municipal services in its governmental fund structure, including a full range of public safety services; sanitation services; recycling services; highway, streets and sidewalks maintenance/rights-of-way; planning, zoning, and building code enforcement services; Recreational services and cultural events; and library. Water and sewage services are administered using an enterprise fund which requires the City Commission to set fees for its operations on an annual basis through user fees.

FUND TYPES AND PURPOSES

GENERAL

PURPOSE - The General fund is the primary operating fund in the local unit of Government and is used to account for all revenues and expenditures and activities not specifically or statutorily provided for in other funds.

RECREATION

PURPOSE - The Recreation fund accounts for the operation and maintenance of City parks as well as the operation of the Recreation Department and related programs.

SANITATION

PURPOSE - The Sanitation fund accounts for the operation of the solid waste collection disposal and recycling functions of the City.

MAJOR AND LOCAL ROAD

PURPOSE - The Major and Local Road funds are used (1) to receive all street funds paid to cities and villages by the state, (2) to account for construction, maintenance, traffic services and snow and ice control on all streets, (3) to account for revenue from special assessment taxes levied for street purposes as provided by Act 51 of the Public Acts of 1951, as amended, and (4) to account for money received from General Fund contributions.

RACKHAM DEFENSE

PURPOSE - The Rackham Defense fund was established to provide a method of segregating the legal costs of the property development of Rackham Golf Course. The City levied a three-year .50 mill per year mileage to pay for the legal fees associated with the property. This fund was combined with the General Fund as of year ending June 30, 2013 for financial statement purposes.

BUDGET STABILIZATION

PURPOSE - This fund was established per P.A. 30 of 1978 for the sole purpose of setting aside funds to be used for budget stabilization. This fund was combined with the General Fund as of year ending June 30, 2013 for financial statements purposes.

GENERAL OBLIGATION DEBT

PURPOSE - These funds are used to record the payment of interest and principal on long term general obligation debt other than that payable from special assessments and debt issued for and serviced primarily by an Enterprise or Construction Fund.

WATER AND SEWER

PURPOSE - This fund is used to record the operations of the combined water and sewer system and is considered an Enterprise Fund.

EQUIPMENT, POST RETIREMENT HEALTH CARE BENEFIT

PURPOSE - These funds are used to support the activities of other funds, such as the equipment fund which is used as a motor pool to record the rental, and the subsequent depreciation of equipment, as well as the recording the cost of retiree health care.

CAPITAL PROJECTS

PURPOSE - These funds are used to account for activity associated with construction related activities and for other special projects not associated with business-type funds. This fund is combined with the Capital Planning fund as of year ending June 30, 2013 for financial statement purposes.

Accounting System and Budgetary Controls

Due to the nature of the operations and legal requirements, the accounting of transactions within the reporting entity is organized on a “fund basis.” This accounting approach assures compliance with statutory requirements and enables adequate separations between distinct governmental functions. Each fund is a distinct, self-balancing accounting entity.

The budget is annually presented to the City Commission each May as required by City Charter. This document has been prepared in compliance with the regulations set forth under the Uniform Budget Act, State of Michigan P.A. 621 of 1978. The act requires that the City of Huntington Woods adopt a balanced categorical budget where appropriations do not exceed budget revenue. The appropriation/rate resolution as adopted by the City Commission gives the City Manager and/or the Finance Director the authority to create new funds and activities to maintain adequate financial control, and to make changes between budgetary categories only. All funds except for the General Fund are adopted on a categorical basis by the City Commission. Budget changes in all funds therefore are made by line item only.

Historical Overview

The City of Huntington Woods is almost exclusively residential. In 2020, 98.19% of the State Equalized Value (SEV) of the City is comprised of residential properties. The lack of diversity in its tax base has left the City with no industrial and limited commercial property to share the tax burden of providing the full range of city services. Despite a relatively high millage rate, the City was unable to provide for all capital and service needs from its annual budget. The City founders had left a significant amount of undeveloped public property surrounding the perimeter of the City. It truly was intended to be the “City in the Woods.” The City, however, began selling the undeveloped property shortly after World War II, to finance needed facilities and satisfy outstanding debt.

In the 1960’s and the early part of the 1970’s, the State and Federal Government began to play a role in municipal operations by providing revenues to equalize tax base inequities. The State Revenue Sharing program was approved by the State of Michigan, both constitutionally, in 1964, and statutorily, in 1967, earmarking a share of State taxes for cities. In 1974, the U.S. Congress enacted Federal Revenue Sharing, returning a portion of the income taxes paid by Huntington Woods’ residents directly to the City. From 1970 through 1975, despite receiving additional dollars from the state and Federal governments, the City experienced operational deficits and was forced to borrow funds on three occasions to meet annual budget obligations. The City population, which was the basis for calculating revenue received from the state and federal governments, peaked in the 1960 census. The City population declined for the next fifty years up until the 2010 census where the City reversed this trend slightly. Despite the fact that the City was fully developed by 1970, thereby resulting in a stagnant tax base, annual increases in State Equalized Value (SEV) provided sufficient annual revenue growth. In 1978, though, the Headlee Amendment to the Michigan Constitution began to limit the annual increase in property taxes received by the City to the rate of inflation or Consumer Price Index (CPI). Shortly thereafter, City revenue was further reduced by a significant population loss identified in the 1980 census. The City had no cash reserves and experienced operating deficits from 1980 to 1983. In 1984, the City modified its fiscal year and changed the date of tax collections. This led to a one-time infusion of approximately one million dollars (\$1,000,000) and took the City from a deficit to a surplus position based upon the six-month fiscal year and accelerated tax collections.

In 1986, the Federal government, facing its own deficits, eliminated Federal Revenue Sharing. From 1970 to 1990, the City experienced a budget surplus in only seven fiscal years. An analysis of overall financial health of the City, completed in 1990, indicated that the City faced the following problems:

- There were no capital reserves to replace an aging infrastructure including water mains, storm and sanitary sewers, and roads, most of which were installed in the 1920's.
- Employee post-retirement benefits were in large part unfunded.
- State Revenue Sharing reductions due to a decline in population of 7.5% in the 1990 census.
- Deficits existed in the City's three major operating funds.
- Solid Waste disposal cost increases due to a perceived reduction in landfill capacity projected to peak in 2005, however the capacity issue was largely unsubstantiated and the cost of disposal on a per capita basis stabilized in the 1990's. In 1991, the City adopted a fiscal rebuilding plan. The plan included a voter approved 1.85 millage increase. The 1.85 millage request to voters was a compromise by the City Commission in response to a recommendation by the administration that the City needed a 3.5 mill increase to sustain operations. The City Manager believed a higher increase was necessary to operate the City with the same level of services and meet long-term unfunded obligations. The compromise was meant to provide a stable revenue source for city operations yet required additional attempts to reduce operating costs. One such attempt was a Public Safety Consolidation Study completed in cooperation with the City of Berkley in 1994.

Also, in 1994, the state government froze property tax assessments to allow an opportunity to resolve complex school financing issues. Inequities in school financing had created extraordinary gaps in per-pupil spending between school districts with wealthy tax bases and districts with low per-pupil tax bases. That same year, Michigan voters approved Proposal A, which cut school property taxes and shifted the burden to the sales tax.

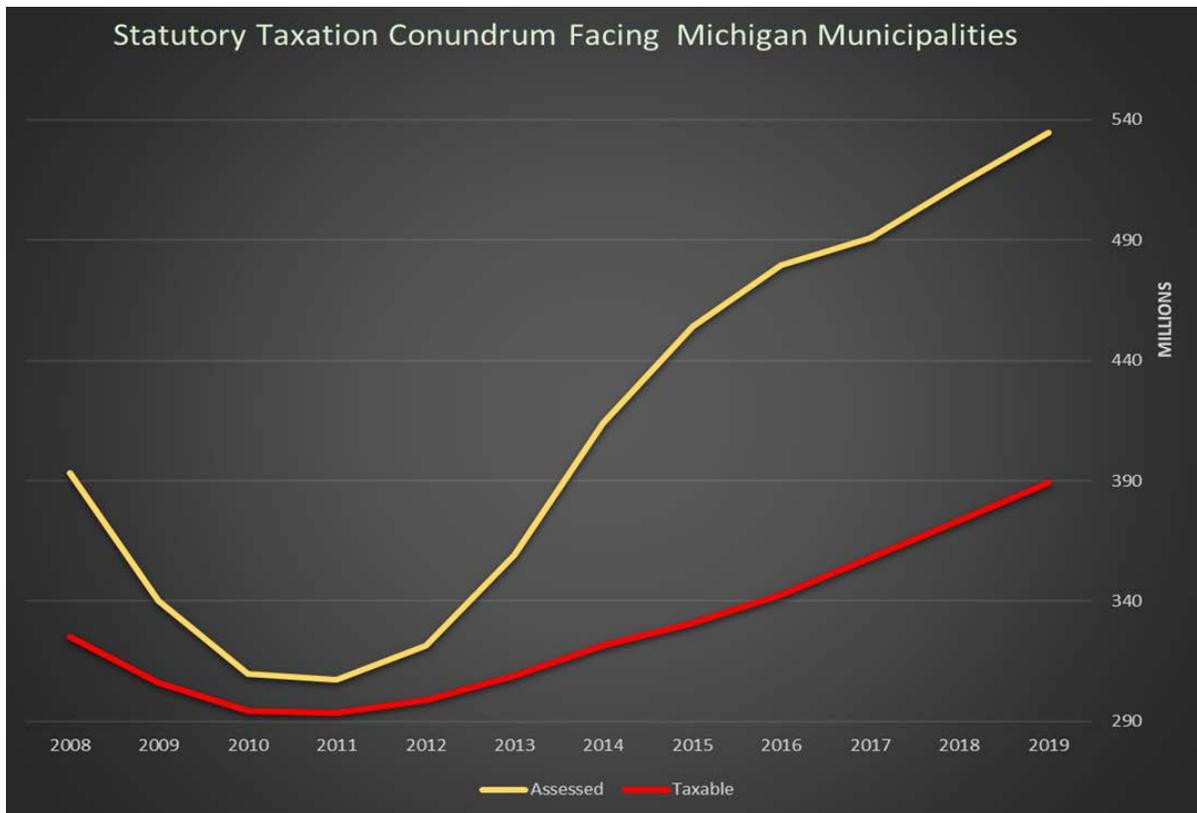
Proposal A, however, also implemented changes in the property tax system including reduced annual tax revenue limits for cities. This statute caused the taxable value of a home to be annually capped at the rate of inflation, Consumer Price Index (CPI) or 5%, whichever is less. The cap remains in effect until the home changes ownership at which time the value for taxable purposes reverts to the State Equalized Value (SEV), which is 50% of true cash value. The City receives absolutely no increased revenue from the property's transfer of ownership. This is because state law limits aggregate property tax revenue from the existing tax base to the CPI. The City is required to annually reduce the millage to certify that property tax collections do not exceed inflation. This complex system becomes more problematic if the rate of inflation exceeds 5%, or there is a large reduction in the value of properties that would cause the (SEV) to dip below the taxable value (TV) level as was the case for some municipalities in 2008 through 2012.

In 1996, the state legislature modified the formula used to distribute state revenue sharing. Political power had shifted from urbanized southeastern Michigan to western Michigan and out-state areas, the Senate and House of Representatives enacted changes in revenue sharing distribution. These changes favor rural areas. The new revenue sharing formula reduced appropriations to older, fully developed cities with high tax rates and redistributed the funds to growing and rural townships of the State with generally low RTE's (relative tax efforts). The new formula was scheduled to sunset in 2007. The loss of this revenue source for Huntington Woods may have significant effects upon our fiscal health and those of other cities within the State. Alternatives to State Revenue Sharing are being explored by this community in an effort to lessen our vulnerability for this revenue type.

The new formula that has been phased in over a ten-year period has adversely impacted the City and reduced the amount of revenues received from the State. This was compounded by population losses in the 2000 census. Recent census results in 2020 will curtail any additional state shared revenue loss as our population showed a minor increase. The State has been slow to address the implications of a slow economy and increased state deficits. This has reduced the amount of money allocated to the state revenue sharing distribution formula. This has continued through the present year and continues to be a burden on the General fund budget. The combination of a slow economy, a new formula for distribution, and fewer dollars allocated to the formula, has reduced state revenue sharing payments. In the 1990's, the City met the financial goals and objectives it adopted in 1991. It began rebuilding an aging infra- structure, adequately funding post retirement reserves, and moving from a general fund deficit in 1990 to a fund balance of \$3,933,371 as of the completion of FY 2021, including reserves in the Budget Stabilization fund. These balances will allow the City to weather a potential economic downturn, and also give the City more cash flow leverage. These efforts to increase the fund balance and the amount available in the Budget Stabilization fund are timely as we believe that the changes to Proposition A, revenue sharing and now housing values are structural in nature and will not change in the near future.

Federal and state policies of the past two decades have required cities to become increasingly dependent on local property taxes and fee-based services. Beginning in 2009, the mortgage and banking collapse and subsequent recession caused a major decrease in our taxable value. This major change was significant and arguably the most precipitous drop in housing values in the last 60 years. The taxable value rose in tax year 2020 by 3.99%; and in 2021 by 3.40%. The final taxable value as illustrated in the 2021-22 budget was \$403,502,910. The chart below illustrates the depth of the housing crisis as it pertains to Huntington Woods. Although it has taken over ten years to recoup the value of housing in the City, the assessed value of properties in the City never fell below the Taxable value amount as seen in the chart below. Therefore, the amount of revenue the City could generate via the tax levy was only partially affected by the deep recession. The remaining reduction was due to the consumer price index and poor economy.

Source: Oakland County



The current trend is continuing into the new budget year. As a result of the higher TV, the City gained additional General Fund tax revenue equal to \$174,754 in the current fiscal year. This trend coupled with the location of Huntington Woods in the SE corner of Oakland County tells us that persons looking for housing are interested in a well-developed community whose location makes traveling easy. We believe that the trend will continue, which will further bolster the value of housing in the City.

Demographics and Local Government Structure

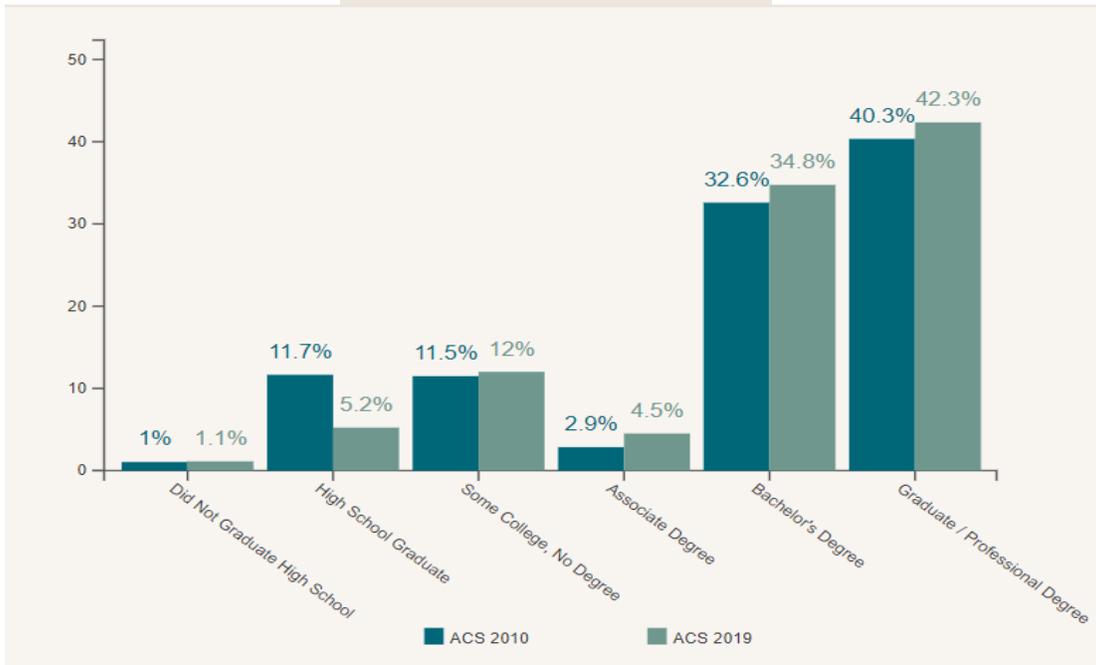
The City of Huntington Woods was incorporated in 1926 as a full-service municipality located in the S.E. Corner of Oakland County, Michigan. The City is approximately 1.5 square miles with a 2020 census population of 6,388. According to the latest estimates in the U.S. Census, the estimated population had increased by 150 persons. The City has no industrial or light industrial base. Oakland County Assessing department placed the City's Assessed Value as of December 31, 2020 at \$544,939,750 and the (TV) Taxable Value at \$403,502,910. The City Charter requires the establishment of a Commission-Manager form of government. The City Commission is comprised of 5 members who are elected at large for four-year staggered terms. They are responsible for the appointment of the City Manager, Attorney, and Chief of Police, and for approving of the appointment of the City Treasurer and City Clerk. The Commission is also responsible for enacting a set of ordinances and resolutions that govern the operation of the City.

The City Manager is appointed by the City Commission and works at their pleasure. The Manager may hire department personnel at his/her discretion for effective operation of all city departments.

Almost no property within the City of Huntington Woods remains undeveloped. The vast majority of the housing stock in Huntington Woods is comprised of single-family residential properties. The City has for the last three decades been in a no growth condition. There is no land to develop, and therefore the only new construction comes from the tear-down of existing structures, or additions on single family homes.

The City of Huntington Woods, like other municipalities, has its own unique demographics, culture, and municipal service mix. The City has remained, for several decades, an extremely desirable residential community within the greater Detroit metropolitan area. The City boasts a relatively high population of residents employed in management, professional, and related occupations. Moreover, the City's estimated 2015 median household income of \$115,025 ranks among the highest in Oakland County.

Highest Level of Education



Other Oakland County communities also have populations that are generally affluent and educated, but Huntington Woods differs from these in some important respects. The City is not typical of the new, burgeoning suburban communities that comprise much of Oakland County. In contrast, much of the east side of the City was developed in the 1920s, and the west side in the 1940s. The housing stock ranges from large Tudor and brick colonial homes to smaller bungalows and ranches. Moreover, the City is physically small in size and most central City amenities are within easy reach of most households. Service levels are very high and include significant investment in community-related cultural and activity-based services. Community involvement is also high with significant participation in committee work pertaining to municipal governance and policymaking. A large number of residents embrace the City for the unique sense of community and related values that have developed.

Population and Households

| Population and Households | Census 2020 | Census 2010 | Change 2010-2020 | Pct Change 2010-2020 | SEMCOG 2045 |
|------------------------------------|-------------|-------------|------------------|----------------------|-------------|
| Total Population | 6,388 | 6,238 | 150 | 2.4% | 6,247 |
| Group Quarters Population | 11 | 7 | 4 | 57.1% | 6 |
| Household Population | 6,377 | 6,231 | 146 | 2.3% | 6,241 |
| Housing Units | 2,428 | 2,429 | -1 | 0.0% | - |
| Households (Occupied Units) | 2,375 | 2,354 | 21 | 0.9% | 2,413 |
| Residential Vacancy Rate | 2.2% | 3.1% | -0.9% | - | - |
| Average Household Size | 2.69 | 2.65 | 0.04 | - | 2.59 |

Source: U.S. Census Bureau and SEMCOG 2045 Regional Development Forecast

Not unexpectedly, service demand in Huntington Woods is extremely high. As later detailed in this report, residents enjoy a number of services that are unknown or infrequently provided in other communities. Other more common services are provided at a much higher level in Huntington Woods. It is highly likely that these services tend to make Huntington Woods more desirable to prospective property owners, thus providing a residual value to existing owners. Property values are relatively high, and most listed properties sell within a fairly short time period. The recession of 2008 negatively impacted the housing values for the first time in recent memory. Now, over ten years after the recession began, the city has made a strong comeback, and housing values have sharply increased.

Current Projects and Major Initiatives

The City has used all of its millage remaining under the millage. The Chart below illustrates that the City has increased fund equity in seven of the last eight years. The reduction in revenue caused by the declining home values during the recession forced the City to use millage it otherwise would not levy.

ACTUAL GENERAL FUND - FUND BALANCE SURPLUS (DEFICITS) FISCAL YEARS 2013-2020

| FISCAL YEAR | 2013-14 | 2014-15 | 2015-16 | 2016-17 | 2017-18 | 2018-19 | 2019-20 | 2020-21 |
|-------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| REVENUE (INFLOWS) | \$ 7,245,404 | \$ 7,342,227 | \$ 7,259,757 | \$ 7,459,348 | \$ 7,596,573 | \$ 8,058,943 | \$ 8,122,886 | \$ 8,642,626 |
| EXPENDITURES (OUTFLOWS) | 6,671,310 | 7,977,056 | 7,071,066 | 7,289,749 | 7,303,450 | 7,923,331 | 8,073,496 | 8,020,990 |
| FUND BALANCE ACTUAL | 3,110,149 | 2,475,320 | 2,664,011 | 2,833,610 | 3,126,733 | 3,262,345 | 3,311,735 | 3,933,371 |
| SURPLUS (DEFICIT) | 574,094 | (634,829) | 188,691 | 169,599 | 293,123 | 135,612 | 49,390 | 621,636 |

The Rackham Golf Course has occupied much of our southern border for over eighty years. The course has a stunning history in the region and is considered one of the finest public golf courses in the nation. In 2006 the City entered a protracted legal battle with the City of Detroit for the right to preserve the Golf Course for public use, as deed restricted by the Rackham family. In 2007 Huntington Woods residents approved a three-year .50 mill levy to pay for legal costs associated with the Rackham issue. After years of legal battles over its use, the case was remanded to the Michigan Supreme Court in 2008. Finally, in February 2009 the Michigan Supreme Court upheld the ruling in the Appellate Court to maintain the use of the property as park land. In total, the City spent \$426,500 to fight the legal battle to preserve the land for park use. As of the end of fiscal 2020-21 there have been no new initiatives regarding the ownership of the Rackham Golf Course.

Facing the Future - Changes Around the Corner

The City of Huntington Woods is entering a very critical phase in the history of the City. Up until 2003 the City had never requested that our resident pay any additional millage above the amount that is calculated based upon the provisions provided by the Michigan Tax Act, the Constitution, the Headlee override and Proposition A passed in 1995. This however changed due to the inability of the market value of the City and the millage the City levied each year to keep up with the revenue requirements of the City. The City will need to take a close look at how it may be possible to provide the services our resident desire and expect if there is no mechanism for levying millage to handle the cost. This is a systemic issue statewide, and although the City is not alone, it will be incumbent upon our City leaders to make the changes necessary to meet our financial and service needs. In 2018 the city formed a Long Range Budget and Planning Committee to study the long-term goals of the City and come up with recommendations on how to fund them.

As a result of the Long range Budget and Planning Committee, the City of Huntington Woods passed a Public Act 345 pension millage in the spring of 2020. The passing of this millage frees up General Fund money that was being used for pension cost. The City is using this available money to fund road improvements and other legacy costs. The City has committed to a 20 year road plan to improve the overall condition of the road system. This first part of this plan was a capital improvement bond sale in spring 2020 for an infusion of funds to be used for road reconstruction. The City has also committed to an increased amount of funding for heavy maintenance work on the road system.

Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Huntington Woods, Michigan for its annual comprehensive financial report for the fiscal year ended June 30, 2018. This was the fourteenth consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Annual Comprehensive Financial Report (ACFR). This report must satisfy both generally accepted accounting principles and applicable legal requirements. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we will seek to submit the report to the GFOA to determine its eligibility for another certificate.

Acknowledgements

The City of Huntington Woods is proud to be recognized for comprehensive reporting and recordkeeping. The service the residents receive is unmatched in the region for a unit of government our size. The City has just recently received an updated rating from Standard and Poor's. Fortunately, we have been able to maintain an AA+ bond rating. The rating has been consistent for 10 years and is an indication of the financial health of the City, even during the recessionary times a decade ago. Our goal is to maintain this high rating level, and to take steps necessary to review and correct for issues that may be on the horizon that would lower this exemplary status.

The time and effort needed to put together a document of this nature is significant. The compilation of the data occurs annually and requires substantial effort throughout the year. As a team, the finance department has met all our challenges well. Our small financial staff of three individuals are willing and prepared to work every day to complete all required documentation for financial review. The challenge is rewarding. Our residents can look to one place for all the information on the financial health of the City and can be assured that the data contained in the document has been reviewed and scrutinized for accuracy. The finance department is interested in keeping this document as readable as possible, given the complex nature of its contents. Please do not hesitate to comment by sending us a note or contacting us in person. Lastly, recognition of our Boards, Commissions, and Committees must be given, as their efforts continue to ensure that the City can offer the finest living environment in Southeastern Michigan.

Respectfully,
Tim Rowland, Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Huntington Woods
Michigan**

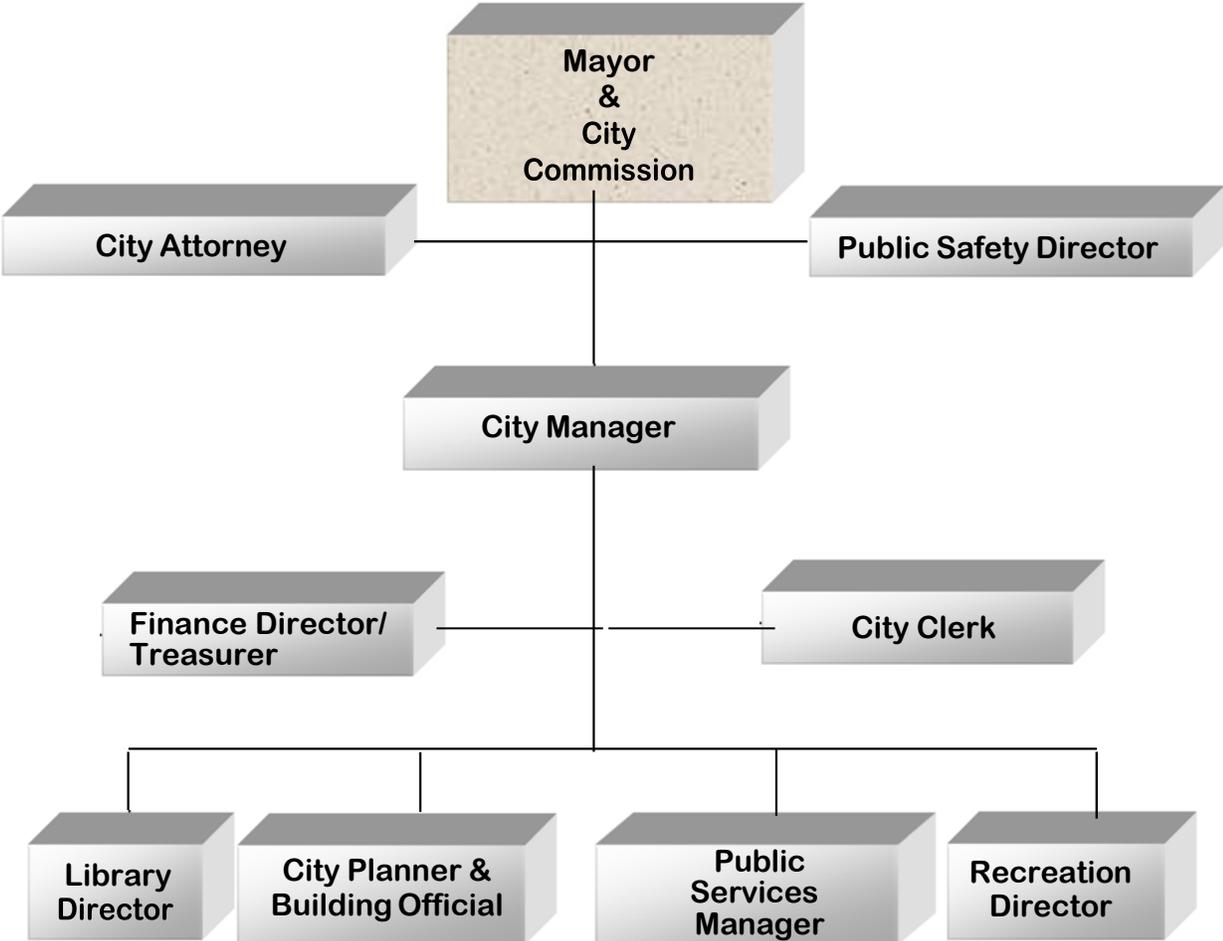
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO

ORGANIZATIONAL CHART



City Attorney, City Manager, and Public Safety Director are appointed by the City Commission
City Treasurer and City Clerk are appointed by the City Manager, with the approval of the City Commission

**CITY OF HUNTINGTON WOODS, MICHIGAN
PRINCIPAL OFFICIALS**

Principal Officials - June 2021

| | |
|-------------------------------------|---|
| Mayor | Robert F. Paul |
| Mayor Pro-Tem | Jules B. Olsman |
| Commissioners | Jeffrey Jenks Joe Rozell Michelle Elder |
| City Attorney | Carol Rosati |
| City Manager | Mark Wollenweber |
| Finance Director & Treasurer | Tim Rowland |
| City Clerk | Heidi Barckholtz |
| Public Safety Director | Andrew Pazuchowski |
| Library Director | Anne Hage |
| Recreation Director | Tracy Shanley |
| Department of Public Works Director | Rocco Fortura |
| Planning Official | Carlisle/Wortman Associates |

**CITY OF HUNTINGTON WOODS, MICHIGAN
FUND ORGANIZATIONAL CHART**

Governmental Funds

General* - including Rackham and Budget Stabilization Funds

Special Revenue

Major Street
Local Street
Public Safety Pension
Recreation*
Sanitation**

Debt Service

GWK Drain Debt
11 Mile G.O. Debt
2010 Street G.O. Debt
2012 Street G.O. Debt
2014 G.O. Debt
2017 G.O. Debt
2019 G.O. Debt
2020 G.O. Debt

Capital Projects* - including Capital Planning

Proprietary Funds

Enterprise

Water and Sewer*

Internal Service

Equipment
Retirement Benefits

Fiduciary Funds

Component Unit

Retiree Health Insurance Trust Plan

Custodial Fund

Tax Collections

* Major funds under GASB 34.

** Presented as a major fund at the City's discretion.

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and
Members of the City Commission
City of Huntington Woods, Michigan

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

Other Matters

Required Supplementary Information

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

Other 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 introductory section, combining and individual nonmajor fund financial statements, nonmajor special revenue and debt service fund budgetary comparison schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

Maney Costeiran PC

November 30, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

CITY OF HUNTINGTON WOODS, MICHIGAN MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Huntington Woods, Michigan (the "City" or "government"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2021. We encourage readers to consider the information presented here in conjunction with the basic financial statements and additional information that we have furnished in our letter of transmittal (pages 2-11).

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$15.7 million (*net position*);
- The City had total revenue of \$17.1 million and total expenses of \$13.2 million resulting in an increase in total net position by \$3.9 million.
- As of the close of the 2021 fiscal year, the City's *governmental funds* reported combined ending fund balances of \$22.7 million, a decrease of \$1.9 million in comparison of the prior year. Approximately 10% of the combined fund balances, or \$2.3 million was available for spending at the government's discretion ("*unassigned fund balance*").
- The General Fund balance was \$3.9 million, or 45.5% of the total General Fund revenues and other financing sources. Of the total \$3.9 million fund balance, \$117 thousand was nonspendable, leaving \$3.8 million, or 44.16% of revenues and other financing sources. The unassigned fund balance for the General Fund was \$2.27 million, or 26.30% of total General Fund revenues and other financing sources.

Overview of the Financial Statements

The City's annual report follows a prescribed format in accordance with the requirements of all Governmental Accounting Standards Board Statements, as well as Generally Accepted Accounting Principles.

Within the financial section of this annual comprehensive financial report are four major parts: (1) management's discussion and analysis, (2) the basic financial statements, (3) required supplementary information, and (4) other supplementary information that presents combining statements for non-major governmental, internal service and custodial funds. The basic financial statements include two kinds of statements that present different views of the City. The first two statements are government-wide financial statements that provide both long-term and short-term information about the City's overall financial condition. Other statements are presented on a fund level basis that focus on individual funds and report operations in more detail than the government-wide statements.

The information contained within this MD&A is only a component of the entire financial statements. Readers are encouraged to review the remaining statements thoroughly for a comprehensive understanding of the City's financial health.

CITY OF HUNTINGTON WOODS, MICHIGAN MANAGEMENT'S DISCUSSION AND ANALYSIS

Government-wide Statements

The government-wide statements report information about the City as a whole, using accounting methods similar to those used by the private sector, and are therefore prepared using the accrual basis of accounting. These statements provide a longer-term view of the City's finances and whether taxpayers have funded the full cost of providing governmental services. The first two statements are government-wide financial statements and include the following:

- The statement of net position presents information pertaining to all the City's assets, deferred outflows or resources, liabilities, and deferred inflows of resources, with the difference between them reported as net position. Over time, increases and 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 accounts for all the current year's revenues and expenses regardless of when cash is received or paid. Thus, revenues and expenses are reported in this statement for some items that will result in cash inflow or outflow in future fiscal periods. The primary purpose of this statement is to highlight the relative cost of providing services to the City's residents and the net impact of these services on the total net position.

Both of the government-wide financial statements distinguish functions of the City that are primarily supported by taxes and intergovernmental revenues (governmental activities) or 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 legislative, general government, public safety, public works, library, building and planning, culture and recreation. The business-type activity of the City includes the water distribution and sewage disposal system.

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. Fund level financial statements report the City's operations in more detail than the Government-wide financial statements. The City uses fund accounting to comply with finance-related legal requirements. The City's fund financial statements include the following:

- Governmental funds - Most of the City's basic services are included in governmental funds, which focus on how revenues and other financial assets can readily be converted to cash flow and the fund balances remaining at year end that are available for spending. The governmental fund statements provide a detailed short-term view that helps the reader determine the amount of financial resources that can be spent in the near future to finance the City's programs. The City maintains four major individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General, Sanitation, Recreation, and the Capital Projects funds. The City's non-major governmental funds are combined into a single statement, individual fund data for each of these funds is provided as combining statements in the section entitled "Other Supplementary Information." The non-major governmental funds include Major Street, Local Street, Public Safety Pension, GWK Debt, Eleven Mile G.O. Debt, 2010, 2012, 2014, 2017, 2019, and 2020 U.T.G.O. Debt funds.

CITY OF HUNTINGTON WOODS, MICHIGAN MANAGEMENT'S DISCUSSION AND ANALYSIS

- Proprietary funds - Services for which the City charges customers a fee generally are reported in proprietary funds. Proprietary fund statements, like government-wide statements, provide both long-term and short-term financial information. The City uses two types of proprietary funds: The Water and Sewer fund is an enterprise fund, which charges residents usage fees. The other proprietary fund type is an internal service fund, of which the City has two, which are used to report activities that provide services to the other City funds and activities, typically covered by charges to other City departments. Individual internal service financial statements are presented for each fund in the section entitled "Other Supplemental Information." The activities of the internal service funds are eliminated in the government-wide statements to avoid duplicate reporting of revenues and expenses. The internal service funds include the Equipment fund and the Retirement Benefits fund.

- Fiduciary funds - Assets held by the City as an agent for the City's citizen groups and organizations, as well as related activities. These funds consist of the Retiree Health Insurance Plan Trust and custodial funds for Tax Collections and Friends of the Library. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes. These activities are excluded from the City's government-wide financial statements because the City cannot use these assets to finance its operations.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. This information includes budgetary comparisons for the City's General, Sanitation, Recreation, and Capital Projects funds, as well as schedules concerning the City's progress in funding its obligation to provide pension and other post-employment benefits to its employees.

Following the required supplementary information is a section containing other supplementary information. This includes combining statements for the City's non-major governmental funds, internal service funds and fiduciary funds. Immediately following the supplementary information is a statistical section, which provides certain information pertaining to general government revenues, expenditures, tax revenues and collections, demographic, and other statistical information.

**CITY OF HUNTINGTON WOODS, MICHIGAN
MANAGEMENT'S DISCUSSION AND ANALYSIS**

The City of Huntington Woods as a Whole

As noted earlier, net position may serve over time as useful indicator of a government's financial position. The City's combined total of net position for the fiscal year ended June 30, 2021 is \$15,692,652 as illustrated in the statement below.

| | Governmental Activities | | Business-type Activities | | Total | |
|---------------------------|-------------------------|---------------------|--------------------------|---------------------|----------------------|----------------------|
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| Assets | | | | | | |
| Current and Other Assets | \$ 25,136,972 | \$ 26,933,262 | \$ 2,578,200 | \$ 2,612,975 | \$ 27,715,172 | \$ 29,546,237 |
| Capital Assets | 33,317,401 | 31,668,799 | 6,411,662 | 5,761,094 | 39,729,063 | 37,429,893 |
| Total Assets | 58,454,373 | 58,602,061 | 8,989,862 | 8,374,069 | 67,444,235 | 66,976,130 |
| Deferred Outflows | 1,417,345 | 1,550,266 | 100,864 | 111,676 | 1,518,209 | 1,661,942 |
| Liabilities | | | | | | |
| Long-term Liabilities | 45,181,362 | 49,884,953 | 1,278,689 | 1,471,245 | 46,460,051 | 51,356,198 |
| Other Liabilities | 3,599,622 | 3,129,036 | 106,225 | 665,380 | 3,705,847 | 3,794,416 |
| Total Liabilities | 48,780,984 | 53,013,989 | 1,384,914 | 2,136,625 | 50,165,898 | 55,150,614 |
| Deferred Inflows | 2,896,176 | 1,577,332 | 207,718 | 114,206 | 3,103,894 | 1,691,538 |
| Net Position | | | | | | |
| Net Investment in | | | | | | |
| Capital Assets | 18,344,655 | 18,512,674 | 6,411,662 | 5,761,094 | 24,756,317 | 24,273,768 |
| Restricted | 3,038,286 | 2,358,986 | - | - | 3,038,286 | 2,358,986 |
| Unrestricted (Deficit) | (13,188,383) | (15,310,654) | 1,086,432 | 473,820 | (12,101,951) | (14,836,834) |
| Total Net Position | \$ 8,194,558 | \$ 5,561,006 | \$ 7,498,094 | \$ 6,234,914 | \$ 15,692,652 | \$ 11,795,920 |

A significant portion of the City's net position, \$24,756,317, reflects its investment in capital assets (e.g. land, land improvements, buildings, equipment, and infrastructure), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position, \$3,038,286, represents resources that are subject to external restrictions on how they may be used. Restricted net position includes amounts set aside for endowments, debt service, debt-financed projects, and externally mandated commitments. The remaining balance of *unrestricted net position*, the amount that may be used to meet the government's ongoing obligations to citizens and creditors, is (\$12,101,951), representing the amount of resources that the City could utilize to promptly satisfy all accrued future liabilities.

Generally accepted accounting principles (GAAP) require that the City show our liability for pension benefits promised in the future as a liability on our entity-wide financial statements. An actuarial valuation as of December 31, 2020, provided a total pension liability of \$26,339,239. The City had plan fiduciary net position of \$18,098,137 as of plan year-end, with a net pension liability of \$8,241,102. The net pension liability was allocated to the Governmental Activities and Business-type Activities.

**CITY OF HUNTINGTON WOODS, MICHIGAN
MANAGEMENT'S DISCUSSION AND ANALYSIS**

GAAP also require that the City show our liability for retiree health care and death benefits or other post-employment benefits (OPEB) promised in the future as a liability on our entity-wide financial statements. An actuarial valuation as of June 30, 2021 provided the City a total OPEB liability of \$13,400,323. The City's plan fiduciary net position was \$2,794,436. The resulting net OPEB liability of \$10,605,887 was allocated to the Governmental Activities and Business-type Activities.

The City's net position increased by \$3,896,732. The following shows the changes in net position as of June 30, 2020 and 2021 in a condensed format:

| | Governmental Activities | | Business-type Activities | | Total | |
|--------------------------------------|-------------------------|---------------------|--------------------------|---------------------|----------------------|----------------------|
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| Revenues | | | | | | |
| Program revenues | | | | | | |
| Charges for Services | \$ 1,289,088 | \$ 1,744,157 | \$ 3,639,913 | \$ 3,057,463 | \$ 4,929,001 | \$ 4,801,620 |
| Operating Grants and Contributions | 1,130,866 | 712,627 | - | - | 1,130,866 | 712,627 |
| Capital Grants and Contributions | 36,816 | 43,688 | - | - | 36,816 | 43,688 |
| General revenues | | | | | | |
| Property Taxes | 10,060,195 | 8,818,596 | - | - | 10,060,195 | 8,818,596 |
| State Revenue Sharing | 690,416 | 605,008 | - | - | 690,416 | 605,008 |
| Investment earnings | 125,523 | 391,514 | 9,784 | 47,334 | 135,307 | 438,848 |
| Miscellaneous | 115,958 | 170,376 | - | - | 115,958 | 170,376 |
| Total Revenues | 13,448,862 | 12,485,966 | 3,649,697 | 3,104,797 | 17,098,559 | 15,590,763 |
| Expenses | | | | | | |
| General Government | 1,892,902 | 1,577,736 | - | - | 1,892,902 | 1,577,736 |
| Public Safety | 3,046,006 | 3,415,686 | - | - | 3,046,006 | 3,415,686 |
| Public Works | 2,931,683 | 3,235,297 | - | - | 2,931,683 | 3,235,297 |
| Recreation and Cultural | 1,997,702 | 2,745,490 | - | - | 1,997,702 | 2,745,490 |
| Water and Sewer | - | - | 2,483,667 | 2,505,071 | 2,483,667 | 2,505,071 |
| Interest on long-term debt | 849,867 | 593,538 | - | - | 849,867 | 593,538 |
| Total Expenses | 10,718,160 | 11,567,747 | 2,483,667 | 2,505,071 | 13,201,827 | 14,072,818 |
| Excess (Deficiency) Before Transfers | 2,730,702 | 918,219 | 1,166,030 | 599,726 | 3,896,732 | 1,517,945 |
| Transfers In (Out) | (97,150) | (839,427) | 97,150 | 839,427 | - | - |
| Change in Net Position | 2,633,552 | 78,792 | 1,263,180 | 1,439,153 | 3,896,732 | 1,517,945 |
| Net Position, Beginning of Year | 5,561,006 | 5,482,214 | 6,234,914 | 4,795,761 | 11,795,920 | 10,277,975 |
| Net Position, End of Year | \$ 8,194,558 | \$ 5,561,006 | \$ 7,498,094 | \$ 6,234,914 | \$ 15,692,652 | \$ 11,795,920 |

Governmental Activities

Governmental activities increased the City's net position \$2,633,552 in 2021 as compared to a net increase of \$78,792 in 2020. Governmental revenues increased by \$962,896 or 7.71% due to primarily to an increase in property taxes and operating grants and contributions. There was a slight decrease of total governmental expenditures as compared to 2020 of 7.34%.

Business-type Activities

Business-type activities increased the City's net position by \$1,263,180 as compared to a prior year increase of \$1,439,153. The net increase in 2021 compared to 2020 is consistent.

CITY OF HUNTINGTON WOODS, MICHIGAN MANAGEMENT'S DISCUSSION AND ANALYSIS

Financial Analysis of the Government's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

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, *unassigned fund balance* may serve as a useful measure of a government's net resources available at the end of the fiscal year.

As of the close of the current fiscal year, the City's *governmental funds* reported combined ending fund balances of \$22,715,283, a decrease of \$1,873,806 in comparison of the prior year. Approximately 10% of the combined fund balances, or \$2,273,236 was available for spending at the government's discretion ("*unassigned fund balance*").

The remainder of fund balance is *nonspendable, restricted, committed, or assigned* to indicate that it is not available for new spending because it has already been committed 1) for encumbrances, inventories, and prepaid expenditures, 2) for advances to other funds and component units, 3) to generate income to pay for the municipal cemetery and future recreation programs, and 4) designated for use for next year's expenditures.

General Fund

The City's General Fund balance was \$3,933,371, an increase of \$621,636. Of the total fund balance, \$1,660,135 was nonspendable, restricted, or committed, leaving \$2,273,236 of unassigned fund balance, or 26.30% of revenues and other financing sources.

The budget for revenues was amended during the year to reflect an increase of \$272,290 or less than 4%, primarily in intergovernmental sources. Actual revenue came in just \$87,316 over the final amended budget.

The budget for expenditures and other financing uses was amended during the year to reflect an increase of only \$133,370, or less than 2%. Actual expenditures and other financing uses came in \$330,400 under the final emended budget.

Other Major Governmental Funds

The Sanitation Fund posted a modest fund balance decrease of \$8,267 due to increased waste disposal costs, ending the year with a fund balance \$129,131. Staffing has been constant in the DPW department after a few retirements in the prior years. The elimination of the DPW Manager position has helped stabilize the Sanitation Fund.

The Recreation Fund posted a \$64,664 increase in fund balance, ending the year with a fund balance of \$352,459. This is primarily due to an additional \$200,330 transfer from the General Fund to cover the deficit. The total transferred from the General Fund to the Recreation Fund for the year was \$1,115,330.

The Capital Projects Fund posted a fund balance decrease of \$3,077,531 to end the year with a fund balance of \$15,546,721. This decrease is due to ongoing capital improvement projects spending down bond proceeds that were received in past years.

CITY OF HUNTINGTON WOODS, MICHIGAN MANAGEMENT'S DISCUSSION AND ANALYSIS

Other Governmental Funds

The Major and Local Road fund revenue decreased 5.07% to \$741,647 due to decreased General Fund transfers. Expenditures decreased over this same period to \$680,922. The cost of maintaining one mile of roadway and/or rebuilding a mile of roadway has significantly increased in the past 6 years, as material cost continues to rise well above inflation, according to our engineers. The amount of revenue the City receives from the State for Gas and Weight tax tied to the road funds in Act 51 dollars have never been adequate to rebuild the roadway system in the City. Although the City has been able to maintain the fund balance in these road funds, it is becoming increasingly difficult to maintain fund balance levels with the current level of expenditures required to maintain our right-of-way. The State has made some changes in the Gas and Weight tax distribution after a successful campaign to raise the gas tax statewide. With years of deferred maintenance, according to State Sources, Michigan's roads need 2.0 billion annually to repair the failing roadway system. Our hope is that additional monies will be appropriated in the next few years, however the antiquated formula for monetary distribution represents a major obstacle for smaller communities like Huntington Woods. As of June 30, 2021, the Major Road fund has increased its fund balance by \$69,050, and the Local Road fund decreased its fund balance by \$3,835.

Proprietary Funds

The City's proprietary fund provides the same type of information found in the government wide financial statements, but in more detail.

Water and Sewer Fund

The Water and Sewer Fund had an unrestricted net position of \$1,086,432 with a total net position of \$7,498,094. The fund had an increase in net position of \$1,263,180.

Capital Asset and Debt Administration

Capital Assets

The City allocated \$427,700 in the 2020-21 Capital Improvement Program Budget (CIP). At the end of the fiscal year the City spent a total of \$371,393 on various capital projects. Roof replacements were completed at the Public Safety building, DPW, and Recreation Center for a total of \$203,700. The tennis courts were resurfaced at a cost of \$65,400. The City began its master plan update and expended \$39,205. The City has continued the implementation of the Road Improvement program along with new sewer replacement work and allocated \$3,633,825 in the construction fund to complete these efforts. Capital Projects Fund balances have decreased due to the expenditure of funds from two previous bond issues for road, water, and sewer improvements. Aging buildings and other related equipment have caused the City to spend CIP dollars on improvement to roofs, doors, parks, and other electronic equipment in our City hall and Cultural Center buildings.

Additional information related to capital assets can be found in Note 3 to the financial statements.

CITY OF HUNTINGTON WOODS, MICHIGAN MANAGEMENT'S DISCUSSION AND ANALYSIS

Long-term Debt

In May 2019 the City levied Sewer and Road Improvement Bonds in the amount of \$7,390,000. The City Commission established a long-range budget and planning committee in 2018 that was directed to come up with a plan to fund the remaining road and sewer repairs. The committee was completed in 2019 and a new 20-year road plan was established. Bonds were issued in the amount of \$11,375,000 in May 2020 to fund road improvements and remaining sewer work per the committee's plan. The total debt load of the City is included in Note 4 of this statement. The millage needed at our current level of taxable value to pay our road bond obligations in 2021 was 4.4011 equal to \$1712,260 exclusive of overlapping Oakland County Drain debt. The levy for the 2021-22 fiscal year is 4.2560 mills or \$1,717,308.

Long term debt for the GWK Drain has been restructured and now includes seven separate issues amounting to \$735,880. The City has been successful in its negotiations with the City of Detroit regarding the payment of the Detroit portion of the GWK drain debt on the property that lies within the Rackham Golf Course. The apportionment required that 13.89% of the total amount owed on the drain debt for the rebuild of the GWK drain was to be paid by the City of Detroit.

As of June 30, 2021, there were no new drain bonds levied and the principal balance on outstanding obligations has been reduced by principal payments (Note 4). The City statutorily can levy an amount of millage equal to the total of the principal and interest obligations in any fiscal year to pay its current year bonded debt obligations. The amount of millage needed to pay the Oakland County Drain bond overlapping debt in 2020-21 was 0.5169 mills; in 2021-22 the millage is 0.3560 mills. The statutory limit on the amount of outstanding debt that the City can levy is 10% of the assessed value of \$544,939,570 or \$54.49 million. The City's current debt margin is equal to 53.12%.

Additional information related to long-term obligations can be found in Note 4 to the financial statements.

Economic Factors and Next Year's Budgets and Rates

The City successfully negotiating with the Police Officers Labor Council a three-year contract expiring June 30, 2020. This contract closed the MERS Defined Benefit pension system. New hires will receive retirement benefits based upon a 401a defined contribution (DC) plan similar to other employee groups. Beginning in 1998 all new employees in our non-union group and the AFSCME union group are placed into a defined contribution program except both Public Safety labor groups. In 2015 the City had taken substantial steps in our understanding of the unfunded liability in the MERS system, and have taken steps to begin the process of reviewing what new programs we can use to assist us in the management of the legacy costs we have. The failure to make changes that reduce the liability will continue to reduce the amount available for City operations. With legacy cost continuing to increase as older workers retire, the City must look at methodologies and programs that will assist in reducing the total unfunded liability. The current monetary requirement for MERS funding in aggregate for all pensioned DB groups in the City is \$901,404 and the required accelerated amount is equal to \$1,036,512. This equates to a total of 2.57 mills.

The City has completed a very extensive review of the sanitary and storm water overflow system in the City. This is due to the age of the system and increased liability due to unknown damage resulting from the 2014 flood event. The City cleaned, mapped, and televised the entire 32+ miles of sanitary sewers in the City, most of which were installed well over 70 years ago. The data has been compiled and the City has developed of a long-term capital improvement plan to repair the underground sewer lines. The first portion of this sewer repair program was a \$7,845,000 bond proposal on the November 2018 ballot. The ballot proposal passed, and bonds were sold in May 2019. Construction began on these projects in 2019. The final portion of this plan was funded through a May 2020 bond sale with and construction began in summer 2020.

**CITY OF HUNTINGTON WOODS, MICHIGAN
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Transfers from General Fund equaled \$3,036,450 which is an increase of 34% from last year's value of \$2,261,960. A total of \$348,000 was transferred to capital planning and \$617,960 to post-retirement benefits. General Fund transfers to the Recreation Fund for operational purposes increased \$140,330 to \$1,115,330. Overall, the Recreation Fund collected 94.76% of all anticipated revenues including transfers from other funds. The Recreation Center spent 92.67% of appropriations equal to \$1,430,384. Revenues exceeded expenditures by \$64,664 for the fiscal year. In the last few years, the cost of the recreation operations has increased significantly due to additional programming costs, building upkeep, increased cost of personnel, and most significantly the benefit costs associated with the MERS retirement transfers. The increase in the expenditures in the Recreation Fund coupled with the small increase in revenue has caused the Recreation Fund to show an uncommitted fund balance that is too low to fund the operation of the Gillham Recreation Center

TRANSFERS OUT OF GENERAL FUND FY 2020-21

| | Actual 6/30/21 | Percentage |
|----------------------------------|----------------|------------|
| TRANSFER - LOCAL STREET | \$ 50,000 | 1.65% |
| TRANSFER - RECREATION FUND | 1,115,330 | 36.73% |
| TRANSFER - EQUIPMENT FUND | 174,160 | 5.74% |
| TRANSFER - POST RETIREMENT | 617,960 | 20.35% |
| TRANSFER - 2020 GO DEBT FUND | 331,000 | 10.90% |
| TRANSFER - CAPITAL PROJECTS FUND | 748,000 | 24.63% |
| | \$ 3,036,450 | 100.00% |

The City has continued its aggressive road replacement program paid by debt millage. The last series of bonds were levied in 2017 under the UTGO bond millage vote in 2009. This completes all the series originally anticipated. In May 2019 the City sold \$7,390,000 in bonds for sewer and adjacent road repairs. This funding will allow the city to make sewer replacements and replace the adjacent roads to where the sewer is located. In March of 2020 the voters of Huntington Woods approved a Public Act 345 Pension Millage. The savings from this millage are being used to fund road improvements throughout the City. In spring of 2020, the City sold capital improvement bonds for road and sewer work to begin the first phase of a twenty year road plan. \$4.5 Million of this bond sale is to be used for road reconstruction throughout the City. The City has also committed to an additional \$234,000 per year to be used for road maintenance. As of the end of the audit year, the City still has 35+ percent of the City that does not have a new or improved roadway surface. Lastly, the Major and Local Road funds are the major source of funding for a portion of the 11 Mile Road bond and continues to fund this bond repayment through 2027. The City has begun a 5yr. trimming schedule to do high tree trimming in the right of way and City parks.

CITY OF HUNTINGTON WOODS, MICHIGAN MANAGEMENT'S DISCUSSION AND ANALYSIS

The City maintains an extensive investment portfolio and is aggressive in keeping money invested as per statutory regulations as illustrated in 1943 P.A. 20 as amended. The Investment policy, as adopted, focuses on safety of principal, quality of investments and low risk. The credit risk associated with the financial portfolio at year end is once again small. The preponderance of the portfolio includes either municipal bond issues of varying maturities or other instrumentalities of the Federal Government which bear a lower credit risk than other certificates of deposit or commercial paper. The low interest environment will continue to be a factor for determining the average length maturities in the portfolio. The average length of investment maturity as of June 30, 2021 is 4.40 years. In addition, the investment policy provides for a credit review of all CD's and Commercial paper purchased. Although the State statute does not require any credit test, the policy we employ carries a provision to meet a credit threshold as established by bank credit rating agencies. At the end of the fiscal year the City had a total 4.4% of its portfolio invested in instrumentalities that are subject to credit risk. The remaining balance of the portfolio or 95.6% is invested in Agencies and Municipal Bonds that have laddered maturities. The City posts these at market rate, and generally holds all marketable securities to maturity.

Property values have continued to rise in the last 10 years, however the City cannot capture the increase in market value on the tax roll due to proposal A. This dynamic is beginning to weigh heavily on our ability to maintain services at their current levels. We are looking for changes to be made via the State Legislature to minimize the issues inherent in the proposal A calculations. Currently, the City has General Fund equity equal to 49.03% of annual expenditures and transfers out. This level of fund balance is still healthy and above the customary standards for local governmental units. The reduction of legacy costs for health care and pension is critical to our continued recovery. Moving ahead, further consolidation of services will play a significant role as well. Failure to carefully review these large ticket items could lead to further reduction of current services to pay for past debt.

Data from Oakland County Equalization shows a relatively modest increase in taxable value again for the calendar year 2021 equal to 3.40%, unfortunately because the rate of inflation was kept at 1.4% the City was unable to capture much of this increase. The City Commission will continue to be faced with making very tough choices between service consolidations and providing services as the City Commission puts together upcoming budgets.

Reducing the unfunded liability in MERS and OPEB is one of the largest financial issue we face. As of the end of the fiscal year ending June 30, 2021 on a cash basis, the City paid a total of \$1,802,510 in pension payments, \$1,031,179 in healthcare costs, and \$155,013 in defined contribution payments. This level of benefit funding is difficult to sustain. The City will continue to review new policies and procedures available through the Michigan Employee Retirement System (MERS) to both reduce the current liability and to slow down the accrual of new liability in the future. The results of these initiatives will hopefully bring the payment into a fully funded prospective and allow the City to pay pensions based solely upon a normal cost.

Huntington Woods and other "inter-ring" suburbs are very interested in the strength brought about by the renewed interest in the City of Detroit. The City Commission in Huntington Woods supports the efforts of the Mayor's office and the redevelopment initiatives brought about by the new administration. The City has supported issues and programs designed to bring about new and improved transportation in the region and are ready to help the City of Detroit become powerful again. Huntington Woods has been awarded a very high AA+ S&P bond rating. Fortunately, Oakland County's high rating and Detroit's comeback have been positive factors in the rating we now enjoy. Lastly, the State has roared back in a big way and enjoys a very healthy rainy-day fund. That said, Huntington Woods needs to be aware that our size, limited tax base, and cost of offering a full complement of services leaves us vulnerable if there is another recessionary cycle. The consideration of consolidation of services needs to be part of planning its agenda for the future. The City remains committed to balancing the budget with limited use of fund balance re-appropriation. The administration and Commission understand that many of the changes that have been made at the Federal, State and local level are permanent, and that most likely we will never fully recover from the standpoint of offering the level of services our residents have received in the last several decades.

CITY OF HUNTINGTON WOODS, MICHIGAN MANAGEMENT'S DISCUSSION AND ANALYSIS

Michigan has made significant strides in economic stability, based upon the improved economy. The resulting increase in revenue has helped to stabilize numerous revenue sharing payments statutorily due the City on an annual basis. Changes in personal property taxation has reduced the tax burden on small businesses but has had little impact on Huntington Woods due to our small commercial/business footprint. Huntington Woods has only a small fraction (1.2%) of our annual tax bill that would be impacted by the loss of personal property tax payments.

Lastly, the City has been diligent in preparing all documents required to maintain our statutory revenue sharing payments under the new Cities, Villages, and Townships Revenue Sharing Program (CVTRS) program and will continue to do so in the future. The City Commission and Administration will work harder and smarter, combine service where reasonable, and redouble our efforts to the tradition of offering the highest level of service we can afford for our residents.

Housing values still are on the uptick in 2021. We have come back from the recession as it pertains to the value of the City on the tax rolls. That said, the City will never regain the lost revenue caused by the slump in housing values, or the loss in other revenue associated with the downturn. A recent study put together by the Michigan Municipal League (MML) and its advisors points to the fact that the State of Michigan is not adequately sharing with local communities any increased revenue in the way of revenue sharing payments. This same study focused on the systemic problems inherent the 1993 Proposal-A which dramatically changed the way taxation is calculated in the state. We firmly hope that there will be legislation written that will change current policy on the distribution of revenue sharing and the ability to allow governmental units in the State to keep up with costs by eliminating provisions within Proposal A that "Cap" our ability to raise tax dollars via increased property valuations above inflation. The lack of a viable method to capture the value of "pop-up" or sale adjustments to the roll will ultimately spell doom for urban mature communities that are in a "no-growth" posture. Huntington Woods can be considered in this group. In the last 9 years the City has consistently lost ground every year in its ability to levy tax due to the constraints of Proposal A. This one issue may be our largest challenge. The City does not anticipate any new hiring in the future and will only consider hiring person to fill positions on our staff that have retired.

Investment income has improved this year, but interest rates remain at almost zero as we remain in the COVID Pandemic. Recent changes in health care policies and requirements have further caused the City to rethink the cost of staffing and providing services through contracted vendors. We are continually testing the market for finding the right fit in providing benefits to our employees at a reasonable premium. There is no question that the City will need to review what services are critical to our residents and which can be eliminated. Combining services with neighboring communities may be a necessity to overcome the lack of growth in our revenue. It is entirely possible that more services will be combined in a regional effort to offer services at a lower cost. We may need to request that voters once again override the Headlee amendment with a millage vote to maintain services at present levels. It is unlikely that the City's new construction will grow quickly enough to fill the void created by increased costs in the declining revenue environment.

Requests for Information

This report is intended to provide the citizens, taxpayers, customers, and investors with a general overview of the City's financial position. Care has been taken to clearly and accurately describe the financial state of the City as of June 30, 2021. We always welcome comments or questions on its content, presentation, or any other aspect of this report either in person, online, or by personally contacting the City Administrative office located at 26815 Scotia Road, Huntington Woods MI 48070.

BASIC FINANCIAL STATEMENTS

CITY OF HUNTINGTON WOODS, MICHIGAN
STATEMENT OF NET POSITION
JUNE 30, 2021

| | Governmental Activities | Business-type Activities | Total |
|--|----------------------------|-----------------------------|----------------------|
| ASSETS | | | |
| Current assets | | | |
| Cash and cash equivalents | \$ 328,835 | \$ 12,042 | \$ 340,877 |
| Investments | 16,927,867 | 1,161,679 | 18,089,546 |
| Receivables | 199,182 | 903,563 | 1,102,745 |
| Inventories | 5,858 | - | 5,858 |
| Due from other governmental units | 279,968 | - | 279,968 |
| Prepays | 140,462 | 3,054 | 143,516 |
| Total current assets | 17,882,172 | 2,080,338 | 19,962,510 |
| Noncurrent assets | | | |
| Investments | 7,254,800 | 497,862 | 7,752,662 |
| Capital assets not being depreciated | 89,802 | 1,000 | 90,802 |
| Capital assets, net of accumulated depreciation | 33,227,599 | 6,410,662 | 39,638,261 |
| Total noncurrent assets | 40,572,201 | 6,909,524 | 47,481,725 |
| TOTAL ASSETS | 58,454,373 | 8,989,862 | 67,444,235 |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Deferred outflows of resources related to pensions | 1,151,306 | 81,683 | 1,232,989 |
| Deferred outflows of resources related to OPEB | 266,039 | 19,181 | 285,220 |
| TOTAL DEFERRED OUTFLOWS OF RESOURCES | 1,417,345 | 100,864 | 1,518,209 |
| LIABILITIES | | | |
| Current liabilities | | | |
| Accounts payable | 492,188 | 77,773 | 569,961 |
| Accrued liabilities | 178,031 | 5,248 | 183,279 |
| Deposits and other liabilities | 184,621 | 12,780 | 197,401 |
| Accrued interest payable | 139,148 | - | 139,148 |
| Unearned revenue | 247,476 | - | 247,476 |
| Current portion of compensated absences | 203,168 | 10,424 | 213,592 |
| Current portion of long-term debt | 2,154,990 | - | 2,154,990 |
| Total current liabilities | 3,599,622 | 106,225 | 3,705,847 |
| Noncurrent liabilities | | | |
| Noncurrent portion of compensated absences | 515,536 | 19,492 | 535,028 |
| Noncurrent portion of long-term debt | 27,078,034 | - | 27,078,034 |
| Net pension liability | 7,695,146 | 545,956 | 8,241,102 |
| Net other post-employment benefits liability | 9,892,646 | 713,241 | 10,605,887 |
| Total noncurrent liabilities | 45,181,362 | 1,278,689 | 46,460,051 |
| TOTAL LIABILITIES | 48,780,984 | 1,384,914 | 50,165,898 |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Deferred inflows of resources related to pensions | 948,457 | 67,291 | 1,015,748 |
| Deferred inflows of resources related to OPEB | 1,947,719 | 140,427 | 2,088,146 |
| TOTAL DEFERRED INFLOWS OF RESOURCES | 2,896,176 | 207,718 | 3,103,894 |
| NET POSITION | | | |
| Net investment in capital assets | 18,344,655 | 6,411,662 | 24,756,317 |
| Restricted | | | |
| Sanitation | 129,131 | - | 129,131 |
| Streets and highways | 940,550 | - | 940,550 |
| Building inspection | 158,543 | - | 158,543 |
| Public safety | 31,597 | - | 31,597 |
| Recreation and culture | 121,670 | - | 121,670 |
| Debt services | 1,656,795 | - | 1,656,795 |
| Unrestricted | (13,188,383) | 1,086,432 | (12,101,951) |
| TOTAL NET POSITION | \$ 8,194,558 | \$ 7,498,094 | \$ 15,692,652 |

See accompanying notes to the financial statements.

**CITY OF HUNTINGTON WOODS, MICHIGAN
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2021**

| <u>Functions/Programs</u> | <u>Expenses</u> | <u>Program Revenues</u> | | |
|---------------------------------|----------------------|---------------------------------|---|---|
| | | <u>Charges for Services</u> | <u>Operating Grants and Contributions</u> | <u>Capital Grants and Contributions</u> |
| Governmental activities | | | | |
| General government | \$ 1,892,902 | \$ 506,528 | \$ 18,114 | \$ - |
| Public safety | 3,046,006 | 297,912 | 376,027 | - |
| Public works | 2,931,683 | 23,680 | 713,664 | - |
| Recreation and culture | 1,997,702 | 460,968 | 21,256 | - |
| Interest on long-term debt | 849,867 | - | 1,805 | 36,816 |
| Total governmental activities | 10,718,160 | 1,289,088 | 1,130,866 | 36,816 |
| Business-type activities | | | | |
| Water and sewer | 2,483,667 | 3,639,913 | - | - |
| Total | <u>\$ 13,201,827</u> | <u>\$ 4,929,001</u> | <u>\$ 1,130,866</u> | <u>\$ 36,816</u> |

General revenues
Property taxes
Unrestricted state shared revenues
Investment earnings
Miscellaneous
Transfers

Total general revenues and transfers

Change in net position

Net position, beginning of the year

Net position, end of the year

Net (Expense) Revenue and
Changes in Net Position

| Governmental Activities | Business-type Activities | Total |
|----------------------------|-----------------------------|----------------|
| \$ (1,368,260) | \$ - | \$ (1,368,260) |
| (2,372,067) | - | (2,372,067) |
| (2,194,339) | - | (2,194,339) |
| (1,515,478) | - | (1,515,478) |
| (811,246) | - | (811,246) |
| (8,261,390) | - | (8,261,390) |
| - | 1,156,246 | 1,156,246 |
| (8,261,390) | 1,156,246 | (7,105,144) |
| 10,060,195 | - | 10,060,195 |
| 690,416 | - | 690,416 |
| 125,523 | 9,784 | 135,307 |
| 115,958 | - | 115,958 |
| (97,150) | 97,150 | - |
| 10,894,942 | 106,934 | 11,001,876 |
| 2,633,552 | 1,263,180 | 3,896,732 |
| 5,561,006 | 6,234,914 | 11,795,920 |
| \$ 8,194,558 | \$ 7,498,094 | \$ 15,692,652 |

**CITY OF HUNTINGTON WOODS, MICHIGAN
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2021**

| | General | Special Revenue | | Capital Projects | Nonmajor Governmental Funds | Total |
|--|---------------------|--------------------|--------------------|-----------------------------|-----------------------------------|----------------------|
| | | Sanitation Fund | Recreation Fund | Capital Projects Fund | | |
| ASSETS | | | | | | |
| Cash and cash equivalents | \$ 70,624 | \$ 3,491 | \$ 5,037 | \$ 151,633 | \$ 63,807 | \$ 294,592 |
| Investments | 3,806,516 | 118,991 | 708,911 | 15,715,849 | 2,566,025 | 22,916,292 |
| Receivables | | | | | | |
| Accounts | 73,954 | 1,200 | - | 14,231 | - | 89,385 |
| Taxes | 80,100 | 7,547 | 927 | - | 21,223 | 109,797 |
| Inventories | 5,858 | - | - | - | - | 5,858 |
| Due from other governmental units | 127,535 | - | - | - | 152,433 | 279,968 |
| Prepays | 111,144 | 7 | 3,728 | - | - | 114,879 |
| TOTAL ASSETS | \$ 4,275,731 | \$ 131,236 | \$ 718,603 | \$ 15,881,713 | \$ 2,803,488 | \$ 23,810,771 |
| LIABILITIES | | | | | | |
| Accounts payable | \$ 71,493 | \$ 719 | \$ 33,901 | \$ 334,992 | \$ 46,350 | \$ 487,455 |
| Accrued liabilities | 86,246 | 1,386 | 84,767 | - | 3,537 | 175,936 |
| Performance bonds | 184,621 | - | - | - | - | 184,621 |
| Unearned revenue | - | - | 247,476 | - | - | 247,476 |
| TOTAL LIABILITIES | 342,360 | 2,105 | 366,144 | 334,992 | 49,887 | 1,095,488 |
| FUND BALANCES | | | | | | |
| Nonspendable | 117,002 | 7 | 3,728 | - | - | 120,737 |
| Restricted | 294,702 | 129,124 | - | 14,260,278 | 2,753,601 | 17,437,705 |
| Committed | 1,248,431 | - | - | - | - | 1,248,431 |
| Assigned | - | - | 348,731 | 1,286,443 | - | 1,635,174 |
| Unassigned | 2,273,236 | - | - | - | - | 2,273,236 |
| TOTAL FUND BALANCES | 3,933,371 | 129,131 | 352,459 | 15,546,721 | 2,753,601 | 22,715,283 |
| TOTAL LIABILITIES AND FUND BALANCES | \$ 4,275,731 | \$ 131,236 | \$ 718,603 | \$ 15,881,713 | \$ 2,803,488 | \$ 23,810,771 |

See accompanying notes to the financial statements.

**CITY OF HUNTINGTON WOODS, MICHIGAN
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE
SHEET TO THE STATEMENT OF NET POSITION
YEAR ENDED JUNE 30, 2021**

Total fund balances - governmental funds \$ 22,715,283

Amounts reported for the governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in the governmental funds.

| | | |
|-------------------------------|---------------------|------------|
| The cost of capital assets is | \$ 57,060,236 | |
| Accumulated depreciation is | <u>(24,961,362)</u> | |
| Capital assets, net | | 32,098,874 |

Internal Service Funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of the Internal Service Funds are included in the governmental activities in the statement of net position.

| | |
|--|-----------|
| Net position of governmental activities accounted for in the Internal Service Funds | 1,770,041 |
|--|-----------|

Governmental funds report actual pension/OPEB expenditures for the fiscal year, whereas the governmental activities will recognize the net pension/OPEB liability as of the measurement date. Contributions subsequent to the measurement date will be deferred in the statement of net position. In addition, resources related to changes of assumptions, differences between expected and actual experience, net differences between projected and actual plan investment earnings, and changes in proportion and differences between employer contributions and proportionate share of contributions will be deferred over time in the government-wide financial statements. These amounts consist of:

| | | |
|--|--------------------|-------------|
| Deferred outflows of resources related to pensions | 1,151,306 | |
| Deferred inflows of resources related to pensions | (948,457) | |
| Deferred outflows of resources related to OPEB | 266,039 | |
| Deferred inflows of resources related to OPEB | <u>(1,947,719)</u> | |
| | | (1,478,831) |

Long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds balance sheet. Long-term liabilities at year-end consist of:

| | | |
|---|--------------------|---------------------|
| Bonds and loans payable | (27,930,880) | |
| Unamortized deferred amounts on debt issuance | (1,252,989) | |
| Accrued interest payable | (139,148) | |
| Net other post-employment benefits liability | (9,892,646) | |
| Net pension liability | <u>(7,695,146)</u> | |
| | | <u>(46,910,809)</u> |

Net position of governmental activities \$ 8,194,558

See accompanying notes to the financial statements.

**CITY OF HUNTINGTON WOODS, MICHIGAN
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2021**

| | Special Revenue | | | Capital Projects | Nonmajor Governmental Funds | Total |
|---|---------------------|--------------------|--------------------|-----------------------------|-----------------------------------|----------------------|
| | General | Sanitation Fund | Recreation Fund | Capital Projects Fund | | |
| REVENUES | | | | | | |
| Property taxes | \$ 6,579,843 | \$ 601,341 | \$ 73,757 | \$ - | \$ 2,805,254 | \$ 10,060,195 |
| Licenses and permits | 303,484 | - | - | - | - | 303,484 |
| Intergovernmental | 1,093,383 | 603 | 62 | - | 811,860 | 1,905,908 |
| Charges for services | 287,616 | - | 297,504 | - | - | 585,120 |
| Fines and forfeits | 81,839 | - | - | - | - | 81,839 |
| Interest and rents | 30,357 | 1,912 | 3,309 | 74,957 | 14,988 | 125,523 |
| Other | 266,104 | 10,717 | 5,066 | 104,731 | 175 | 386,793 |
| TOTAL REVENUES | 8,642,626 | 614,573 | 379,698 | 179,688 | 3,632,277 | 13,448,862 |
| EXPENDITURES | | | | | | |
| Current | | | | | | |
| General government | 1,447,571 | - | - | - | - | 1,447,571 |
| Public safety | 2,685,503 | - | - | - | 878,161 | 3,563,664 |
| Public works | 424,605 | 622,840 | - | - | 680,922 | 1,728,367 |
| Recreation and culture | 426,861 | - | 1,430,384 | - | - | 1,857,245 |
| Debt service | | | | | | |
| Principal | - | - | - | - | 1,569,253 | 1,569,253 |
| Interest and other charges | - | - | - | - | 947,413 | 947,413 |
| Capital outlay | - | - | - | 3,319,885 | - | 3,319,885 |
| TOTAL EXPENDITURES | 4,984,540 | 622,840 | 1,430,384 | 3,319,885 | 4,075,749 | 14,433,398 |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | 3,658,086 | (8,267) | (1,050,686) | (3,140,197) | (443,472) | (984,536) |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Transfers in | - | - | 1,115,330 | 748,000 | 1,134,694 | 2,998,024 |
| Transfers out | (3,036,450) | - | - | (685,334) | (165,510) | (3,887,294) |
| TOTAL OTHER FINANCING SOURCES (USES) | (3,036,450) | - | 1,115,330 | 62,666 | 969,184 | (889,270) |
| NET CHANGE IN FUND BALANCES | 621,636 | (8,267) | 64,644 | (3,077,531) | 525,712 | (1,873,806) |
| Fund balances, beginning of year | 3,311,735 | 137,398 | 287,815 | 18,624,252 | 2,227,889 | 24,589,089 |
| Fund balances, end of year | <u>\$ 3,933,371</u> | <u>\$ 129,131</u> | <u>\$ 352,459</u> | <u>\$ 15,546,721</u> | <u>\$ 2,753,601</u> | <u>\$ 22,715,283</u> |

See accompanying notes to the financial statements.

CITY OF HUNTINGTON WOODS, MICHIGAN
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2021

Net change in fund balances - total governmental funds \$ (1,873,806)

Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:

| | |
|--|--------------------|
| Capital outlay | \$ 2,798,845 |
| Net effect of disposal of capital assets | (9,548) |
| Depreciation expense | <u>(1,288,345)</u> |

| | |
|--|-----------|
| Excess of capital outlay over depreciation expense and other items | 1,500,952 |
|--|-----------|

Internal service funds are used by management to charge the costs of certain activities to individual funds.

| | |
|--|---------|
| Change in net position of governmental activities internal service funds | 280,874 |
|--|---------|

Repayment of long-term debt is reported as expenditures in governmental funds, but the repayment reduces long-term liabilities in the statement of net position. In the current year, these amounts consist of:

| | |
|-----------------------------|-----------|
| Repayment of long-term debt | 1,569,253 |
|-----------------------------|-----------|

Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. These activities consist of:

| | |
|--|---------------|
| Decrease in net pension liability | 1,547,540 |
| (Decrease) in deferred outflows of resources related to pensions | (6,242) |
| (Increase) in deferred inflows of resources related to pensions | (919,728) |
| (Decrease) in deferred outflows of resources related to OPEB | (126,679) |
| (Increase) in deferred inflows of resources related to OPEB | (399,116) |
| Decrease in accrued interest payable | 13,060 |
| Decrease in net other post-employment benefits liability | 962,958 |
| Decrease in deferred amounts on debt issuance | <u>84,486</u> |

1,156,279

Change in net position of governmental activities \$ 2,633,552

**CITY OF HUNTINGTON WOODS, MICHIGAN
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 JUNE 30, 2021**

| | Business-type Activities | Governmental Activities |
|---|-----------------------------|------------------------------|
| | Water and Sewer | Internal Service Funds |
| ASSETS | | |
| Current assets | | |
| Cash and cash equivalents | \$ 12,042 | \$ 34,243 |
| Investments | 1,161,679 | 886,463 |
| Accounts receivable | 903,563 | - |
| Prepays | 3,054 | 25,583 |
| | <u>2,080,338</u> | <u>946,289</u> |
| Total current assets | | |
| Noncurrent assets | | |
| Investments | 497,862 | 379,912 |
| Capital assets not being depreciated | 1,000 | - |
| Capital assets, net of accumulated depreciation | 6,410,662 | 1,218,527 |
| | <u>6,909,524</u> | <u>1,598,439</u> |
| Total noncurrent assets | | |
| | <u>8,989,862</u> | <u>2,544,728</u> |
| TOTAL ASSETS | | |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Deferred outflows of resources related to pension | 81,683 | - |
| Deferred outflows of resources related to OPEB | 19,181 | - |
| | <u>100,864</u> | <u>-</u> |
| TOTAL DEFERRED OUTFLOWS OF RESOURCES | | |
| LIABILITIES | | |
| Current liabilities | | |
| Accounts payable | 77,773 | 4,733 |
| Accrued liabilities | 5,248 | 2,095 |
| Deposits and other liabilities | 12,780 | - |
| Current portion of compensated absences | 10,424 | 203,168 |
| Current portion of long-term debt | - | 40,450 |
| | <u>106,225</u> | <u>250,446</u> |
| Total current liabilities | | |
| Noncurrent liabilities | | |
| Noncurrent portion of compensated absences | 19,492 | 515,536 |
| Noncurrent portion of long-term debt | - | 8,705 |
| Net pension liability | 545,956 | - |
| Net other post-employment benefits liability | 713,241 | - |
| | <u>1,278,689</u> | <u>524,241</u> |
| Total noncurrent liabilities | | |
| | <u>1,384,914</u> | <u>774,687</u> |
| TOTAL LIABILITIES | | |
| DEFERRED INFLOWS OF RESOURCES | | |
| Deferred inflows of resources related to pension | 67,291 | - |
| Deferred inflows of resources related to OPEB | 140,427 | - |
| | <u>207,718</u> | <u>-</u> |
| TOTAL DEFERRED INFLOWS OF RESOURCES | | |
| NET POSITION | | |
| Net investment in capital assets | 6,411,662 | 1,169,372 |
| Unrestricted | 1,086,432 | 600,669 |
| | <u>\$ 7,498,094</u> | <u>\$ 1,770,041</u> |
| TOTAL NET POSITION | | |

See accompanying notes to the financial statements.

**CITY OF HUNTINGTON WOODS, MICHIGAN
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 YEAR ENDED JUNE 30, 2021**

| | Business-type Activities | Governmental Activities |
|---|-----------------------------|------------------------------|
| | Water and Sewer | Internal Service Funds |
| OPERATING REVENUES | | |
| Charges for services | \$ 3,610,898 | \$ 538,787 |
| Penalties | 29,015 | - |
| | 3,639,913 | 538,787 |
| TOTAL OPERATING REVENUES | | |
| OPERATING EXPENSES | | |
| Sewage disposal costs | 1,172,397 | - |
| Water purchases | 428,893 | - |
| Payroll and benefits | 330,965 | - |
| Operations and maintenance | 352,294 | 159,864 |
| Retiree healthcare and other | - | 763,189 |
| Depreciation | 199,118 | 136,817 |
| | 2,483,667 | 1,059,870 |
| TOTAL OPERATING EXPENSES | | |
| OPERATING INCOME (LOSS) | 1,156,246 | (521,083) |
| NONOPERATING REVENUES (EXPENSES) | | |
| Interest income | 9,784 | 7,272 |
| Interest expense and fees | - | (2,738) |
| Gain on disposal of capital assets | - | 5,303 |
| | 9,784 | 9,837 |
| TOTAL NONOPERATING REVENUES (EXPENSES) | | |
| INCOME (LOSS) BEFORE TRANSFERS | 1,166,030 | (511,246) |
| TRANSFERS | | |
| Transfers in | 685,334 | 792,120 |
| Transfers out | (588,184) | - |
| | 97,150 | 792,120 |
| TOTAL TRANSFERS | | |
| CHANGE IN NET POSITION | 1,263,180 | 280,874 |
| Net position, beginning of year | 6,234,914 | 1,489,167 |
| Net position, end of year | \$ 7,498,094 | \$ 1,770,041 |

See accompanying notes to the financial statements.

**CITY OF HUNTINGTON WOODS, MICHIGAN
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 YEAR ENDED JUNE 30, 2021**

| | Business-type Activities | Governmental Activities |
|--|-----------------------------|------------------------------|
| | Water and Sewer | Internal Service Funds |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Cash receipts from customers | \$ 3,722,090 | \$ - |
| Cash receipts for interfund services provided | - | 538,787 |
| Payments to employees for services | (429,274) | (478,120) |
| Payments for goods and services | (2,502,151) | (516,225) |
| NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | 790,665 | (455,558) |
| CASH FLOWS FROM NONCAPITAL AND FINANCING ACTIVITIES | | |
| Interfund transfers | 97,150 | 792,120 |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | |
| Acquisition of capital assets | (849,686) | (289,241) |
| Proceeds from sale of capital assets | - | 10,077 |
| Principal paid on debt | - | (38,897) |
| Interest paid on debt | - | (2,738) |
| NET CASH (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES | (849,686) | (320,799) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchases of investments | (110,972) | (182,727) |
| Maturity of investments | 67,891 | 47,508 |
| Interest received | 9,784 | 7,272 |
| NET CASH (USED) BY INVESTING ACTIVITIES | (33,297) | (127,947) |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | 4,832 | (112,184) |
| Cash and cash equivalents, beginning of year | 7,210 | 146,427 |
| Cash and cash equivalents, end of year | \$ 12,042 | \$ 34,243 |
| Reconciliation of operating income (loss) to net cash provided (used) by operating activities | | |
| Operating income (loss) | \$ 1,156,246 | \$ (521,083) |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities | | |
| Depreciation | 199,118 | 136,817 |
| (Increase) decrease in: | | |
| Accounts receivable | 82,742 | - |
| Prepays | (54) | (3,215) |
| Deferred outflows of resources related to pension | 1,555 | - |
| Deferred outflows of resources related to OPEB | 9,257 | - |
| Increase (decrease) in: | | |
| Accounts payable | (548,513) | (9,459) |
| Accrued liabilities | (644) | (140) |
| Deposits and other | (565) | - |
| Net pension liability | (118,676) | - |
| Net other post-employment benefits liability | (72,854) | - |
| Deferred inflows of resources related to pension | 65,225 | - |
| Deferred inflows of resources related to OPEB | 28,287 | - |
| Compensated absences | (10,459) | (58,478) |
| NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | \$ 790,665 | \$ (455,558) |

See accompanying notes to the financial statements.

**CITY OF HUNTINGTON WOODS, MICHIGAN
FIDUCIARY FUND
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2021**

| | <u>Pension and Other Employee Benefit Trust Fund</u> | |
|---|--|----------------------------|
| | <u>Retiree Health Insurance Plan Trust</u> | <u>Custodial Funds</u> |
| ASSETS | | |
| Cash and cash equivalents | \$ 2,794,436 | \$ 8,966 |
| LIABILITIES | <u>-</u> | <u>-</u> |
| NET POSITION | | |
| Restricted for: | | |
| Other post-employment benefits (health insurance) | 2,794,436 | - |
| Other organizations | <u>-</u> | <u>8,966</u> |
| TOTAL NET POSITION | <u>\$ 2,794,436</u> | <u>\$ 8,966</u> |

See accompanying notes to the financial statements.

**CITY OF HUNTINGTON WOODS, MICHIGAN
FIDUCIARY FUND
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
YEAR ENDED JUNE 30, 2021**

| | Pension and Other Employee Benefit Trust Fund | Custodial Funds |
|--|--|--------------------|
| | Retiree Health Insurance Plan Trust | |
| ADDITIONS | | |
| Contributions | | |
| Employer | \$ 731,126 | \$ - |
| Investment earnings | 558,783 | - |
| Property tax collections for other governmental units | - | 9,227,929 |
| Other additions | - | 3,927 |
| | <u>1,289,909</u> | <u>9,231,856</u> |
| TOTAL ADDITIONS | | |
| | <u>1,289,909</u> | <u>9,231,856</u> |
| DEDUCTIONS | | |
| Administrative expenses | 4,141 | - |
| Benefit payments | 311,626 | - |
| Property tax distributions to other governmental units | - | 9,227,929 |
| Other deductions | - | 5,865 |
| | <u>315,767</u> | <u>9,233,794</u> |
| TOTAL DEDUCTIONS | | |
| | <u>315,767</u> | <u>9,233,794</u> |
| NET INCREASE (DECREASE) IN FIDUCIARY NET POSITION | 974,142 | (1,938) |
| Net position, beginning of year | <u>1,820,294</u> | <u>10,904</u> |
| Net position, end of year | <u>\$ 2,794,436</u> | <u>\$ 8,966</u> |

See accompanying notes to the financial statements.

CITY OF HUNTINGTON WOODS, MICHIGAN
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity

The City has adopted the position of the Governmental Accounting Standards Board (GASB) as outlined in its Statement 1 regarding the definition of a reporting entity. The City of Huntington Woods, Michigan is governed by an elected mayor and a four-member commission. A full-time City Manager is appointed by this body to carry out the policies that are established.

Fiduciary Component Unit

The Retiree Health Insurance Plan Trust Fund was established to account for the assets set aside to fund the City of Huntington Woods Retiree Health Insurance Plan. The primary purpose of the Trust is to provide the necessary funding for the retiree health insurance premiums provided to eligible City employees during retirement. The Trust was established through MERS Retiree Health Funding Vehicle, with the City Commission serving as the trustees. The assets of the Trust are for the exclusive benefit of the participants and their beneficiaries, and the assets shall not be diverted to any other purchase prior to the satisfaction of all liabilities. The assets are protected from any of the City's creditors. The City Commission has the ability to exercise responsibility, specifically in the area of designation of management.

Joint Ventures

The City is a member of Southeastern Oakland County Resource Recovery Authority ("SOCRRA"), which consists of 12 municipalities in Oakland County. SOCRRA provides refuse disposal services for the benefit of member municipalities. The City appoints one member to the joint venture's governing board, which approves the annual budget. The participating communities provide annual funding for its operations. During the current year, the City expensed approximately \$418,009 related to payments to SOCRRA. The City is unaware of any circumstances that would cause any significant additional financial benefit or burden to the participating governments in the near future. Complete financial statements for SOCRRA can be obtained from the administrative offices at 3910 Webster, Royal Oak, MI 48073.

The City is a member of Southeastern Oakland County Water Authority ("SOCWA"), which consists of 11 municipalities in Oakland County. The City purchases water from SOCWA. The City appoints one member to the joint venture's governing board, which approves the annual budget. The participating communities provide annual funding for its operations. During the current year, the City expensed approximately \$419,255 related to payments to SOCWA. The City is unaware of any circumstances that would cause any significant additional financial benefit or burden to the participating governments in the near future. Complete financial statements for SOCWA can be obtained from the administrative offices at 3910 Webster, Royal Oak, MI 48073.

CITY OF HUNTINGTON WOODS, MICHIGAN
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all the non-fiduciary activities of the primary government. The effect of inter-fund activity has been removed from these statements. Governmental activities, normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or activity is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or activity. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or activity and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or activity. Taxes and other items not included among program revenues are reported as general revenue.

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 the enterprise fund are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary and fiduciary funds. Revenue is recorded when earned, and expenses recorded when the liability is incurred, regardless of the timing of related cash flows. 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.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, expenditures relating to compensated absences, and claims and judgments are recorded only when payment is due.

The City reports the following *major governmental funds*:

The *General Fund* is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. Revenues sources are property taxes, license and permits, fines, and state shared revenue.

The *Sanitation Fund* accounts for the operation of the solid waste collection, disposal and recycling functions of the City. The main revenue source is property taxes.

The *Recreation Fund* accounts for the operation and maintenance of city parks, as well as the operation of all recreation programs and leisure activities, including the operation of the City pool. Revenue sources are property taxes and program fees.

CITY OF HUNTINGTON WOODS, MICHIGAN
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (concluded)

Major governmental funds (concluded):

The *Capital Projects Fund* accounts for special projects not associated with business-type funds. The main revenue source is bond proceeds.

The City reports the following *major proprietary fund*:

Water and Sewer Fund accounts for the operation and maintenance of the water supply system, as well as the City sewage disposal infrastructure. It is financed primarily through user charges.

Additionally, the City reports the following fund types:

Internal service funds account for major machinery and equipment purchases and maintenance, as well as risk management services provided to other departments of the City on a cost reimbursement basis. They also account for accumulated sick and vacation, health care benefits provided to qualified employees during retirement, as well as payments to a trust with MERS for health care benefits.

The City reports the Retiree Health Insurance Plan Trust (fiduciary component unit) and the Friends of the Library Fund and Tax Collections Fund (custodial funds) as *fiduciary funds*.

As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's water and sewer function and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Proprietary funds distinguish operating revenue and expenses from non-operating items. Operating revenue and expenses generally result from providing services in connection with the proprietary fund's principal ongoing activities. The principal operating revenue of our proprietary fund relates to charges to customers for water sales and services and sewage disposal. Operating expenses for proprietary funds include the cost of water, sewage disposal, operations and maintenance, general and administrative expenses, and depreciation of capital assets. All revenue and expenses not meeting this definition are reported as non-operating revenue and expenses.

Property Tax Revenue

Property taxes are levied on each July 1 on the taxable valuation of property as of the preceding December 31. Taxes are considered delinquent on March 1 of the following year, at which time penalties and interest are assessed. Any real property taxes not paid by March 1, following the due date, are purchased by the County and paid to the City. The County Treasurer takes over collection responsibility at that date. Delinquent personal property taxes are less certain as to ultimate collection and, therefore, are paid to the City upon collection.

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

**CITY OF HUNTINGTON WOODS, MICHIGAN
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)

Property Tax Revenue (concluded)

The 2020-2021 taxable valuation of the City totaled \$389,052,710. Total tax levies for general, sanitation, and debt service purposes equaled 25.8301 mills. This resulted in \$10,039,661 for general and debt service purposes, exclusive of any Michigan Tax Tribunal or Board of Review adjustments. These amounts are recognized in the respective General, Special Revenue, and Debt Service funds financial statements as tax revenue.

Assets, Liabilities, and Net Position or Equity

Deposits and Investments - Cash and cash equivalents include cash on hand and demand deposits. Investments include all short-term instruments of less than three months when acquired, as well as investment instruments as allowed by P.A. 20 of 1943 as amended and the City’s investment policy. Investments are stated at fair market value. To the extent that cash from various funds has been pooled, investment income is generally allocated to each fund using a weighted average cash balance per fund.

Receivables and Payables - In general, outstanding balances between funds are reported as “due to/from other funds”. All trade and property tax receivables are shown net of allowance for uncollectible accounts.

Inventories and Prepaid Items - Inventories are valued at cost, on a first-in, first-out basis. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in the financial statements.

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

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

| | |
|----------------------------|-------------|
| Buildings | 40 years |
| Building Improvements | 40 years |
| Infrastructure | 60 years |
| Land Improvements | 15-40 years |
| Machinery and Equipment | 7-15 years |
| Office Equipment/Furniture | 5-10 years |
| Vehicles | 3-7 years |
| Books | 10 years |

Compensated Absences (Vacation and Sick Time) - It is the City’s policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation and sick pay are accrued when incurred in the government-wide and proprietary financial statements, accrued compensated absences are paid upon employee termination.

**CITY OF HUNTINGTON WOODS, MICHIGAN
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)

Assets, Liabilities, and Net Position or Equity (continued)

Long-term Obligations - In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund-type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discounts. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts are reported as other financing uses. Issuance costs are reported as expenditures.

Fund Equity - The objective of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund-Type Definitions*, is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund-type definitions. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed on the use of the resources reported in governmental funds. Under this standard, the fund balance classifications of reserved, designated and unreserved/undesignated were replaced with five new classifications - nonspendable, restricted, committed, assigned and unassigned.

In the fund financial statements, governmental funds report the following components of fund balance:

Nonspendable - Amounts that are not in spendable form or are legally or contractually required to be maintained intact.

Restricted - Amounts that are legally restricted by outside parties, constitutional provisions or enabling legislation for use for a specific purpose.

Committed - Amounts that have been formally set aside by the City Commission for use for specific purposes. Commitments are made and can be rescinded only via resolution of the City Commission.

Assigned - Amounts intended to spend on specific purposes expressed by the City Commission or City Manager and Finance Director, who are authorized by the City Commission to make assignments. All current year assignments have been made by the City Manager and Finance Director.

Unassigned - Amounts that are the residual classification for the general fund and includes all amounts not contained in the other classifications.

When an expense is incurred for purposes for which both restricted and unrestricted net assets or fund balance are available, the City's policy is to first apply restricted resources. When an expense is incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, it is the City's policy to spend funds in this order: committed, assigned, and unassigned.

CITY OF HUNTINGTON WOODS, MICHIGAN
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)

Assets, Liabilities, and Net Position or Equity (concluded)

Pension and Other Postemployment Benefit Costs - The City offers both pension and retiree healthcare benefits to retirees. For purposes 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 Municipal Employees' Retirement System (MERS) of Michigan and additions to/deductions from MERS fiduciary net position have been determined on the same basis as they are reported by MERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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 revenues and expenses during the period. Actual results could differ from those estimates.

Budgetary Information

The City is legally subject to the budgetary control requirements of the State of Michigan P.A. 621 of 1978 (the Uniform Budgeting Act). The following is a summary of the requirements of this Act according to the State Treasurer's "Bulletin for Audits of Local Units of Government in Michigan" dated April 1984:

- Budgets must be adopted for the General fund and Special Revenue funds. The City also adopts a budget for Debt Service funds and Capital Projects funds.
- Budgeted expenditures cannot exceed budgeted revenues and fund balance.
- The budgets must be amended when necessary.
- Public hearings must be held before budget adoptions.
- Expenditures cannot exceed budget appropriations.
- Expenditures must be authorized by a budget before being incurred.

Budgeted amounts of the revenues and expenditures presented for the governmental funds are a summarization of the budgeted amounts as originally adopted, or as amended by the City Commission. Individual amendments in FY 2020-2021 are not material in relation to the original appropriations that were adopted for the general, special revenue, or debt service funds. Budget appropriations lapse at year-end and encumbrances are not included as expenditures. A comparison of the budget with statements of actual revenues and expenditures, including budget variances, for the above funds, is included as required supplemental information. Budgets have been prepared on a basis consistent with generally accepted accounting principles.

**CITY OF HUNTINGTON WOODS, MICHIGAN
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (concluded)

Compliance and Accountability

Budgetary Information - An annual budget is adopted on a basis consistent with the accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units, except that fund balance appropriations and transfers are budgeted as either revenue or expenditures to balance the budget. All annual appropriations lapse at the end of each fiscal year.

The annual budget is prepared based upon the chart of accounts prescribed by the P.A. 2 of 1968 and as amended and P.A. 621 of 1978 the Uniform Budgeting and Accounting Act. The City budget, including all non-fiduciary funds is adopted by the City Commission as required by City Charter and amended ordinances. The budgets are legally adopted at the functional level for the General Fund and Special Revenue funds. The line-item budget is adopted by category and amended as such. The City Manager and/or Finance Director is authorized to create new appropriation centers or activities as necessary and disclose any changes to the City Commission through monthly transmittals. Changes that will require additional appropriations from fund balance or a change in the overall appropriation as originally adopted, will require a resolution of the City Commission. Transfers of any nature from the contingency account as set aside under the original budget adoption must be brought to the City Commission for approval.

Budgeted amounts of the revenues and expenditures presented in this document are a summarization of the budgeted amounts as originally adopted or amended by the City Commission. Individual amendments are not shown, as they were not material in relation to the original appropriations resolved by the City.

Budget Compliance

P.A. 621 of 1978, Section 18 (1), as amended, provides that a local unit of government shall not incur expenditures in excess of the amount appropriated. The General fund required no appropriation of unassigned fund balance as of June 30, 2021 to handle appropriations. For the year ended June 30, 2021, the Sanitation Fund incurred excess expenditures over the amounts appropriated.

NOTE 2 - 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 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 not 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. To the extent that cash from various funds has been pooled in an investment, related investment income is allocated to each fund based on relative participation in the pool.

The City has designated one bank for the deposit of its funds. Each financial intermediary, broker, or dealer that holds the City's funds is required to comply with the provisions of the City investment policy. The investment policy adopted by the Commission in accordance with Public Act 196 of 1997 and reviewed annually delineates what securities may be purchased under P.A. 20 as amended. The City's deposits and investment policy are in accordance with statutory authority.

**CITY OF HUNTINGTON WOODS, MICHIGAN
NOTES TO FINANCIAL STATEMENTS**

NOTE 2 - DEPOSITS AND INVESTMENTS (continued)

The chart included in this note shows the level of investments the City holds at the end of the fiscal year in compliance with GASB Statement No. 72. The City measures the investments at the end of the fiscal year using the Market Approach and records the net current value of all monies available in the City's investment account titles as of that date. No changes have been made by the City in its review of the level of market evaluation at June 30 as compared with a year ago.

Deposits

The deposits of the City as of June 30, 2021 amounted to approximately \$418,087 in the accounts of the bank of which \$250,000 was covered by federal depository insurance. The carrying value on the books for deposits at the end of the year was \$346,443. The financial statements report \$3,000 of imprest cash on hand and \$400 on deposit with agent. The City believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all bank deposits, however it is the goal of the Finance Department to maintain as low of a balance as practical in demand deposit accounts. The City evaluates each financial institution with which it deposits City funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories. The goal is to maximize the investment potential of the City by limiting, to the extent possible all monies that are in non-investment vehicles such as checking or savings accounts. The City continues to adjust the investment policies and review bank rating data to reduce risk associated with commercial banking. This is accomplished through the review of bank rating reports supplied to the City through its investment advisors, Robinson Capital Partners. The City utilizes safekeeping and third party DVP services for a majority of the marketable investments held by the City. As of the end of June 2021 marketable securities were kept in safekeeping at the following financial institutions approved by the City Commission:

| | | | |
|---------------------|----------------------|--------------------------------|------------------|
| Comerica Securities | Multibank Securities | Huntington Bank | Fifth Third Bank |
| Michigan Class | Flagstar Bank | Oakland County Investment Pool | |

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; Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy below.

As of June 30, 2021, the City had the following investments and maturities:

| INVESTMENT TYPE | TOTAL INVESTED | | INVESTMENT MATURITIES IN YEARS | | | | | |
|----------------------------|----------------------|----------------------|--------------------------------|-------------------|-------------------|---------------------|---------------------|---------------------|
| | 6/30/2021 | less than 3 months | 3-6 months | 6-12 months | 12-24 months | 24-36 months | 37-60 months | 61+months |
| | 100.00% | 67.99% | 1.33% | 2.67% | 2.00% | 8.15% | 12.62% | 5.23% |
| Money Market Funds | \$ 15,788,979 | \$ 15,788,979 | | | | | | |
| Demand Deposits (Savings) | 3,681,383 | 3,681,383 | | | | | | |
| Federal Home Loan Bank | 1,552,955 | | \$ 231,021 | | | \$ 248,123 | \$ 1,073,811 | |
| Federal Farm Credit Bureau | 1,213,536 | | | | | 374,191 | 299,370 | \$ 539,975 |
| Municipal Bonds | 5,130,911 | | 150,404 | \$ 559,855 | \$ 469,092 | 1,331,844 | 1,859,343 | 760,373 |
| Certificates of Deposit | 1,268,879 | | | 205,991 | 104,496 | 380,120 | 380,762 | 197,510 |
| TOTAL | \$ 28,636,643 | \$ 19,470,362 | \$ 381,425 | \$ 765,846 | \$ 573,588 | \$ 2,334,278 | \$ 3,613,286 | \$ 1,497,858 |

**CITY OF HUNTINGTON WOODS, MICHIGAN
NOTES TO FINANCIAL STATEMENTS**

NOTE 2 - DEPOSITS AND INVESTMENTS (continued)

Fair Value Measurements (concluded)

The investments presented on the Statement of Net Position from the primary government includes accrued interest of \$23,467 as of June 30, 2021.

The City holds shares or interests in an investment pool where the fair value of the investments is measured on a recurring basis using net asset value per share (or its equivalent) of the investment companies as a practical expedient. As of June 30, 2021, the fair value, unfunded commitments, and redemption rules of those investments are as follows:

| | <u>Fair Value</u> | <u>Unfunded Commitments</u> | <u>Redemption Frequency, if Eligible</u> | <u>Redemption Notice Period</u> |
|--|----------------------|---------------------------------|--|-------------------------------------|
| PRIMARY GOVERNMENT | | | | |
| Oakland County Government Investment Pool | \$ 12,537,828 | \$ - | No restrictions | None |
| Michigan CLASS Investment Pool | <u>209,277</u> | <u>-</u> | No restrictions | None |
| | 12,747,105 | - | | |
| FIDUCIARY FUNDS | | | | |
| MERS total market portfolio | <u>2,794,436</u> | <u>-</u> | No restrictions | None |
| | <u>\$ 15,541,541</u> | <u>\$ -</u> | | |

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. State law limits the allowable investments and the maturities of some of the allowable investments. The City's investment policy does not have specific limits in excess of state law on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations (NRSROs). It is the City's policy to limit its investments in these investment types to the top rating issued by NRSROs, either A1 by Standard and Poor's and P1 by Moody's Investors Service. As of June 30, 2021, the City held certificates of deposits equal to \$1,268,879. These deposits met the criteria for credit risk instruments provided for in the investment policy Section IX(b) which allows for the investment in CD's only where the rating is above a 165 point score as determined by the independent rating agency IDC publishing Inc. or a rating of B- by Robinson Capital Management. The City ended the fiscal year with 4.4% of all invested funds that are subject to credit risk associated with the ownership of this type of instrumentality.

**CITY OF HUNTINGTON WOODS, MICHIGAN
NOTES TO FINANCIAL STATEMENTS**

NOTE 2 - DEPOSITS AND INVESTMENTS (continued)

Diversification

The City’s investment policy requires that the City “diversify by security type and institution,” and that no more than 50% of the portfolio is in a single financial institution. The current portfolio is well diversified to an average in any one instrumentality of 1.69%. The average duration in the portfolio is 4.40 years. Pooled funds are invested into PA 121 of 1985 compliant governmental pools as per P.A. 20, the majority of which resides in an account under the City’s name at Oakland County.

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State law does not require a policy for investment custodial credit risk, however, the current City Investment Policy limits the custodial risk, by measuring the health of custodial banks. Investments of the City are subject to custodial credit risk due to one of the following:

- Investments were book-entry only in the name of the City and were fully insured.
- Investments were part of a CD based mutual fund.
- Investments were held by an agent in the City’s name.

| PAR AMOUNT | ASSET TYPE | INVESTMENT VEHICLE | CUSIP | COUPON OR | | | FAIR VALUE HIERARCHY LEVEL | BAUER/ IDC OR MARKET RATING | PURCHASE DATE | MATURITY DATE | PERCENT OF PORTFOLIO | AVERAGE DURATION YEARS |
|---------------|---------------|--------------------------|------------|----------------|-----------------|-----------------|----------------------------------|-----------------------------------|------------------|------------------|----------------------------|------------------------------|
| | | | | STATED RATE | 30-Jun YIELD | 30-Jun VALUE | | | | | | |
| \$ 200,000 | AGENCY | FFCB | 3133EMH47 | 0.600% | 0.600% | \$ 199,370 | 1 | AA+ | 16-Jun-21 | 16-Jun-25 | 0.70% | 4.06 |
| 100,000 | AGENCY | FFCB | 3133EMXS6 | 0.720% | 0.790% | 100,000 | 1 | AA+ | 28-Apr-21 | 28-Apr-25 | 0.35% | 4.06 |
| 250,000 | AGENCY | FFCB | 3133EMFB3 | 0.290% | 0.290% | 249,472 | 1 | AA+ | 02-Nov-20 | 02-Nov-23 | 0.87% | 3.04 |
| 310,000 | AGENCY | FFCB | 3133EKWR8 | 2.625% | 2.560% | 317,657 | 1 | AA+ | 12-Aug-19 | 25-Jul-29 | 1.11% | 10.10 |
| 225,000 | AGENCY | FFCB | 3133EL3X0 | 0.700% | 0.710% | 222,318 | 1 | AA+ | 17-Aug-20 | 13-Aug-26 | 0.78% | 6.08 |
| 125,000 | AGENCY | FFCB | 3133EL6U3 | 0.280% | 0.280% | 124,719 | 1 | AA+ | 17-Sep-20 | 14-Sep-23 | 0.44% | 3.03 |
| 250,000 | AGENCY | FHLB | 3130AKFY7 | 0.250% | 0.250% | 247,430 | 1 | AA+ | 24-Nov-20 | 24-Nov-25 | 0.86% | 5.07 |
| 200,000 | AGENCY | FHLB | 3130ALD76 | 0.700% | 0.700% | 197,828 | 1 | AA+ | 25-Feb-21 | 25-Feb-26 | 0.69% | 5.07 |
| 250,000 | AGENCY | FHLB | 3130AMGT3 | 0.500% | 0.500% | 249,795 | 1 | AA+ | 01-Jun-21 | 26-May-26 | 0.87% | 5.06 |
| 260,000 | AGENCY | FHLB | 3130AJZ11 | 0.320% | 0.320% | 231,021 | 1 | AA+ | 25-Aug-20 | 05-Jul-21 | 0.81% | 0.87 |
| 175,000 | AGENCY | FHLB | 3130AHEJ8 | 1.800% | 1.800% | 175,851 | 1 | AA+ | 28-Oct-19 | 28-Oct-24 | 0.61% | 5.08 |
| 250,000 | AGENCY | FHLB | 3130AKWZ5 | 0.220% | 0.220% | 248,123 | 1 | AA+ | 24-Feb-21 | 24-May-24 | 0.87% | 3.29 |
| 205,000 | AGENCY | FHLB | 3130AL2G8 | 0.600% | 0.600% | 202,907 | 1 | AA+ | 18-Feb-21 | 18-Feb-26 | 0.71% | 5.07 |
| 101,000 | CD / CREDIT | ALLY BANK MIDVALE CD | 02007GJD6 | 2.700% | 2.700% | 102,951 | N/A | BAUER- 4 STAR | 21-Mar-19 | 21-Mar-22 | 0.36% | 3.04 |
| 135,000 | CD / CREDIT | JP MORGAN CHASE BANK | 48128UJZC6 | 0.500% | 0.500% | 133,622 | N/A | BAUER- 4 STAR | 17-Feb-21 | 17-Feb-26 | 0.47% | 5.07 |
| 200,000 | CD / CREDIT | JP MORGAN CHASE BANK | 48128UKY4 | 0.600% | 0.610% | 197,510 | N/A | BAUER- 4 STAR | 28-Aug-20 | 28-Feb-28 | 0.69% | 7.61 |
| 250,000 | CD / CREDIT | FIRST NATIONAL BANK | 32110YSX4 | 0.500% | 0.500% | 247,140 | N/A | BAUER- 4 STAR | 10-Mar-21 | 10-Mar-26 | 0.86% | 5.07 |
| 101,000 | CD / CREDIT | WELLS FARGO BANK | 949763YZ3 | 2.650% | 2.650% | 103,040 | N/A | BAUER- 4 STAR | 10-Apr-19 | 11-Apr-22 | 0.36% | 3.05 |
| 100,000 | CD / CREDIT | WELLS FARGO BANK | 949763A63 | 2.650% | 2.530% | 104,496 | N/A | BAUER- 4 STAR | 03-May-19 | 03-May-23 | 0.36% | 4.06 |
| 355,000 | CD / CREDIT | WELLS FARGO BANK | 949763ZA7 | 2.850% | 2.660% | 380,120 | N/A | BAUER- 4 STAR | 10-Apr-19 | 10-Apr-24 | 1.33% | 5.08 |
| 4 | MM POOL | FIFTH THIRD BANK | | 0.010% | 0.010% | 4 | N/A | POOL TRUST | N/A | Liquid | 0.00% | --- |
| 23,467 | MM POOL | ACCRUED INTEREST 6/30/21 | | | | 23,467 | N/A | POOL TRUST | N/A | Liquid | 0.08% | --- |
| 68,651 | MM POOL | COMERICA - 4438 | | 0.010% | 0.010% | 68,651 | N/A | POOL TRUST | N/A | Liquid | 0.24% | --- |
| 155,316 | MM POOL | HUNTINGTON BANK | | 0.010% | 0.010% | 155,316 | N/A | POOL TRUST | N/A | Liquid | 0.54% | --- |
| 209,277 | MM POOL | MICHIGAN CLASS | | 0.029% | 0.029% | 209,277 | N/A | Ba1 | N/A | Liquid | 0.73% | --- |
| 921,096 | MM POOL | OAKLAND COUNTY - 77161 | | 0.424% | 0.424% | 921,096 | N/A | POOL TRUST | N/A | Liquid | 3.22% | --- |
| 11,616,732 | MM POOL | OAKLAND COUNTY - 77162 | | 0.424% | 0.424% | 11,616,732 | N/A | POOL TRUST | N/A | Liquid | 40.57% | --- |
| 2,794,436 | MM POOL | MERS RHCFV | | 9.810% | 9.810% | 2,794,436 | N/A | POOL TRUST | N/A | Liquid | 9.76% | --- |

**CITY OF HUNTINGTON WOODS, MICHIGAN
NOTES TO FINANCIAL STATEMENTS**

NOTE 2 - DEPOSITS AND INVESTMENTS (concluded)

Custodial Credit Risk (concluded)

| PAR AMOUNT | ASSET TYPE | INVESTMENT VEHICLE | CUSIP | COUPON OR STATED | | 30-Jun YIELD | 30-Jun VALUE | FAIR VALUE HIERARCHY LEVEL | BAUER/ IDC OR MARKET RATING | PURCHASE DATE | MATURITY DATE | PERCENT OF PORTFOLIO | AVERAGE DURATION YEARS |
|----------------------|---------------|-------------------------------|-----------|---------------------|--------------|-----------------|----------------------|----------------------------------|-----------------------------------|------------------|------------------|----------------------------|------------------------------|
| | | | | RATE | RATE | | | | | | | | |
| \$ 250,000 | MUNI | CENTRAL MICHIGAN UNIV | 154123XK4 | 5.000% | 4.390% | | \$ 284,850 | 2 | A1 | 19-Jun-20 | 01-Oct-25 | 0.99% | 5.36 |
| 250,000 | MUNI | DELTON KELLOG SCHOOL DISTRICT | 247865HM3 | 2.000% | 1.910% | | 261,975 | 2 | AA | 13-Apr-21 | 01-May-26 | 0.91% | 5.12 |
| 145,000 | MUNI | CLARKSTON MICH CMNTY SCHS | 182252UA2 | 5.000% | 4.800% | | 150,799 | 2 | Aa1 | 07-Apr-20 | 01-May-22 | 0.53% | 2.09 |
| 150,000 | MUNI | CLINTONDALE PUBLIC SCHOOLS | 188702XD1 | 2.842% | 2.780% | | 153,071 | 2 | AA- | 06-Jun-17 | 01-May-22 | 0.53% | 4.97 |
| 195,000 | MUNI | DEARBORN HEIGHTS MICH SCH | 242523JV1 | 3.000% | 2.770% | | 211,335 | 2 | AA | 08-May-20 | 01-May-25 | 0.74% | 5.05 |
| 190,000 | MUNI | GRAND BLANC MI PENSION | 385234DH9 | 2.210% | 2.710% | | 198,366 | 2 | AA | 08-Apr-20 | 01-May-27 | 0.69% | 7.16 |
| 115,000 | MUNI | GREAT LAKES WATER SUTHORITY | 39081HCE0 | 3.613% | 3.320% | | 125,107 | 2 | AA- | 27-Jan-20 | 01-Jul-24 | 0.44% | 4.49 |
| 250,000 | MUNI | GREAT LAKES WATER SUTHORITY | 39081JDP0 | 2.034% | 1.940% | | 261,285 | 2 | AA1 | 30-Mar-21 | 01-Jul-25 | 0.91% | 4.32 |
| 90,000 | MUNI | MACOMB CNTY MI | 554885J46 | 3.226% | 2.980% | | 97,529 | 2 | AA+ | 30-Jan-20 | 01-Nov-24 | 0.34% | 4.83 |
| 150,000 | MUNI | MICHIGAN FINANCE AUTH | 59447TXR9 | 2.596% | 2.450% | | 159,189 | 2 | AA- | 28-Jan-20 | 01-Dec-26 | 0.56% | 6.94 |
| 180,000 | MUNI | MICHIGAN FINANCE AUTH | 59447TKW2 | 5.000% | 4.450% | | 202,108 | 2 | AA- | 02-Dec-20 | 01-Apr-24 | 0.71% | 3.38 |
| 100,000 | MUNI | MICHIGAN FINANCE AUTH | 59447TFN8 | 5.000% | 5.000% | | 100,000 | 2 | AA- | 07-Apr-20 | 01-Jul-21 | 0.35% | 1.25 |
| 60,000 | MUNI | MICHIGAN FINANCE AUTH | 59447P6Z9 | 5.000% | 4.600% | | 65,199 | 2 | AA | 08-May-20 | 01-May-23 | 0.23% | 3.02 |
| 205,000 | MUNI | MICHIGAN FINANCE AUTH | 59447LY7 | 5.000% | 4.500% | | 227,751 | 2 | A | 08-May-20 | 15-Nov-23 | 0.80% | 3.57 |
| 415,000 | MUNI | MICHIGAN ST TXBL | 59465MV77 | 2.616% | 2.500% | | 434,833 | 2 | AA | 30-Dec-19 | 01-Apr-24 | 1.52% | 4.32 |
| 205,000 | MUNI | MICHIGAN STATE BDS | 59465M7C3 | 0.800% | 0.800% | | 204,625 | 2 | AA | 02-Nov-20 | 01-Oct-25 | 0.71% | 4.98 |
| 195,000 | MUNI | MICHIGAN STATE BDS | 59465M7F6 | 1.150% | 1.140% | | 196,018 | 2 | AA | 28-Oct-20 | 01-Apr-27 | 0.68% | 6.52 |
| 200,000 | MUNI | MICHIGAN STATE HSG DEV | 594654HA6 | 2.840% | 2.750% | | 206,800 | 2 | AA+ | 14-Nov-19 | 01-Jun-30 | 0.72% | 10.70 |
| 355,000 | MUNI | SAGINAW VALLEY STATE UNIV | 78689HKN5 | 5.000% | 4.290% | | 186,621 | 2 | A | 19-Oct-20 | 01-Jul-25 | 0.65% | 4.77 |
| 120,000 | MUNI | MICHIGAN STATE UNIV REVS | 594712UJ8 | 5.000% | 4.630% | | 129,341 | 2 | AA | 02-Dec-20 | 15-Feb-23 | 0.45% | 2.24 |
| 50,000 | MUNI | MUSKEGON COUNTY BUILDING AUTH | 627679HZ9 | 2.849% | 2.820% | | 50,404 | 2 | AA | 29-Mar-19 | 01-Nov-21 | 0.18% | 2.63 |
| 100,000 | MUNI | LIVONIA PUBLIC SCHOOLS | 539243SD8 | 4.000% | 3.870% | | 103,135 | 2 | A | 20-Jan-21 | 01-May-22 | 0.36% | 1.29 |
| 105,000 | MUNI | CHIPPEWA VALLEY SCHOOLS | 170016ZZ5 | 5.000% | 4.600% | | 114,119 | 2 | Aa1 | 02-Oct-20 | 01-May-23 | 0.40% | 2.61 |
| 70,000 | MUNI | GENOA CHARTER TOWNSHIP | 372351AX4 | 2.000% | 1.930% | | 72,497 | 2 | AA+ | 16-Dec-20 | 01-Nov-23 | 0.25% | 2.92 |
| 165,000 | MUNI | PINKNEY SCHOOLS | 722205NA5 | 5.000% | 4.420% | | 186,635 | 2 | AA | 05-Feb-21 | 01-May-24 | 0.65% | 3.28 |
| 150,000 | MUNI | PERRY MICHIGAN PUB SCHOOLS | 714738ME8 | 2.512% | 2.500% | | 152,850 | 2 | AA+ | 11-Jan-19 | 01-May-22 | 0.53% | 3.35 |
| 210,000 | MUNI | CHARLES STEWART MOTT CMNTY | 15987EEY6 | 3.500% | 3.250% | | 226,016 | 2 | AA | 02-Nov-20 | 01-May-26 | 0.79% | 5.57 |
| 150,000 | MUNI | ROCKFORD MI SCHOOLS | 773318UB4 | 4.000% | 4.000% | | 160,433 | 2 | AA- | 09-Jun-20 | 01-May-23 | 0.56% | 2.93 |
| 200,000 | MUNI | PONTIAC WASTEWATER TREATMENT | 732622BJ3 | 2.000% | 2.000% | | 208,020 | 2 | Aaa | 19-May-21 | 01-Jun-24 | 0.73% | 3.08 |
| 897,804 | SAVINGS | FLAGSTAR INVESTMENT SAVINGS | 2339 | 0.250% | 0.250% | | 897,804 | N/A | BAUER- 5 STAR | N/A | Liquid | 3.14% | --- |
| 2,783,579 | SAVINGS | FLAGSTAR SEWER BOND FUNDS | 6492 | 0.250% | 0.250% | | 2,783,579 | N/A | BAUER- 5 STAR | N/A | Liquid | 9.72% | --- |
| \$ 28,532,363 | | | | 2.29% | 2.19% | | \$ 28,636,643 | | | | | 1.69% | 4.40 |

**CITY OF HUNTINGTON WOODS, MICHIGAN
NOTES TO FINANCIAL STATEMENTS**

NOTE 3 - CAPITAL ASSETS

| | Balance July 1, 2020 | Additions | Deletions | Balance June 30, 2021 |
|--|-------------------------|---------------------|--------------------|--------------------------|
| Governmental activities | | | | |
| Capital assets not being depreciated | | | | |
| Land | \$ 89,802 | \$ - | \$ - | \$ 89,802 |
| Capital assets being depreciated | | | | |
| Infrastructure | 39,731,851 | 2,447,481 | - | 42,179,332 |
| Land improvements | 1,228,353 | - | - | 1,228,353 |
| Buildings and improvements | 10,267,460 | 237,969 | (36,180) | 10,469,249 |
| Machinery and equipment | 1,584,499 | 110,609 | (30,901) | 1,664,207 |
| Office equipment and furniture | 852,642 | - | (9,734) | 842,908 |
| Vehicles | 1,813,845 | 235,473 | (47,742) | 2,001,576 |
| Books | 1,232,277 | 56,554 | - | 1,288,831 |
| Total capital assets being depreciated | <u>56,710,927</u> | <u>3,088,086</u> | <u>(124,557)</u> | <u>59,674,456</u> |
| Less accumulated depreciation | | | | |
| Infrastructure | (14,710,135) | (852,108) | - | (15,562,243) |
| Land improvements | (659,126) | (37,469) | - | (696,595) |
| Buildings and improvements | (5,943,598) | (274,864) | 26,632 | (6,191,830) |
| Machinery and equipment | (1,088,634) | (76,001) | 30,901 | (1,133,734) |
| Office equipment and furniture | (667,551) | (40,800) | 9,734 | (698,617) |
| Vehicles | (1,044,167) | (101,280) | 42,968 | (1,102,479) |
| Books | (1,018,719) | (42,640) | - | (1,061,359) |
| Total accumulated depreciation | <u>(25,131,930)</u> | <u>(1,425,162)</u> | <u>110,235</u> | <u>(26,446,857)</u> |
| Net capital assets being depreciated | <u>31,578,997</u> | <u>1,662,924</u> | <u>(14,322)</u> | <u>33,227,599</u> |
| Capital assets, net | <u>\$ 31,668,799</u> | <u>\$ 1,662,924</u> | <u>\$ (14,322)</u> | <u>\$ 33,317,401</u> |

Depreciation included in the determination of operating income is computed on the straight-line basis over estimated useful lives ranging from three years to 60 years. Land is a non-depreciable asset. Depreciation expense was charged to functions/programs of the primary government as follows:

| | |
|----------------------------|---------------------|
| General government | \$ 45,423 |
| Public safety | 84,048 |
| Public works | 952,231 |
| Recreation and culture | <u>343,460</u> |
| Total depreciation expense | <u>\$ 1,425,162</u> |

**CITY OF HUNTINGTON WOODS, MICHIGAN
NOTES TO FINANCIAL STATEMENTS**

NOTE 3 - CAPITAL ASSETS (concluded)

| | Balance July 1, 2020 | Additions | Deletions | Balance June 30, 2021 |
|--|-------------------------|-------------------|-------------|--------------------------|
| Business-type activities | | | | |
| Capital assets not being depreciated | | | | |
| Land | \$ 1,000 | \$ - | \$ - | \$ 1,000 |
| Capital assets being depreciated | | | | |
| Buildings and improvements | 7,499 | - | - | 7,499 |
| Machinery and equipment | 555,875 | - | - | 555,875 |
| Water and sewer mains | 7,804,401 | 849,686 | - | 8,654,087 |
| Water meters | 241,351 | - | - | 241,351 |
| Total capital assets being depreciated | <u>8,609,126</u> | <u>849,686</u> | <u>-</u> | <u>9,458,812</u> |
| Less accumulated depreciation | | | | |
| Buildings and improvements | (7,499) | - | - | (7,499) |
| Machinery and equipment | (405,800) | (24,390) | - | (430,190) |
| Water and sewer mains | (2,230,720) | (168,694) | - | (2,399,414) |
| Water meters | (205,013) | (6,034) | - | (211,047) |
| Total accumulated depreciation | <u>(2,849,032)</u> | <u>(199,118)</u> | <u>-</u> | <u>(3,048,150)</u> |
| Net capital assets being depreciated | <u>5,760,094</u> | <u>650,568</u> | <u>-</u> | <u>6,410,662</u> |
| Capital assets, net | <u>\$ 5,761,094</u> | <u>\$ 650,568</u> | <u>\$ -</u> | <u>\$ 6,411,662</u> |

Depreciation included in the determination of operating income is computed on the straight-line basis over estimated useful lives ranging from three years to 60 years. Land is a non-depreciable asset. Depreciation expense at June 30, 2021 amounted to:

| | |
|-----------------|-------------------|
| Water and Sewer | <u>\$ 199,118</u> |
|-----------------|-------------------|

**CITY OF HUNTINGTON WOODS, MICHIGAN
NOTES TO FINANCIAL STATEMENTS**

NOTE 4 - LONG-TERM OBLIGATIONS

A summary of changes in long-term obligations is as follows:

| | Balance July 1, 2020 | Additions | Reductions | Balance June 30, 2021 | Due Within One Year |
|--|-------------------------|-------------------|---------------------|--------------------------|------------------------|
| Government activities | | | | | |
| Direct borrowing/placements | | | | | |
| George W. Kuhn Drain Bonds 2000-A (4-01-22) | \$ 69,215 | \$ - | \$ 34,139 | \$ 35,076 | \$ 35,076 |
| George W. Kuhn Drain Bonds 2002-C (4-01-24) | 621,232 | - | 149,553 | 471,679 | 153,311 |
| George W. Kuhn Drain Bonds 2002-D (4-01-24) | 16,370 | - | 3,915 | 12,455 | 4,072 |
| George W. Kuhn Drain Bonds 2005 (4-01-26) | 16,201 | - | 2,545 | 13,656 | 2,704 |
| George W. Kuhn Drain Bonds 2007G (4-01-28) | 24,659 | - | 2,864 | 21,795 | 3,023 |
| George W. Kuhn Drain Bonds 2008H (4-01-29) | 125,040 | - | 12,568 | 112,472 | 12,886 |
| George W. Kuhn Drain Bonds 2016 (4-01-24) | 102,416 | - | 33,669 | 68,747 | 33,982 |
| Installment Loan - Backhoe (10-06-22) | 47,363 | - | 19,826 | 27,537 | 20,531 |
| Installment Loan - Patrol Vehicles (7-20-22) | 40,689 | - | 19,071 | 21,618 | 19,919 |
| Total direct borrowing/placements | 1,063,185 | - | 278,150 | 785,035 | 285,504 |
| Other debt | | | | | |
| Road Bonds 11 Mile (4-01-27) | 900,000 | - | 75,000 | 825,000 | 100,000 |
| UTGO 2010 Road Bonds (10-01-24) | 1,625,000 | - | 325,000 | 1,300,000 | 325,000 |
| UTGO 2012 Road Bonds (10-01-26) | 1,750,000 | - | 250,000 | 1,500,000 | 250,000 |
| UTGO 2014 Road Bonds (10-01-28) | 2,575,000 | - | 150,000 | 2,425,000 | 150,000 |
| UTGO 2017 Road Bonds (10-01-31) | 2,910,000 | - | 225,000 | 2,685,000 | 240,000 |
| UTGO 2019 Road & Sewer Bonds (10-01-34) | 7,390,000 | - | 305,000 | 7,085,000 | 325,000 |
| UTGO 2020 Road & Sewer Bonds (10-01-40) | 11,375,000 | - | - | 11,375,000 | 395,000 |
| Bond premiums | 1,337,475 | - | 84,486 | 1,252,989 | 84,486 |
| Total other debt | 29,862,475 | - | 1,414,486 | 28,447,989 | 1,869,486 |
| Other long-term obligations | | | | | |
| Compensated absences | 777,182 | 377,444 | 435,922 | 718,704 | 203,168 |
| Total governmental activities | 31,702,842 | 377,444 | 2,128,558 | 29,951,728 | 2,358,158 |
| Business-Type activities | | | | | |
| Other long-term obligations | | | | | |
| Compensated absences | 40,375 | 27,183 | 37,642 | 29,916 | 10,424 |
| Total primary government | \$ 31,743,217 | \$ 404,627 | \$ 2,166,200 | \$ 29,981,644 | \$ 2,368,582 |

The City is a participating community in the George W. Kuhn Drain project. The project is administered by the Oakland County Drain Commission and financed through sale of drain bonds, draw-downs from the State of Michigan revolving fund, Federal and State of Michigan grants and contributions from Oakland County, Michigan. The City, along with thirteen other local communities, is obligated for payment of principal and interest of the outstanding debt. Due to the current construction of the project, the sale of drain bonds and draws from the State of Michigan revolving fund being incurred on an as needed basis, the following schedules of principal and interest payments are amounts due on each bond at June 30, 2021 and are subject to change with additional distributions.

**CITY OF HUNTINGTON WOODS, MICHIGAN
NOTES TO FINANCIAL STATEMENTS**

NOTE 4 - LONG-TERM OBLIGATIONS (continued)

At June 30, 2021, long-term debt consisted of:

Governmental Activities

| | |
|---|-----------|
| George W. Kuhn Drain Bonds 2000-A dated April 1, 2001; annual principal payments of \$21,924 to \$35,076, due beginning April 2003 serially to April 1, 2022; interest rate at 2.5% (original issue totaled \$560,001). These represent the City's portion of the total bonds issued by Oakland County. | \$ 35,076 |
| George W. Kuhn Drain Bonds 2002-C dated April 1, 2002; annual principal payments of \$100,850 to \$161,142, due beginning April 2005 serially to April 1, 2024; interest rate at 2.5% (original issue totaled \$2,574,502). These represent the City's portion of the total bonds issued by Oakland County. | 471,679 |
| George W. Kuhn Drain Bonds 2002-D dated April 1, 2002; annual principal payments of \$3,915 to \$4,385, due beginning April 2005 serially to April 1, 2024; interest rate at 2.5% (original issue totaled \$99,284). These represent the City's portion of the total bonds issued by Oakland County. | 12,455 |
| George W. Kuhn Drain Bonds 2005 dated September 22, 2005; annual principal payments of \$2,192 to \$2,975, due beginning April 2007 serially to April 1, 2023; interest rate of 1.625% (original issue totaled \$42,295). These represent the City's portion of the total bonds issued by Oakland County. | 13,656 |
| George W. Kuhn Drain Bonds 2007G dated September 20, 2007; annual principal payments of \$2,386 to \$3,182, due beginning April 2009 serially to April 1, 2028; interest rate of 1.625% (original issue totaled \$55,814). These represent the City's portion of the total bonds issued by Oakland County. | 21,795 |
| George W. Kuhn Drain Bonds 2008H dated September 22, 2008; annual principal payments of \$9,545 to \$13,204, due beginning April 2010 serially to April 1, 2024; interest rate of 2.5% (original issue totaled \$278,760). These represent the City's portion of the total bonds issued by Oakland County. | 112,472 |
| George W. Kuhn Drain Bonds 2016 dated February 1, 2016; annual principal payments of \$16,756 to \$33,982, due beginning April 2017 serially to April 1, 2024; interest rate of 2.0% (original issue totaled \$233,333). These represent the City's portion of the total bonds issued by Oakland County. | 68,747 |
| 2007 Capital Improvements Bonds (11 Mile Rd. G.O.) dated July 1, 2007; annual principal payments of \$50,000 to \$150,000, due beginning October 2009 serially to October 2027; interest rate of 4.3% to 4.625% (original issue totaled \$1,500,000). | 825,000 |

**CITY OF HUNTINGTON WOODS, MICHIGAN
NOTES TO FINANCIAL STATEMENTS**

NOTE 4 - LONG-TERM OBLIGATIONS (continued)

Governmental Activities (concluded)

| | |
|---|----------------------|
| 2010 Capital Improvements Bonds (Roads) dated June 2, 2010; annual principal payments of \$250,000 to \$425,000, due beginning October 2011 serially to October 2024; interest rate of 1.45% to 6.00% (original issue totaled \$4,450,000). | \$ 1,300,000 |
| 2012 Capital Improvements Bonds (Roads) dated June 28, 2012; annual principal payments of \$75,000 to \$250,000, due beginning October 2012 serially to October 2026; interest rate of 2.00% to 2.75% (original issue totaled \$3,050,000). | 1,500,000 |
| 2014 Capital Improvements Bonds (Roads) dated May 13, 2014; annual principal payments of \$10,000 to \$500,000, due beginning October 2015 serially to October 2028; interest rate of 2.00% to 3.00% (original issue totaled \$3,710,000). | 2,425,000 |
| 2017 Capital Improvements Bonds (Roads) dated April 27, 2017; annual principal payments of \$135,000 to \$545,000, due beginning October 2018 serially to October 2031; interest rate of 4.00% (original issue totaled \$3,330,000). | 2,685,000 |
| 2019 Capital Improvements Bonds (Road and Sewer) dated May 30, 2019; annual principal payments of \$305,000 to \$720,000, due beginning October 2020 serially to October 2034; interest rate of 3.00% (original issue totaled \$7,390,000). | 7,085,000 |
| 2020 Capital Improvements Bonds (Road and Sewer) dated April 23, 2020; annual principal payments of \$395,000 to \$750,000, due beginning October 2021 serially to October 2040; interest rate of 2.25% to 4.00% (original issue totaled \$11,375,000). | 11,375,000 |
| DPW Backhoe Installment Loan dated November 06, 2017; monthly principal and interest payments of \$1,764, interest rate 3.50% (original issue totaled \$97,250). | 27,537 |
| Public Safety Vehicle Installment Loan dated July 20, 2018; monthly principal and interest payments of \$1,706, interest rate 4.36% (original issue totaled \$75,000). | <u>21,618</u> |
| Total long-term debt | <u>\$ 27,980,035</u> |

Compensated Absences

Individual employees have vested rights upon termination of employment to receive payments for unused sick/vacation time. The dollar amounts of these vested rights, including related payroll taxes, amounted to \$718,704 and \$29,916 for governmental and business-type activities, respectively, at June 30, 2021. Of those amounts, \$203,168 and \$10,424 have been recorded as current liabilities for governmental and business-type activities, respectively.

All City departments and funds with employees liquidate vacation, compensated absences, and normal sick leave as a direct payout. For governmental activities, compensated absences are generally liquidated by the General Fund.

**CITY OF HUNTINGTON WOODS, MICHIGAN
NOTES TO FINANCIAL STATEMENTS**

NOTE 4 - LONG-TERM OBLIGATIONS (continued)

The following is a summary of annual debt service requirements to maturity for the above obligations, followed by the detailed bond payments:

| Year Ending June 30, | Governmental Activities | | | |
|-------------------------|--|------------------|----------------------|---------------------|
| | Direct Borrowings and Direct Placements | | Other Debt | |
| | Principal | Interest | Principal | Interest |
| 2022 | \$ 285,504 | \$ 18,927 | \$ 1,785,000 | \$ 882,825 |
| 2023 | 207,100 | 11,895 | 1,835,000 | 814,613 |
| 2024 | 201,302 | 7,017 | 1,895,000 | 744,363 |
| 2025 | 19,726 | 2,119 | 1,975,000 | 671,419 |
| 2026 | 20,180 | 1,677 | 1,705,000 | 604,756 |
| 2027-2031 | 51,223 | 2,416 | 8,180,000 | 2,163,540 |
| 2032-2036 | - | - | 6,275,000 | 927,346 |
| 2037-2041 | - | - | 3,545,000 | 272,169 |
| | 785,035 | 44,051 | 27,195,000 | 7,081,031 |
| Interest credit | - | - | - | (70,202) |
| Issuance premium | - | - | 1,252,989 | - |
| | <u>\$ 785,035</u> | <u>\$ 44,051</u> | <u>\$ 28,447,989</u> | <u>\$ 7,010,829</u> |

During fiscal year 2010, the City issued Direct Payment Build America Bonds. In accordance with this program, the City will be reimbursed a portion of interest expense incurred (shown above as the interest subsidy).

| Date of Issue | Amount of Issue | Interest Rate | Date of Maturity | Principal Payments | Interest Payable |
|---|--------------------|------------------|---------------------|-----------------------|---------------------|
| George W. Kuhn Drain Bonds 2000-A 4/1/2001 | \$ 560,001 | 2.50% | 4/1/2022 | <u>\$ 35,076</u> | <u>\$ 876</u> |
| George W. Kuhn Drain Bonds 2002-C 4/1/2002 | \$ 2,574,502 | 2.50% | 4/1/2022 | \$ 153,311 | \$ 11,792 |
| | | 2.50% | 4/1/2023 | 157,226 | 7,960 |
| | | 2.50% | 4/1/2024 | 161,142 | 4,028 |
| | | | | <u>\$ 471,679</u> | <u>\$ 23,780</u> |
| George W. Kuhn Drain Bonds 2002-D 4/1/2002 | \$ 99,284 | 2.50% | 4/1/2022 | \$ 4,072 | \$ 311 |
| | | 2.50% | 4/1/2023 | 4,228 | 210 |
| | | 2.50% | 4/1/2024 | 4,155 | 104 |
| | | | | <u>\$ 12,455</u> | <u>\$ 625</u> |

**CITY OF HUNTINGTON WOODS, MICHIGAN
NOTES TO FINANCIAL STATEMENTS**

NOTE 4 - LONG-TERM OBLIGATIONS (continued)

| Date of Issue | Amount of Issue | Interest Rate | Date of Maturity | Principal Payments | Interest Payable |
|--|--------------------|------------------|---------------------|-----------------------|---------------------|
| George W. Kuhn Drain Bonds 2005 9/22/2005 | \$ 42,295 | 1.625% | 4/1/2022 | \$ 2,704 | \$ 222 |
| | | 1.625% | 4/1/2023 | 2,704 | 178 |
| | | 1.625% | 4/1/2024 | 2,704 | 134 |
| | | 1.625% | 4/1/2025 | 2,704 | 90 |
| | | 1.625% | 4/1/2026 | 2,840 | 46 |
| | | | | | |
| George W. Kuhn Drain Bonds 2005 9/22/2007 | \$ 55,814 | 1.625% | 4/1/2022 | \$ 3,023 | \$ 354 |
| | | 1.625% | 4/1/2023 | 3,023 | 305 |
| | | 1.625% | 4/1/2024 | 3,023 | 256 |
| | | 1.625% | 4/1/2025 | 3,182 | 207 |
| | | 1.625% | 4/1/2026 | 3,182 | 155 |
| | | 1.625% | 4/1/2027 | 3,182 | 103 |
| | | 1.625% | 4/1/2028 | 3,180 | 53 |
| | | | | <u>\$ 21,795</u> | <u>\$ 1,433</u> |
| George W. Kuhn Drain Bonds 2008H 9/22/2008 | \$ 278,760 | 2.50% | 4/1/2022 | \$ 12,886 | \$ 2,812 |
| | | 2.50% | 4/1/2023 | 13,204 | 2,490 |
| | | 2.50% | 4/1/2024 | 13,522 | 2,160 |
| | | 2.50% | 4/1/2025 | 13,840 | 1,822 |
| | | 2.50% | 4/1/2026 | 14,158 | 1,476 |
| | | 2.50% | 4/1/2027 | 14,636 | 1,122 |
| | | 2.50% | 4/1/2028 | 14,954 | 756 |
| | | 2.50% | 4/1/2029 | 15,272 | 382 |
| | | | | | |
| George W. Kuhn Drain Bonds 2016 2/1/2016 | \$ 233,333 | 2.00% | 4/1/2022 | \$ 33,982 | \$ 1,375 |
| | | 2.00% | 4/1/2023 | 18,009 | 695 |
| | | 2.00% | 4/1/2024 | 16,756 | 335 |
| | | | | <u>\$ 68,747</u> | <u>\$ 2,405</u> |
| Capital Improvement Bonds (11 Mile Road) 2007 7/1/2007 | \$ 150,000 | 4.350% | 10/1/2021 | \$ 100,000 | \$ 34,475 |
| | | 4.400% | 10/1/2022 | 100,000 | 30,100 |
| | | 4.400% | 10/1/2023 | 100,000 | 25,700 |
| | | 4.450% | 10/1/2024 | 125,000 | 20,719 |
| | | 4.450% | 10/1/2025 | 125,000 | 15,156 |
| | | 4.500% | 10/1/2026 | 125,000 | 9,562 |
| | | 1.625% | 10/1/2027 | 150,000 | 3,375 |
| | | | | <u>\$ 825,000</u> | <u>\$ 139,087</u> |

**CITY OF HUNTINGTON WOODS, MICHIGAN
NOTES TO FINANCIAL STATEMENTS**

NOTE 4 - LONG-TERM OBLIGATIONS (continued)

| Date of Issue | Amount of Issue | Interest Rate | Date of Maturity | Principal Payments | Interest Payable |
|---|--------------------|---------------------|---------------------|-----------------------|---------------------|
| Capital Improvement Bonds 2010 6/2/2010 | \$ 4,450,000 | 6.000% | 10/1/2021 | \$ 325,000 | \$ 68,250 |
| | | 6.000% | 10/1/2022 | 325,000 | 48,750 |
| | | 6.000% | 10/1/2023 | 325,000 | 29,250 |
| | | 6.000% | 10/1/2024 | 325,000 | 9,750 |
| | | | | <u>\$ 1,300,000</u> | <u>\$ 156,000</u> |
| Capital Improvement Bonds 2012 7/1/2007 | \$ 3,050,000 | 2.050% | 10/1/2021 | \$ 250,000 | \$ 33,937 |
| | | 2.200% | 10/1/2022 | 250,000 | 28,625 |
| | | 2.400% | 10/1/2023 | 250,000 | 22,875 |
| | | 2.550% | 10/1/2024 | 250,000 | 16,687 |
| | | 2.650% | 10/1/2025 | 250,000 | 10,187 |
| | | 2.750% | 10/1/2026 | 250,000 | 3,438 |
| | | <u>\$ 1,500,000</u> | <u>\$ 115,749</u> | | |
| Capital Improvement Bonds 2014 5/13/2014 | \$ 3,710,000 | 2.000% | 10/1/2021 | \$ 150,000 | \$ 66,250 |
| | | 2.500% | 10/1/2022 | 200,000 | 62,250 |
| | | 2.500% | 10/1/2023 | 250,000 | 56,625 |
| | | 2.500% | 10/1/2024 | 250,000 | 50,375 |
| | | 3.000% | 10/1/2025 | 250,000 | 43,500 |
| | | 3.000% | 10/1/2026 | 325,000 | 34,875 |
| | | 3.000% | 10/1/2027 | 500,000 | 22,500 |
| | | 3.000% | 10/1/2028 | 500,000 | 7,500 |
| | | <u>\$ 2,425,000</u> | <u>\$ 343,875</u> | | |
| Capital Improvement Bonds 2017 4/27/2017 | \$ 3,330,000 | 4.000% | 10/1/2021 | \$ 240,000 | \$ 102,600 |
| | | 4.000% | 10/1/2022 | 200,000 | 93,800 |
| | | 4.000% | 10/1/2023 | 165,000 | 86,500 |
| | | 4.000% | 10/1/2024 | 180,000 | 79,600 |
| | | 4.000% | 10/1/2025 | 190,000 | 72,200 |
| | | 4.000% | 10/1/2026 | 135,000 | 65,700 |
| | | 4.000% | 10/1/2027 | - | 63,000 |
| | | 4.000% | 10/1/2028 | - | 63,000 |
| | | 4.000% | 10/1/2029 | 505,000 | 52,900 |
| | | 4.000% | 10/1/2030 | 525,000 | 32,300 |
| | | 4.000% | 10/1/2031 | 545,000 | 10,900 |
| | | <u>\$ 2,685,000</u> | <u>\$ 722,500</u> | | |

**CITY OF HUNTINGTON WOODS, MICHIGAN
NOTES TO FINANCIAL STATEMENTS**

NOTE 4 - LONG-TERM OBLIGATIONS (concluded)

| Date of Issue | Amount of Issue | Interest Rate | Date of Maturity | Principal Payments | Interest Payable |
|---|--------------------|------------------|---------------------|-----------------------|---------------------|
| Capital Improvement Bonds 2019 5/30/2019 | \$ 7,390,000 | 3.000% | 10/1/2021 | \$ 325,000 | \$ 207,675 |
| | | 3.000% | 10/1/2022 | 350,000 | 197,550 |
| | | 3.000% | 10/1/2023 | 375,000 | 186,675 |
| | | 3.000% | 10/1/2024 | 400,000 | 175,050 |
| | | 3.000% | 10/1/2025 | 425,000 | 162,675 |
| | | 3.000% | 10/1/2026 | 450,000 | 149,550 |
| | | 3.000% | 10/1/2027 | 480,000 | 135,600 |
| | | 3.000% | 10/1/2028 | 515,000 | 120,675 |
| | | 3.000% | 10/1/2029 | 540,000 | 104,850 |
| | | 3.000% | 10/1/2030 | 575,000 | 88,125 |
| | | 3.000% | 10/1/2031 | 610,000 | 70,350 |
| | | 3.000% | 10/1/2032 | 645,000 | 51,525 |
| | | 3.000% | 10/1/2033 | 675,000 | 31,725 |
| | | 3.000% | 10/1/2034 | 720,000 | 10,800 |
| | | | | <u>\$ 7,085,000</u> | <u>\$ 1,692,825</u> |
| Capital Improvement Bonds 2020 4/23/2020 | \$ 11,375,000 | 4.000% | 10/1/2021 | \$ 395,000 | \$ 369,638 |
| | | 4.000% | 10/1/2022 | 410,000 | 353,537 |
| | | 4.000% | 10/1/2023 | 430,000 | 336,737 |
| | | 4.000% | 10/1/2024 | 445,000 | 319,237 |
| | | 4.000% | 10/1/2025 | 465,000 | 301,037 |
| | | 4.000% | 10/1/2026 | 480,000 | 282,137 |
| | | 4.000% | 10/1/2027 | 500,000 | 262,537 |
| | | 4.000% | 10/1/2028 | 520,000 | 242,137 |
| | | 4.000% | 10/1/2029 | 540,000 | 220,937 |
| | | 4.000% | 10/1/2030 | 565,000 | 198,837 |
| | | 2.250% | 10/1/2031 | 585,000 | 180,956 |
| | | 2.375% | 10/1/2032 | 600,000 | 167,250 |
| | | 2.500% | 10/1/2033 | 615,000 | 152,437 |
| | | 3.000% | 10/1/2034 | 630,000 | 135,300 |
| | | 3.000% | 10/1/2035 | 650,000 | 116,100 |
| | | 3.000% | 10/1/2036 | 665,000 | 96,375 |
| | | 3.000% | 10/1/2037 | 690,000 | 76,050 |
| | | 3.000% | 10/1/2038 | 710,000 | 55,050 |
| | | 3.000% | 10/1/2039 | 730,000 | 33,450 |
| | | 3.000% | 10/1/2040 | 750,000 | 11,250 |
| | | | | <u>\$ 11,375,000</u> | <u>\$ 3,910,989</u> |

**CITY OF HUNTINGTON WOODS, MICHIGAN
NOTES TO FINANCIAL STATEMENTS**

NOTE 5 - DEFINED BENEFIT PENSION PLAN

Plan Description

The City contributes to the Municipal Employees' Retirement System of Michigan (MERS), which is an agent multiple-employer, statewide public employee pension plan established by the Michigan Legislature under Public Act 135 of 1945 and administered by a nine-member Retirement Board. The City's defined benefit pension plan provides retirement and death and disability benefits to plan members and beneficiaries. MERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by accessing the MERS website at www.mersofmich.com.

Summary of Significant Accounting Policies

For purposes 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 Municipal Employees' Retirement System (MERS) of Michigan and additions to/deductions from MERS' fiduciary net position have been determined on the same basis as they are reported by MERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Benefits Provided

01 - Non Union: Closed to new hires

| | |
|-------------------------------|----------------------------|
| Benefit Multiplier: | 2.50% Multiplier (80% max) |
| Normal Retirement Age: | 60 |
| Vesting: | 10 years |
| Early Retirement (unreduced): | 50/25 or 55/15 |
| Early Retirement (reduced): | - |
| Final Average Compensation: | 3 years |
| Member Contributions: | 6% |
| DC Plan for New Hires: | 7/1/1998 |
| Act 88: | Yes (Adopted 2/16/1965) |

02 - Public Safety: Closed to new hires

| | |
|-------------------------------|----------------------------|
| Benefit Multiplier: | 2.50% Multiplier (80% max) |
| Normal Retirement Age: | 60 |
| Vesting: | 10 years |
| Early Retirement (unreduced): | 50/25 or 55/15 |
| Early Retirement (reduced): | - |
| Final Average Compensation: | 3 years |
| Member Contributions: | 5% |
| DC Plan for New Hires: | 1/1/2019 |
| Act 88: | Yes (Adopted 2/16/1965) |

**CITY OF HUNTINGTON WOODS, MICHIGAN
NOTES TO FINANCIAL STATEMENTS**

NOTE 5 - DEFINED BENEFIT PENSION PLAN (continued)

Benefits Provided (concluded)

10 - General DPW: Closed to new hires

| | |
|-------------------------------|----------------------------|
| Benefit Multiplier: | 2.50% Multiplier (80% max) |
| Normal Retirement Age: | 60 |
| Vesting: | 10 years |
| Early Retirement (unreduced): | 50/25 or 55/15 |
| Early Retirement (reduced): | - |
| Final Average Compensation: | 5 years |
| Member Contributions: | 6% |
| DC Plan for New Hires: | 7/1/1998 |
| Act 88: | Yes (Adopted 2/16/1965) |

20 - Public Safety Command: Closed to new hires

| | |
|-------------------------------|----------------------------|
| Benefit Multiplier: | 2.50% Multiplier (80% max) |
| Normal Retirement Age: | 60 |
| Vesting: | 10 years |
| Early Retirement (unreduced): | 50/25 or 55/15 |
| Early Retirement (reduced): | - |
| Final Average Compensation: | 3 years |
| COLA for Past Retirees: | 2% (Compound) |
| Member Contributions: | 5% |
| DC Plan for New Hires: | 1/1/2019 |
| Act 88: | Yes (Adopted 2/16/1965) |

21 - Public Safety Command B: Closed to new hires

| | |
|-------------------------------|----------------------------|
| Benefit Multiplier: | 2.50% Multiplier (80% max) |
| Normal Retirement Age: | 60 |
| Vesting: | 10 years |
| Early Retirement (unreduced): | 25 and Out |
| Early Retirement (reduced): | 55/15 |
| Final Average Compensation: | 3 years |
| Member Contributions: | 5% |
| Act 88: | Yes (Adopted 2/16/1965) |

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

Plan Members Covered by Benefit Terms

At the December 31, 2020 valuation date, the following members were covered by the benefit terms:

| | |
|----------------------------|---------------|
| Active Members | 18 |
| Vested Former Members | 4 |
| Retirees and Beneficiaries | <u>51</u> |
| Total Participants | <u>73</u> |

**CITY OF HUNTINGTON WOODS, MICHIGAN
NOTES TO FINANCIAL STATEMENTS**

NOTE 5 - DEFINED BENEFIT PENSION PLAN (continued)

Contributions

The State of Michigan Constitution, Article 9, Section 34, requires that financial benefits arising on account of employee services rendered in each year be funded during that year. Accordingly, MERS retains an independent actuary to determine the annual contribution.

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

For the year ended June 30, 2021, the active employee contribution rate was 5% for the public safety groups and 6% for the DPW and Non-Union groups.

Payable to the Pension Plan

At June 30, 2021, there were no amounts outstanding by the City for contributions to the pension plan required for the year ended June 30, 2021.

Net Pension Liability

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

Actuarial Assumptions

The total pension liability in the December 31, 2020 annual actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation: 2.5%

Salary increases: 3.00% in the long-term plus a percentage based on an age related scale to reflect merit, longevity, and promotional pay increases.

Investment rate of return: 7.35%, net of investment expenses, including inflation.

The mortality table used to project the mortality experience of non-disabled plan members is a 50% Male - 50% Female blend of the following tables: 1. the RP-2014 Healthy Annuitant Mortality Tables, with rates multiplied by 105%, 2. the RP-2014 Employee Mortality Tables, and 3. the RP-2014 Juvenile Mortality Tables. The mortality table used to project the mortality experience of disabled plan members is a 50% Male - 50% Female blend of the RP-2014 Disabled Retiree Mortality Tables.

The actuarial assumptions used in the valuation were based on the results of the 2014-2018 Five-Year Experience Study.

**CITY OF HUNTINGTON WOODS, MICHIGAN
NOTES TO FINANCIAL STATEMENTS**

NOTE 5 - DEFINED BENEFIT PENSION PLAN (continued)

Discount Rate

The discount rate used to measure the total pension liability is 7.60%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers.

Changes in Assumptions

The actuarial assumptions were changed during the year as follows:

Increase in merit and longevity pay assumption.

Projected Cash Flows

Based on these assumptions, the pension plan's fiduciary net position was projected to be available to pay 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.

The long-term expected rate of return on pension plan investments was determined using a model method in which the best-estimate ranges of expected future real rates of return (expected returns, net of investment and administrative expenses 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 for each major asset class are summarized on the following table:

| Asset Class | Target Allocation | Long-Term Expected Real Rate of Return | Expected Money-Weighted Rate of Return |
|---------------------|--------------------------------------|--|--|
| Global Equity | 60.00% | 5.25% | 3.15% |
| Global Fixed Income | 20.00% | 1.25% | 0.25% |
| Private Investments | 20.00% | 7.25% | 1.45% |
| | 100.00% | | |
| | Inflation | | 2.50% |
| | Administrative expenses netted above | | 0.25% |
| | Investment rate of return | | 7.60% |

**CITY OF HUNTINGTON WOODS, MICHIGAN
NOTES TO FINANCIAL STATEMENTS**

NOTE 5 - DEFINED BENEFIT PENSION PLAN (continued)

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

| Changes in Net Pension Liability | Increase (Decrease) | | |
|---|-----------------------------------|---------------------------------------|-------------------------------------|
| | Total Pension Liability (a) | Plan Fiduciary Net Position (b) | Net Pension Liability (a)-(b) |
| Balances at December 31, 2019 | \$ 25,956,015 | \$ 16,048,697 | \$ 9,907,318 |
| Changes for the year | | | |
| Service cost | 198,832 | - | 198,832 |
| Interest on total pension liability | 1,906,358 | - | 1,906,358 |
| Difference between expected and actual experience | (519,949) | - | (519,949) |
| Changes in assumptions | 741,532 | - | 741,532 |
| Employer contributions | - | 1,666,332 | (1,666,332) |
| Employee contributions | - | 88,389 | (88,389) |
| Net investment income | - | 2,270,527 | (2,270,527) |
| Benefit payments, including employee refunds | (1,943,549) | (1,943,549) | - |
| Administrative expense | - | (32,259) | 32,259 |
| Net changes | 383,224 | 2,049,440 | (1,666,216) |
| Balances at December 31, 2020 | \$ 26,339,239 | \$ 18,098,137 | \$ 8,241,102 |

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

The following presents the Net Pension Liability of the employer, calculated using the discount rate of 7.60%, as well as what the employer's Net Pension Liability would be using a discount rate that is one percentage point lower (6.60%) or one percentage point higher (8.60%) than the current rate.

| | 1% Decrease (6.60%) | Current Discount Rate (7.60%) | 1% Increase (8.60%) |
|-----------------------|------------------------|-------------------------------------|------------------------|
| Net Pension Liability | \$ 10,923,252 | \$ 8,241,102 | \$ 6,135,582 |

**CITY OF HUNTINGTON WOODS, MICHIGAN
NOTES TO FINANCIAL STATEMENTS**

NOTE 5 - DEFINED BENEFIT PENSION PLAN (concluded)

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

For the year ended June 30, 2021, the employer recognized pension expense of \$1,051,019. The net pension liability is generally liquidated by the General, Major Street, Local Street, Public Safety Pension, Recreation, Sanitation, and Water and Sewer Funds. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|--------------------------------------|-------------------------------------|
| Differences between expected and actual experience | \$ - | \$ 259,975 |
| Difference in assumptions | 370,766 | - |
| Net difference between projected and actual earnings on pension plan investments | - | 755,773 |
| Employer contributions to the plan subsequent to the measurement date | 862,223 | - |
| Total | \$ 1,232,989 | \$ 1,015,748 |

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

| Year Ending June 30, | Pension Expense |
|-------------------------|--------------------|
| 2022 | \$ (47,164) |
| 2023 | (13,681) |
| 2024 | (372,291) |
| 2025 | (211,846) |

Contributions made after the measurement date of the net pension liability but before the end of the employer's reporting period will be recognized as a reduction of the net pension liability in the subsequent fiscal year.

NOTE 6 - DEFINED CONTRIBUTION PLAN

The City offers an IRS §401(a) defined contribution plan to full-time employees that are not eligible for the defined benefit pension plan, where the contribution rate for the City is between 8% and 13% of gross payroll. This contribution rate is established by contractual agreement and Commission resolution and may be changed from time-to-time. Under the terms of the plan the employee may contribute to the plan on a voluntary basis. The decision to contribute on the part of the employee will affect the percentage of the contribution provided by the City. Plan documentation and regulations have been filed with the MERS Board of Trustees and the International City Management Association (ICMA) which administers the plans. The City's annual employer contributions amounted to \$155,013 for the fiscal year ended June 30, 2021. Employees contributed a total of \$119,025.

**CITY OF HUNTINGTON WOODS, MICHIGAN
NOTES TO FINANCIAL STATEMENTS**

NOTE 7 - GOVERNMENTAL FUND BALANCES

Below are the details regarding the classifications of governmental fund balances:

| | General | Sanitation | Recreation | Capital Projects | Nonmajor Governmental Funds | Total |
|-----------------------------|---------------------|-------------------|-------------------|----------------------|-----------------------------------|----------------------|
| Fund Balances | | | | | | |
| Nonspendable | | | | | | |
| Prepays and Inventory | \$ 117,002 | \$ 7 | \$ 3,728 | \$ - | \$ - | \$ 120,737 |
| Restricted for | | | | | | |
| Art Gallery | 12,594 | - | - | - | - | 12,594 |
| Public Safety | 14,489 | - | - | - | - | 14,489 |
| Library | 109,076 | - | - | - | - | 109,076 |
| Building Inspection | 158,543 | - | - | - | - | 158,543 |
| Solid Waste Disposal | - | 129,124 | - | - | - | 129,124 |
| Road and Sewer Construction | - | - | - | 14,260,278 | - | 14,260,278 |
| Roads | - | - | - | - | 940,550 | 940,550 |
| Public Safety Pensions | - | - | - | - | 17,108 | 17,108 |
| Debt Service | - | - | - | - | 1,795,943 | 1,795,943 |
| Committed to | | | | | | |
| Budget Stabilization | 1,213,979 | - | - | - | - | 1,213,979 |
| Rackham Defense | 34,452 | - | - | - | - | 34,452 |
| Assigned to | | | | | | |
| Parks and Recreation | - | - | 348,731 | 100,165 | - | 448,896 |
| I-696 Landscape | - | - | - | 31,350 | - | 31,350 |
| Capital Improvements | - | - | - | 1,154,928 | - | 1,154,928 |
| Unassigned | 2,273,236 | - | - | - | - | 2,273,236 |
| Total Fund Balances | <u>\$ 3,933,371</u> | <u>\$ 129,131</u> | <u>\$ 352,459</u> | <u>\$ 15,546,721</u> | <u>\$ 2,753,601</u> | <u>\$ 22,715,283</u> |

NOTE 8 - INTERFUND TRANSFERS - ALL FUND TYPES

| | Transfers | |
|--|---------------------|---------------------|
| | In | Out |
| Governmental - General | \$ - | \$ 3,036,450 |
| Governmental - Major Street | - | 165,510 |
| Governmental - Local Street | 170,000 | - |
| Governmental - Capital Projects | 748,000 | 685,334 |
| Governmental - Recreation | 1,115,330 | - |
| Business-Type - Water and Sewer | 685,334 | 588,184 |
| Governmental - 11 Mile Rd. Debt | 113,780 | - |
| Governmental - 2020 GO Debt | 850,914 | - |
| Intergovernmental - Equipment | 174,160 | - |
| Intergovernmental - Post Retirement Benefits | 617,960 | - |
| Total | <u>\$ 4,475,478</u> | <u>\$ 4,475,478</u> |

Transfers between the various funds represent payment from one fund to another without an equivalent return of goods or services to fund operations, capital improvements or debt service expenditures accounted for in the respective funds.

**CITY OF HUNTINGTON WOODS, MICHIGAN
NOTES TO FINANCIAL STATEMENTS**

NOTE 9 - OTHER POSTEMPLOYMENT BENEFITS

Plan Description

The City of Huntington Woods Other Post-Employment Benefits Plan (the “Plan”) is a single-employer defined benefit healthcare plan administered by the City of Huntington Woods. The City has established a trust with the Michigan Employees’ Retirement System (MERS) Retiree Health Funding Vehicle to fund future premiums. The City has an obligation to provide all former full-time retired employees and their spouses with hospitalization insurance and pay their full premium for employees in the defined benefit plan and a portion of the premium for those in the defined contribution plan. The plan does not issue a separate stand-alone financial statement.

Benefits Provided

The City provides healthcare, including prescription drug and vision benefits for retirees and their spouses. Benefits are provided by a third-party insurer.

Employees Covered by Benefit Terms

At the June 30, 2020 valuation date, the following employees were covered by the benefit terms:

| | |
|---|------------------|
| Inactive plan members or beneficiaries currently receiving benefits | 50 |
| Inactive plan members entitled to but not yet receiving benefits | 0 |
| Active plan members | <u>31</u> |
| Total | <u><u>81</u></u> |

Contributions

Active service members are not required to make contributions to the plan. The City has no obligation to make contributions in advance but are being financed on a “pay-as-you-go” basis. At the fund level, the expense is recognized by the City as the payments to the employees are made. For the year ended June 30, 2021, the City contributed \$419,500 in addition to its portion of premium payments.

Summary of Significant Accounting Policies

For the purpose of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB (if applicable), and OPEB expenses, have been determined on the same basis as they are reported for the City. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms.

**CITY OF HUNTINGTON WOODS, MICHIGAN
NOTES TO FINANCIAL STATEMENTS**

NOTE 9 - OTHER POSTEMPLOYMENT BENEFITS (continued)

Changes in Net OPEB Liability

The components of the change in the net OPEB liability are summarized as follows:

| <u>Changes in Net OPEB Liability</u> | <u>Increase (Decrease)</u> | | |
|--------------------------------------|---|--|---|
| | <u>Total OPEB Liability (a)</u> | <u>Plan Fiduciary Net Position (b)</u> | <u>Net OPEB Liability (a)-(b)</u> |
| Balances at June 30, 2020 | <u>\$ 13,461,993</u> | <u>\$ 1,820,294</u> | <u>\$ 11,641,699</u> |
| Changes for the year | | | |
| Service cost | 254,341 | - | 254,341 |
| Interest | 429,867 | - | 429,867 |
| Changes in actuarial assumptions | (434,252) | - | (434,252) |
| Employer contributions | - | 731,126 | (731,126) |
| Benefits paid | (311,626) | (311,626) | - |
| Net investment income | - | 558,783 | (558,783) |
| Administrative expense | - | (4,141) | 4,141 |
| Net changes | <u>(61,670)</u> | <u>974,142</u> | <u>(1,035,812)</u> |
| Balances at June 30, 2021 | <u>\$ 13,400,323</u> | <u>\$ 2,794,436</u> | <u>\$ 10,605,887</u> |

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

For the year ended June 30, 2021, the City recognized OPEB expense of \$258,653. The OPEB liability is generally liquidated by the General, Major Street, Local Street, Recreation, Sanitation, Water and Sewer, and Post-Retirement Benefits Funds. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|--|---|--|
| Differences between expected and actual experience | \$ - | \$ 922,513 |
| Changes of assumptions | 285,220 | 907,829 |
| Net investment earnings (gains)/losses | - | 257,804 |
| | <u>\$ 285,220</u> | <u>\$ 2,088,146</u> |

**CITY OF HUNTINGTON WOODS, MICHIGAN
NOTES TO FINANCIAL STATEMENTS**

NOTE 9 - OTHER POSTEMPLOYMENT BENEFITS (continued)

OPEB Expense and Deferred Outflows or Resources and Deferred Inflows of Resources Related to OPEB (concluded)

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, | OPEB Expense |
|-------------------------|-----------------|
| 2022 | \$ (280,639) |
| 2023 | (280,637) |
| 2024 | (292,117) |
| 2025 | (307,791) |
| 2026 | (225,845) |
| 2027-2030 | (415,897) |

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2020. The following actuarial assumptions were applied:

| | |
|-------------------------------|--|
| Actuarial Cost Method | Entry-age normal |
| Inflation | 2.50% |
| Salary Increases | 3.00% to 9.70% |
| Investment Rate of Return | 7.35% |
| Retirement Age | Qualified employees hired on or before January 1, 2016, are eligible upon attainment of age 55 with 15 years of service and contributing to the MERS defined benefit plan. |
| Mortality | Pub-2010 Mortality Tables |
| Healthcare cost trend rate(s) | 7.50% initially grading to 4.50% in 2034 |

Changes in Assumptions

The actuarial assumptions were changed during the year as follows:

- Increase in the discount rate from 3.20% to 3.21%.
- Immediate trend rates were updated based on the Uniform Assumptions for 2021.
- Reduction in the AA 20-year municipal bond rate from 2.66% to 2.18%.

Discount Rate

The discount rate used to measure the total OPEB liability was 3.21% based on the expected return of assets expected to be available to pay plan benefits.

**CITY OF HUNTINGTON WOODS, MICHIGAN
NOTES TO FINANCIAL STATEMENTS**

NOTE 9 - OTHER POSTEMPLOYMENT BENEFITS (concluded)

Investment Rate of Return

The long-term expected rate of return on OPEB plan investments was determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation.

Best estimates of arithmetic real rates of return as of the June 30, 2020 measurement date for each major asset class included in the OPEB plan's target asset allocation are summarized in the following table:

| Asset Class | Target Allocation | Long-term Expected Real Rate of Return |
|---------------------|-------------------|---|
| Global Equity | 60.0% | 7.75% |
| Global Fixed Income | 20.0% | 3.75% |
| Private Investments | 20.0% | 9.75% |

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

The following presents the net OPEB liability of the City, calculated using the discount rate of 3.21%, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

| | 1% Decrease | Discount Rate | 1% Increase |
|--------------------|---------------|---------------|--------------|
| Net OPEB Liability | \$ 13,040,241 | \$ 10,605,887 | \$ 8,694,150 |

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

The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using healthcare trends rates that are one percentage point lower or one percentage point higher than the current healthcare cost trend rates:

| | 1% Decrease | Healthcare Cost Trend Rate | 1% Increase |
|--------------------|--------------|-------------------------------|---------------|
| Net OPEB Liability | \$ 8,627,225 | \$ 10,605,887 | \$ 13,147,716 |

NOTE 10 - RISK MANAGEMENT

The City has entered into a joint powers agreement with other Michigan units of government for its general liability, property damage insurance including auto and public official's liability, contractor's, equipment, and workers' compensation. The City's maximum deductibles are as follows: vehicle \$250, liability \$0, property and crime \$2,500, and additional coverage for sewage system overflow of \$50,000 per occurrence/event.

**CITY OF HUNTINGTON WOODS, MICHIGAN
NOTES TO FINANCIAL STATEMENTS**

NOTE 10 - RISK MANAGEMENT (concluded)

The City accounts for transactions related to these risks in accordance with GASB Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, which states that a liability for claims must be reported if information prior to the issuance of the financial statements indicates it is probable that a liability has been incurred at the date of the financial statements, and the amount of the loss that can be reasonably estimated. No settlements have exceeded insurance coverage during the last three years. The City has made no reductions in insurance coverage during the year. The City has received no indication that any significant losses exist at June 30, 2021, and thus no liability has been recorded, however the City has numerous cases that recently are being reviewed by the city's general liability insurance provider, although no definitive outcome has been determined.

NOTE 11 - CODE ENFORCEMENT FINANCIAL INFORMATION

The City has elected to report the financial activities of the code enforcement department in the General Fund. The following is required information as it relates to this department for the year ended June 30, 2021:

| | |
|--|----------------|
| Cumulative excess at July 1, 2020 | \$ 145,907 |
| REVENUES | |
| Permits | |
| Air conditioning | 5,315 |
| Building | 200,988 |
| Electrical | 30,951 |
| Heating | 15,990 |
| Plumbing | 30,705 |
| Building inspections | 4,245 |
| TOTAL REVENUES | 288,194 |
| EXPENDITURES | |
| Building inspection/code enforcement | (275,558) |
| Cumulative excess of revenues over expenditures at June 30, 2021 | \$ 158,543 |

NOTE 12 - UPCOMING PRONOUNCEMENTS

In June 2017, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 87, *Leases*, which increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The City is currently evaluating the impact of this standard on its financial statements. The Statement is effective beginning with the City's fiscal year ending June 30, 2022.

**CITY OF HUNTINGTON WOODS, MICHIGAN
NOTES TO FINANCIAL STATEMENTS**

NOTE 12 - UPCOMING PRONOUNCEMENTS (concluded)

In May 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangement*. The statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset - an intangible asset - and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The City is currently evaluating the impact of this standard on its financial statements. The Statement is effective beginning with the City's fiscal year ending June 30, 2023.

NOTE 13 - SUBSEQUENT EVENT

The American Rescue Plan (ARP) Act was signed into law on March 11, 2021, and it guaranteed direct relief to local municipalities. The City is estimated to receive approximately \$656,000 in ARP funding. Funding is being released by the U.S. Department of Treasury in two tranches. Half of the funding the City is entitled to was released in September 2021, and the second half of the funding will be released under the second tranche approximately one year after the disbursement of the first tranche. The City will have until 2024 to obligate the federal funds and until 2026 to spend the funds on allowable expenditures.

NOTE 14 - CONTRACTUAL COMMITMENTS

The City has entered into contracts related to street improvements that were not complete at June 30, 2021. Contractual commitments outstanding at June 30, 2021 totaled \$1,752,841. Current fund balance and future revenue is expected to be sufficient to cover these commitments.

NOTE 15 - UNCERTAINTIES

The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of many businesses. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closings. Therefore, the City expects this matter to potentially negatively impact its operating results. However, the related financial impact and duration cannot be reasonably estimated at this time.

NOTE 16 - CONTINGENT LIABILITIES

Amounts received or receivable from grantor agencies are subject to audit and potential adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

The City is a defendant in various lawsuits. Although the outcomes of these lawsuits are not presently determinable, it is the opinion of management and the City's counsel that resolution of these matters will not have a material adverse effect on the financial condition of the City.

REQUIRED SUPPLEMENTAL INFORMATION

CITY OF HUNTINGTON WOODS, MICHIGAN
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
LAST SEVEN FISCAL YEARS (ULTIMATELY TEN YEARS WILL BE DISPLAYED)
(AMOUNTS WERE DETERMINED AS OF 12/31 OF EACH FISCAL YEAR)

| | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Total Pension Liability | | | | | | | |
| Service cost | \$ 198,832 | \$ 214,508 | \$ 248,041 | \$ 232,302 | \$ 248,465 | \$ 232,843 | \$ 232,791 |
| Interest | 1,906,358 | 1,931,147 | 1,900,962 | 1,808,194 | 1,838,679 | 1,837,293 | 1,758,154 |
| Difference between expected and actual experience | (519,949) | (61,590) | 83,437 | 153,338 | 37,891 | (722,984) | - |
| Changes of assumptions | 741,532 | 752,285 | - | - | - | 1,097,193 | - |
| Benefit payments including employee refunds | (1,943,549) | (1,824,843) | (1,851,866) | (1,807,228) | (1,730,587) | (1,747,437) | (1,757,558) |
| Other | - | 1 | (1) | 58,329 | - | - | - |
| Net Change in Total Pension Liability | 383,224 | 1,011,508 | 380,573 | 444,935 | 394,448 | 696,908 | 233,387 |
| Total Pension Liability, beginning | 25,956,015 | 24,944,507 | 24,563,934 | 24,118,999 | 23,724,551 | 23,027,643 | 23,498,765 |
| Total Pension Liability, ending | <u>\$ 26,339,239</u> | <u>\$ 25,956,015</u> | <u>\$ 24,944,507</u> | <u>\$ 24,563,934</u> | <u>\$ 24,118,999</u> | <u>\$ 23,724,551</u> | <u>\$ 23,732,152</u> |
| Plan Fiduciary Net Position | | | | | | | |
| Contributions-employer | \$ 1,666,332 | \$ 1,583,583 | \$ 1,427,333 | \$ 1,417,705 | \$ 1,477,969 | \$ 2,067,226 | \$ 1,591,617 |
| Contributions-employee | 88,389 | 102,273 | 102,648 | 101,108 | 104,976 | 99,205 | 102,567 |
| Net Investment income (loss) | 2,270,527 | 1,937,982 | (589,222) | 1,807,344 | 1,416,945 | (197,490) | 718,327 |
| Benefit payments including employee refunds | (1,943,549) | (1,824,843) | (1,851,866) | (1,807,228) | (1,730,587) | (1,747,437) | (1,757,558) |
| Administrative expense | (32,259) | (33,391) | (29,256) | (28,611) | (27,988) | (27,651) | (26,716) |
| Net Change in Plan Fiduciary Net Position | 2,049,440 | 1,765,604 | (940,363) | 1,490,318 | 1,241,315 | 193,853 | 628,237 |
| Plan Fiduciary Net Position beginning | 16,048,697 | 14,283,093 | 15,223,456 | 13,733,138 | 12,491,823 | 12,297,970 | 12,380,123 |
| Plan Fiduciary Net Position ending | <u>\$ 18,098,137</u> | <u>\$ 16,048,697</u> | <u>\$ 14,283,093</u> | <u>\$ 15,223,456</u> | <u>\$ 13,733,138</u> | <u>\$ 12,491,823</u> | <u>\$ 13,008,360</u> |
| Employer Net Pension Liability | <u>\$ 8,241,102</u> | <u>\$ 9,907,318</u> | <u>\$ 10,661,414</u> | <u>\$ 9,340,478</u> | <u>\$ 10,385,861</u> | <u>\$ 11,232,728</u> | <u>\$ 10,723,792</u> |
| Plan Fiduciary Net Position as a percentage of the Total Pension Liability | 69% | 62% | 57% | 62% | 57% | 53% | 55% |
| Covered Payroll | \$ 1,641,349 | \$ 1,713,551 | \$ 1,959,087 | \$ 1,852,318 | \$ 1,966,631 | \$ 1,860,994 | \$ 1,867,664 |
| Employer's Net Pension Liability as a percentage of covered payroll | 502% | 578% | 544% | 504% | 528% | 604% | 574% |

**CITY OF HUNTINGTON WOODS, MICHIGAN
SCHEDULE OF PENSION CONTRIBUTIONS
LAST TEN FISCAL YEARS
(AMOUNTS WERE DETERMINED AS OF 6/30 OF EACH FISCAL YEAR)**

| | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> | <u>2013</u> | <u>2012</u> |
|---|---------------------|--------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Actuarial determined contributions* | \$ 1,596,708 | \$ 1,471,596 | \$ 1,385,897 | \$ 1,191,016 | \$ 1,289,154 | \$ 1,067,629 | \$ 1,024,157 | \$ 859,907 | \$ 739,033 | \$ 847,536 |
| Contributions in relation to the actuarially determined contribution | <u>1,724,445</u> | <u>1,562,624</u> | <u>1,575,893</u> | <u>1,417,705</u> | <u>1,475,646</u> | <u>2,067,225</u> | <u>1,591,617</u> | <u>1,169,258</u> | <u>1,065,987</u> | <u>1,054,545</u> |
| Contribution deficiency (excess) | <u>\$ (127,737)</u> | <u>\$ (91,028)</u> | <u>\$ (189,996)</u> | <u>\$ (226,689)</u> | <u>\$ (186,492)</u> | <u>\$ (999,596)</u> | <u>\$ (567,460)</u> | <u>\$ (309,351)</u> | <u>\$ (326,954)</u> | <u>\$ (207,009)</u> |
| Covered payroll | \$ 1,697,051 | \$ 1,790,314 | \$ 2,012,079 | \$ 1,852,318 | \$ 1,966,631 | \$ 1,860,994 | \$ 1,867,664 | \$ 1,909,448 | \$ 1,866,593 | \$ 2,026,562 |
| Contributions as a percentage of covered payroll | 102% | 87% | 78% | 77% | 75% | 111% | 85% | 61% | 57% | 52% |

Notes to Schedule

| | |
|-------------------------------|---|
| Actuarial cost method | Entry Age |
| Amortization method | Level percentage of payroll, open |
| Remaining amortization period | 25 years |
| Asset valuation method | 10 year smoothed |
| Inflation | 2.5% |
| Salary Increases | 3.8% |
| Investment rate of return | 7.75% |
| Retirement age | 60 |
| Mortality | 50% Female/50% Male 1994 Group Annuity Mortality Table |

CITY OF HUNTINGTON WOODS, MICHIGAN
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
LAST FOUR FISCAL YEARS (ULTIMATELY TEN YEARS WILL BE DISPLAYED)
(AMOUNTS WERE DETERMINED AS OF 6/30 OF EACH FISCAL YEAR)

| | 2021 | 2020 | 2019 | 2018 |
|---|----------------------|----------------------|----------------------|----------------------|
| Total OPEB Liability | | | | |
| Service cost | \$ 254,341 | \$ 307,000 | \$ 345,953 | \$ 323,391 |
| Interest | 429,867 | 480,473 | 440,394 | 439,185 |
| Difference between expected and actual experience | - | (1,173,539) | - | - |
| Change of assumptions | (434,252) | 362,834 | (798,106) | - |
| Benefit payments | <u>(311,626)</u> | <u>(335,916)</u> | <u>(314,677)</u> | <u>(370,261)</u> |
| Net Change in Total OPEB Liability | (61,670) | (359,148) | (326,436) | 392,315 |
| Total OPEB Liability, beginning | <u>13,461,993</u> | <u>13,821,141</u> | <u>14,147,577</u> | <u>13,755,262</u> |
| Total OPEB Liability, ending | <u>\$ 13,400,323</u> | <u>\$ 13,461,993</u> | <u>\$ 13,821,141</u> | <u>\$ 14,147,577</u> |
| Plan Fiduciary Net Position | | | | |
| Contributions - employer | \$ 731,126 | \$ 518,157 | \$ 444,536 | \$ 485,739 |
| Net investment income | 558,783 | 39,986 | 46,966 | 96,525 |
| Benefit payments | (311,626) | (335,916) | (314,677) | (370,261) |
| Administrative expense | <u>(4,141)</u> | <u>(3,086)</u> | <u>(3,128)</u> | <u>(3,207)</u> |
| Net change in plan fiduciary net position | 974,142 | 219,141 | 173,697 | 208,796 |
| Plan Fiduciary Net Position, beginning | <u>1,820,294</u> | <u>1,601,153</u> | <u>1,427,456</u> | <u>1,218,660</u> |
| Plan Fiduciary Net Position, ending | <u>\$ 2,794,436</u> | <u>\$ 1,820,294</u> | <u>\$ 1,601,153</u> | <u>\$ 1,427,456</u> |
| Employer's Net OPEB Liability | <u>\$ 10,605,887</u> | <u>\$ 11,641,699</u> | <u>\$ 12,219,988</u> | <u>\$ 12,720,121</u> |
| Plan Fiduciary Net Position as a percentage of the Total OPEB Liability | 21% | 14% | 12% | 10% |
| Covered Payroll | \$ 2,324,531 | \$ 2,060,640 | \$ 2,518,088 | \$ 2,769,378 |
| Employer's Net OPEB Liability as a percentage of covered payroll | 456% | 565% | 485% | 459% |

CITY OF HUNTINGTON WOODS, MICHIGAN
SCHEDULE OF OPEB CONTRIBUTIONS
LAST FOUR FISCAL YEARS (ULTIMATELY TEN YEARS WILL BE DISPLAYED)
(AMOUNTS WERE DETERMINED AS OF 6/30 OF EACH FISCAL YEAR)

| | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> |
|---|-------------------|-------------------|-------------------|-------------------|
| Actuarially Determined Contributions | \$ 872,951 | \$ 880,477 | \$ 994,680 | \$ 732,068 |
| Contributions in relation to the actuarially determined contribution | <u>731,126</u> | <u>518,157</u> | <u>444,536</u> | <u>485,739</u> |
| Contribution deficiency (excess) | <u>\$ 141,825</u> | <u>\$ 362,320</u> | <u>\$ 550,144</u> | <u>\$ 246,329</u> |
| Covered Payroll | \$ 2,324,531 | \$ 2,060,640 | \$ 2,518,088 | \$ 2,769,378 |
| Contributions as a percentage of covered payroll | 31% | 25% | 18% | 18% |

Notes to schedule

Actuarial Cost Method

Entry-age normal

Inflation

2.50%

Salary Increases

3.00% to 9.70%

Investment Rate of Return

7.35%

Retirement Age

Qualified employees hired on or before January 1, 2016, are eligible upon attainment of age 55 with 15 years of service and contributing to the MERS defined benefit plan.

Mortality

Pub-2010 Mortality Tables

Healthcare cost trend rate(s)

7.50% initially grading to 4.50% in 2034

**CITY OF HUNTINGTON WOODS, MICHIGAN
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2021**

| | Original Budget | Final Amended Budget | Actual | Variance with Final Budget Positive (Negative) |
|---|---------------------|----------------------------|---------------------|---|
| REVENUES | | | | |
| Property taxes | \$ 6,576,020 | \$ 6,562,570 | \$ 6,579,843 | \$ 17,273 |
| Licenses and permits | 280,250 | 265,250 | 303,484 | 38,234 |
| Intergovernmental | 652,650 | 1,026,890 | 1,093,383 | 66,493 |
| Charges for services | 298,600 | 298,600 | 287,616 | (10,984) |
| Fines and forfeits | 136,350 | 75,850 | 81,839 | 5,989 |
| Interest income | 65,000 | 65,000 | 30,357 | (34,643) |
| Other revenues | 274,150 | 261,150 | 266,104 | 4,954 |
| TOTAL REVENUES | 8,283,020 | 8,555,310 | 8,642,626 | 87,316 |
| EXPENDITURES | | | | |
| Current | | | | |
| General government | 1,503,850 | 1,503,850 | 1,447,571 | 56,279 |
| Public safety | 2,758,030 | 2,758,030 | 2,685,503 | 72,527 |
| Public works | 429,440 | 440,320 | 424,605 | 15,715 |
| Recreation and culture | 612,740 | 612,740 | 426,861 | 185,879 |
| TOTAL EXPENDITURES | 5,304,060 | 5,314,940 | 4,984,540 | 330,400 |
| EXCESS OF REVENUES OVER EXPENDITURES | 2,978,960 | 3,240,370 | 3,658,086 | 417,716 |
| OTHER FINANCING (USES) | | | | |
| Transfers out | (2,913,960) | (3,036,450) | (3,036,450) | - |
| NET CHANGE IN FUND BALANCE | 65,000 | 203,920 | 621,636 | 417,716 |
| Fund balance, beginning of year | 3,311,735 | 3,311,735 | 3,311,735 | - |
| Fund balance, end of year | \$ 3,376,735 | \$ 3,515,655 | \$ 3,933,371 | \$ 417,716 |

**CITY OF HUNTINGTON WOODS, MICHIGAN
SANITATION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2021**

| | Original Budget | Final Amended Budget | Actual | Variance with Final Budget Positive (Negative) |
|-----------------------------------|--------------------|----------------------------|-------------------|---|
| REVENUES | | | | |
| Property taxes | \$ 599,760 | \$ 599,760 | \$ 601,341 | \$ 1,581 |
| Intergovernmental | 450 | 450 | 603 | 153 |
| Interest income | 4,000 | 4,000 | 1,912 | (2,088) |
| Other revenues | 8,000 | 14,000 | 10,717 | (3,283) |
| TOTAL REVENUES | <u>612,210</u> | <u>618,210</u> | <u>614,573</u> | <u>(3,637)</u> |
| EXPENSES | | | | |
| Current | | | | |
| Public works | | | | |
| Administrative | 59,090 | 59,090 | 56,528 | 2,562 |
| Employee benefits | 42,850 | 42,850 | 43,220 | (370) |
| Professional services | 510,270 | 516,270 | 523,092 | (6,822) |
| TOTAL EXPENDITURES | <u>612,210</u> | <u>618,210</u> | <u>622,840</u> | <u>(4,630)</u> |
| NET CHANGE IN FUND BALANCE | - | - | (8,267) | (8,267) |
| Fund balance, beginning of year | <u>137,398</u> | <u>137,398</u> | <u>137,398</u> | - |
| Fund balance, end of year | <u>\$ 137,398</u> | <u>\$ 137,398</u> | <u>\$ 129,131</u> | <u>\$ (8,267)</u> |

**CITY OF HUNTINGTON WOODS, MICHIGAN
RECREATION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2021**

| | Original Budget | Final Amended Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|--------------------|----------------------------|--------------------|---|
| REVENUES | | | | |
| Property taxes | \$ 73,570 | \$ 73,570 | \$ 73,757 | \$ 187 |
| Intergovernmental | - | - | 62 | 62 |
| Charges for services | | | | |
| Aquatic club charges | 270,000 | 80,000 | 91,687 | 11,687 |
| Program fees | 975,000 | 293,200 | 205,817 | (87,383) |
| Interest income | 6,000 | 6,000 | 3,309 | (2,691) |
| Other | | | | |
| Grants | 5,000 | 5,000 | 3,713 | (1,287) |
| Miscellaneous | 4,500 | 4,500 | 1,353 | (3,147) |
| TOTAL REVENUES | 1,334,070 | 462,270 | 379,698 | (82,572) |
| EXPENDITURES | | | | |
| Current | | | | |
| Recreation and culture | | | | |
| Bus | 52,530 | 35,030 | 19,748 | 15,282 |
| Recreation | 771,370 | 670,470 | 617,251 | 53,219 |
| Programs | 882,050 | 475,640 | 444,356 | 31,284 |
| Parks | 185,890 | 160,890 | 159,225 | 1,665 |
| Pools | 345,070 | 201,570 | 189,804 | 11,766 |
| TOTAL EXPENDITURES | 2,236,910 | 1,543,600 | 1,430,384 | 113,216 |
| EXCESS OF REVENUES (UNDER) EXPENDITURES | (902,840) | (1,081,330) | (1,050,686) | 30,644 |
| OTHER FINANCING SOURCES | | | | |
| Transfers in | 915,000 | 1,115,330 | 1,115,330 | - |
| NET CHANGE IN FUND BALANCE | 12,160 | 34,000 | 64,644 | 30,644 |
| Fund balance, beginning of year | 287,815 | 287,815 | 287,815 | - |
| Fund balance, end of year | <u>\$ 299,975</u> | <u>\$ 321,815</u> | <u>\$ 352,459</u> | <u>\$ 30,644</u> |

**CITY OF HUNTINGTON WOODS, MICHIGAN
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2021**

| | Original Budget | Final Amended Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|----------------------|----------------------------|----------------------|---|
| REVENUES | | | | |
| Interest income | \$ 110,500 | \$ 110,500 | \$ 74,957 | \$ (35,543) |
| Other | | | | |
| Grants | - | - | 104,731 | 104,731 |
| TOTAL REVENUES | 110,500 | 110,500 | 179,688 | 69,188 |
| EXPENDITURES | | | | |
| Capital outlay | 8,631,250 | 8,647,950 | 3,319,885 | 5,328,065 |
| EXCESS OF REVENUES (UNDER) EXPENDITURES | (8,520,750) | (8,537,450) | (3,140,197) | 5,397,253 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 800,000 | 748,000 | 748,000 | - |
| Transfers out | - | - | (685,334) | (685,334) |
| TOTAL OTHER FINANCING SOURCES (USES) | 800,000 | 748,000 | 62,666 | (685,334) |
| NET CHANGE IN FUND BALANCE | (7,720,750) | (7,789,450) | (3,077,531) | 4,711,919 |
| Fund balance, beginning of year | 18,624,252 | 18,624,252 | 18,624,252 | - |
| Fund balance, end of year | \$ 10,903,502 | \$ 10,834,802 | \$ 15,546,721 | \$ 4,711,919 |

**CITY OF HUNTINGTON WOODS, MICHIGAN
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

NOTE 1 - EXCESS OF EXPENDITURES OVER APPROPRIATIONS

The City's expenditures have been shown at the functional classification level for the General Fund and the activity level for the Special Revenue, Debt Service, and Capital Projects Funds. The approved budgets of the City have been adopted at the functional classification level for the General Fund and total expenditures level for the Special Revenue, Debt Service, and Capital Projects Funds.

During the year ended June 30, 2021, the City incurred expenditures in excess of the amounts appropriated as follows:

| | Amounts Appropriated | Amounts Expended | Variance |
|-------------------|-------------------------|---------------------|----------|
| Sanitation Fund | \$ 618,210 | \$ 622,840 | \$ 4,630 |
| 2020 GO Debt Fund | 355,220 | 355,466 | 246 |

NOTE 2 - EMPLOYEE RETIREMENT PLAN

Changes of Benefit Terms: There were no changes of benefit terms for the plan year 2020.

Changes in Assumptions: Increases in merit and longevity pay assumptions.

NOTE 3 - OTHER POST-EMPLOYMENT BENEFITS PLAN

Changes of Benefit Terms: There were no changes of benefit terms for the plan year 2021.

Changes in Assumptions: Increase in the discount rate from 3.20% to 3.21%.
 Immediate trend rates were updated based on the Uniform Assumptions for 2021.
 Reduction in the AA 20-year municipal bond rate from 2.66% to 2.18%.

OTHER SUPPLEMENTAL INFORMATION

**CITY OF HUNTINGTON WOODS, MICHIGAN
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2021**

| | Special Revenue Funds | | | Debt | |
|--|-----------------------|-----------------------|----------------------------------|---------------------------|----------------------------|
| | Major Streets Fund | Local Streets Fund | Public Safety Pension Fund | GWK Drain Debt Fund | 11 Mile GO Debt Fund |
| ASSETS | | | | | |
| Cash and cash equivalents | \$ 21,394 | \$ 18,134 | \$ 4,717 | \$ 937 | \$ 9,792 |
| Investments | 617,576 | 217,398 | 11,093 | 298,934 | 27,685 |
| Taxes receivable | - | - | 1,298 | 3,540 | - |
| Due from other governmental units | 86,090 | 29,845 | - | 36,498 | - |
| TOTAL ASSETS | \$ 725,060 | \$ 265,377 | \$ 17,108 | \$ 339,909 | \$ 37,477 |
| LIABILITIES | | | | | |
| Accounts payable | \$ 25,748 | \$ 20,602 | \$ - | \$ - | \$ - |
| Accrued liabilities | 1,775 | 1,762 | - | - | - |
| TOTAL LIABILITIES | 27,523 | 22,364 | - | - | - |
| FUND BALANCES | | | | | |
| Restricted | 697,537 | 243,013 | 17,108 | 339,909 | 37,477 |
| TOTAL LIABILITIES AND FUND BALANCES | \$ 725,060 | \$ 265,377 | \$ 17,108 | \$ 339,909 | \$ 37,477 |

Service Funds

| 2010 Street GO Debt Fund | 2012 Street GO Debt Fund | 2014 GO Debt Fund | 2017 GO Debt Fund | 2019 GO Debt Fund | 2020 GO Debt Fund | Total |
|--------------------------------|--------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|---------------------|
| \$ 459 | \$ 942 | \$ 371 | \$ 671 | \$ 648 | \$ 5,742 | \$ 63,807 |
| 256,841 | 94,460 | 237,835 | 87,024 | 112,274 | 604,905 | 2,566,025 |
| 4,653 | 3,762 | 4,674 | 2,086 | 1,210 | - | 21,223 |
| - | - | - | - | - | - | 152,433 |
| <u>\$ 261,953</u> | <u>\$ 99,164</u> | <u>\$ 242,880</u> | <u>\$ 89,781</u> | <u>\$ 114,132</u> | <u>\$ 610,647</u> | <u>\$ 2,803,488</u> |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 46,350 |
| - | - | - | - | - | - | 3,537 |
| - | - | - | - | - | - | 49,887 |
| <u>261,953</u> | <u>99,164</u> | <u>242,880</u> | <u>89,781</u> | <u>114,132</u> | <u>610,647</u> | <u>2,753,601</u> |
| <u>\$ 261,953</u> | <u>\$ 99,164</u> | <u>\$ 242,880</u> | <u>\$ 89,781</u> | <u>\$ 114,132</u> | <u>\$ 610,647</u> | <u>\$ 2,803,488</u> |

**CITY OF HUNTINGTON WOODS, MICHIGAN
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2021**

| | Special Revenue Funds | | | Debt | |
|---|-----------------------|-----------------------|----------------------------------|---------------------------|----------------------------|
| | Major Streets Fund | Local Streets Fund | Public Safety Pension Fund | GWK Drain Debt Fund | 11 Mile GO Debt Fund |
| REVENUES | | | | | |
| Property taxes | \$ - | \$ - | \$ 893,814 | \$ 201,192 | \$ - |
| Intergovernmental | 554,469 | 182,272 | - | 36,713 | - |
| Interest income | 3,326 | 1,405 | 1,455 | 2,048 | 148 |
| Other | 175 | - | - | - | - |
| TOTAL REVENUES | 557,970 | 183,677 | 895,269 | 239,953 | 148 |
| EXPENDITURES | | | | | |
| Current | | | | | |
| Public safety | - | - | 878,161 | - | - |
| Public works | 323,410 | 357,512 | - | - | - |
| Debt service | | | | | |
| Principal | - | - | - | 239,253 | 75,000 |
| Interest and other charges | - | - | - | 26,860 | 39,031 |
| TOTAL EXPENDITURES | 323,410 | 357,512 | 878,161 | 266,113 | 114,031 |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | 234,560 | (173,835) | 17,108 | (26,160) | (113,883) |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfers in | - | 170,000 | - | - | 113,780 |
| Transfers out | (165,510) | - | - | - | - |
| TOTAL OTHER FINANCING SOURCES (USES) | (165,510) | 170,000 | - | - | 113,780 |
| NET CHANGE IN FUND BALANCES | 69,050 | (3,835) | 17,108 | (26,160) | (103) |
| Fund balances, beginning of year | 628,487 | 246,848 | - | 366,069 | 37,580 |
| Fund balances, end of year | \$ 697,537 | \$ 243,013 | \$ 17,108 | \$ 339,909 | \$ 37,477 |

Service Funds

| 2010 Street GO Debt Fund | 2012 Street GO Debt Fund | 2014 GO Debt Fund | 2017 GO Debt Fund | 2019 GO Debt Fund | 2020 GO Debt Fund | Total |
|--------------------------------|--------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|---------------------|
| \$ 362,760 | \$ 286,293 | \$ 204,588 | \$ 334,711 | \$ 521,896 | \$ - | \$ 2,805,254 |
| 37,211 | 301 | 225 | 365 | 304 | - | 811,860 |
| 1,733 | 809 | 1,540 | 851 | 1,215 | 458 | 14,988 |
| - | - | - | - | - | - | 175 |
| <u>401,704</u> | <u>287,403</u> | <u>206,353</u> | <u>335,927</u> | <u>523,415</u> | <u>458</u> | <u>3,632,277</u> |
| - | - | - | - | - | - | 878,161 |
| - | - | - | - | - | - | 680,922 |
| 325,000 | 250,000 | 150,000 | 225,000 | 305,000 | - | 1,569,253 |
| 87,281 | 39,250 | 69,500 | 112,400 | 217,625 | 355,466 | 947,413 |
| <u>412,281</u> | <u>289,250</u> | <u>219,500</u> | <u>337,400</u> | <u>522,625</u> | <u>355,466</u> | <u>4,075,749</u> |
| <u>(10,577)</u> | <u>(1,847)</u> | <u>(13,147)</u> | <u>(1,473)</u> | <u>790</u> | <u>(355,008)</u> | <u>(443,472)</u> |
| - | - | - | - | - | 850,914 | 1,134,694 |
| - | - | - | - | - | - | (165,510) |
| - | - | - | - | - | 850,914 | 969,184 |
| (10,577) | (1,847) | (13,147) | (1,473) | 790 | 495,906 | 525,712 |
| <u>272,530</u> | <u>101,011</u> | <u>256,027</u> | <u>91,254</u> | <u>113,342</u> | <u>114,741</u> | <u>2,227,889</u> |
| <u>\$ 261,953</u> | <u>\$ 99,164</u> | <u>\$ 242,880</u> | <u>\$ 89,781</u> | <u>\$ 114,132</u> | <u>\$ 610,647</u> | <u>\$ 2,753,601</u> |

**CITY OF HUNTINGTON WOODS, MICHIGAN
MAJOR STREETS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2021**

| | Original Budget | Final Amended Budget | Actual | Variance with Final Budget Positive (Negative) |
|---|--------------------|----------------------------|-------------------|---|
| REVENUES | | | | |
| Intergovernmental | \$ 564,760 | \$ 564,760 | \$ 554,469 | \$ (10,291) |
| Interest income | 6,500 | 6,500 | 3,326 | (3,174) |
| Other revenues | 1,500 | 1,500 | 175 | (1,325) |
| TOTAL REVENUES | <u>572,760</u> | <u>572,760</u> | <u>557,970</u> | <u>(14,790)</u> |
| EXPENSES | | | | |
| Current | | | | |
| Public works | | | | |
| Maintenance | 267,040 | 267,040 | 233,969 | 33,071 |
| Traffic services | 33,350 | 33,350 | 25,445 | 7,905 |
| Snow and ice removal | 63,390 | 63,390 | 53,397 | 9,993 |
| Administrative | 11,360 | 11,360 | 10,599 | 761 |
| TOTAL EXPENDITURES | <u>375,140</u> | <u>375,140</u> | <u>323,410</u> | <u>51,730</u> |
| EXCESS OF REVENUES OVER EXPENDITURES | <u>197,620</u> | <u>197,620</u> | <u>234,560</u> | <u>36,940</u> |
| OTHER FINANCING (USES) | | | | |
| Transfers out | (165,510) | (165,510) | (165,510) | - |
| NET CHANGE IN FUND BALANCE | 32,110 | 32,110 | 69,050 | 36,940 |
| Fund balance, beginning of year | 628,487 | 628,487 | 628,487 | - |
| Fund balance, end of year | <u>\$ 660,597</u> | <u>\$ 660,597</u> | <u>\$ 697,537</u> | <u>\$ 36,940</u> |

**CITY OF HUNTINGTON WOODS, MICHIGAN
LOCAL STREETS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2021**

| | Original Budget | Final Amended Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|--------------------|----------------------------|-------------------|---|
| REVENUES | | | | |
| Intergovernmental | \$ 183,820 | \$ 183,820 | \$ 182,272 | \$ (1,548) |
| Interest income | 2,960 | 2,960 | 1,405 | (1,555) |
| TOTAL REVENUES | <u>186,780</u> | <u>186,780</u> | <u>183,677</u> | <u>(3,103)</u> |
| EXPENSES | | | | |
| Current | | | | |
| Public works | | | | |
| Maintenance | 266,800 | 266,800 | 254,197 | 12,603 |
| Traffic services | 22,910 | 22,910 | 22,328 | 582 |
| Snow and ice removal | 76,510 | 76,510 | 72,167 | 4,343 |
| Administrative | 9,330 | 9,330 | 8,820 | 510 |
| TOTAL EXPENDITURES | <u>375,550</u> | <u>375,550</u> | <u>357,512</u> | <u>18,038</u> |
| EXCESS OF REVENUES (UNDER) EXPENDITURES | <u>(188,770)</u> | <u>(188,770)</u> | <u>(173,835)</u> | <u>14,935</u> |
| OTHER FINANCING SOURCES | | | | |
| Transfers in | 170,000 | 170,000 | 170,000 | - |
| NET CHANGE IN FUND BALANCE | <u>(18,770)</u> | <u>(18,770)</u> | <u>(3,835)</u> | <u>14,935</u> |
| Fund balance, beginning of year | <u>246,848</u> | <u>246,848</u> | <u>246,848</u> | <u>-</u> |
| Fund balance, end of year | <u>\$ 228,078</u> | <u>\$ 228,078</u> | <u>\$ 243,013</u> | <u>\$ 14,935</u> |

**CITY OF HUNTINGTON WOODS, MICHIGAN
PUBLIC SAFETY PENSION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2021**

| | Original Budget | Final Amended Budget | Actual | Variance with Final Budget Positive (Negative) |
|---|--------------------|----------------------------|------------|---|
| REVENUES | | | | |
| Property taxes | \$ - | \$ 894,550 | \$ 893,814 | \$ (736) |
| Interest income | - | 500 | 1,455 | 955 |
| TOTAL REVENUES | - | 895,050 | 895,269 | 219 |
| EXPENSES | | | | |
| Current | | | | |
| Public safety | | | | |
| Employee benefits | - | 894,530 | 878,161 | 16,369 |
| TOTAL EXPENDITURES | - | 894,530 | 878,161 | 16,369 |
| EXCESS OF REVENUES OVER EXPENDITURES | - | 520 | 17,108 | 16,588 |
| Fund balance, beginning of year | - | - | - | - |
| Fund balance, end of year | \$ - | \$ 520 | \$ 17,108 | \$ 16,588 |

**CITY OF HUNTINGTON WOODS, MICHIGAN
 GWK DRAIN DEBT FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 YEAR ENDED JUNE 30, 2021**

| | Original Budget | Final Amended Budget | Actual | Variance with Final Budget Positive (Negative) |
|-----------------------------------|--------------------|----------------------------|-------------------|---|
| REVENUES | | | | |
| Property taxes | \$ 201,090 | \$ 201,090 | \$ 201,192 | \$ 102 |
| Intergovernmental | 36,710 | 36,710 | 36,713 | 3 |
| Interest income | 5,000 | 5,000 | 2,048 | (2,952) |
| TOTAL REVENUES | 242,800 | 242,800 | 239,953 | (2,847) |
| EXPENDITURES | | | | |
| Debt service | | | | |
| Principal | 239,250 | 239,250 | 239,253 | (3) |
| Interest and fiscal charges | 23,550 | 26,890 | 26,860 | 30 |
| TOTAL EXPENDITURES | 262,800 | 266,140 | 266,113 | 27 |
| NET CHANGE IN FUND BALANCE | (20,000) | (23,340) | (26,160) | (2,820) |
| Fund balance, beginning of year | 366,069 | 366,069 | 366,069 | - |
| Fund balance, end of year | <u>\$ 346,069</u> | <u>\$ 342,729</u> | <u>\$ 339,909</u> | <u>\$ (2,820)</u> |

CITY OF HUNTINGTON WOODS, MICHIGAN
11 MILE GO DEBT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2021

| | Original Budget | Final Amended Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|--------------------|----------------------------|-----------|---|
| REVENUES | | | | |
| Interest income | \$ 260 | \$ 260 | \$ 148 | \$ (112) |
| EXPENDITURES | | | | |
| Debt service | | | | |
| Principal | 75,000 | 75,000 | 75,000 | - |
| Interest and fiscal charges | 39,040 | 39,040 | 39,031 | 9 |
| TOTAL EXPENDITURES | 114,040 | 114,040 | 114,031 | 9 |
| EXCESS OF REVENUES (UNDER) EXPENDITURES | (113,780) | (113,780) | (113,883) | (103) |
| OTHER FINANCING SOURCES | | | | |
| Transfers in | 113,780 | 113,780 | 113,780 | - |
| NET CHANGE IN FUND BALANCE | - | - | (103) | (103) |
| Fund balance, beginning of year | 37,580 | 37,580 | 37,580 | - |
| Fund balance, end of year | \$ 37,580 | \$ 37,580 | \$ 37,477 | \$ (103) |

**CITY OF HUNTINGTON WOODS, MICHIGAN
2010 STREET GO DEBT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2021**

| | Original Budget | Final Amended Budget | Actual | Variance with Final Budget Positive (Negative) |
|-----------------------------------|--------------------|----------------------------|-------------------|---|
| REVENUES | | | | |
| Property taxes | \$ 363,180 | \$ 363,180 | \$ 362,760 | \$ (420) |
| Intergovernmental | 33,920 | 37,060 | 37,211 | 151 |
| Interest income | 5,000 | 5,000 | 1,733 | (3,267) |
| TOTAL REVENUES | 402,100 | 405,240 | 401,704 | (3,536) |
| EXPENDITURES | | | | |
| Debt service | | | | |
| Principal | 325,000 | 325,000 | 325,000 | - |
| Interest and fiscal charges | 87,100 | 87,290 | 87,281 | 9 |
| TOTAL EXPENDITURES | 412,100 | 412,290 | 412,281 | 9 |
| NET CHANGE IN FUND BALANCE | (10,000) | (7,050) | (10,577) | (3,527) |
| Fund balance, beginning of year | 272,530 | 272,530 | 272,530 | - |
| Fund balance, end of year | <u>\$ 262,530</u> | <u>\$ 265,480</u> | <u>\$ 261,953</u> | <u>\$ (3,527)</u> |

**CITY OF HUNTINGTON WOODS, MICHIGAN
2012 STREET GO DEBT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2021**

| | Original Budget | Final Amended Budget | Actual | Variance with Final Budget Positive (Negative) |
|-----------------------------------|--------------------|----------------------------|------------------|---|
| REVENUES | | | | |
| Property taxes | \$ 286,610 | \$ 286,610 | \$ 286,293 | \$ (317) |
| Intergovernmental | 240 | 240 | 301 | 61 |
| Interest income | 2,500 | 2,500 | 809 | (1,691) |
| TOTAL REVENUES | 289,350 | 289,350 | 287,403 | (1,947) |
| EXPENDITURES | | | | |
| Debt service | | | | |
| Principal | 250,000 | 250,000 | 250,000 | - |
| Interest and fiscal charges | 39,350 | 39,350 | 39,250 | 100 |
| TOTAL EXPENDITURES | 289,350 | 289,350 | 289,250 | 100 |
| NET CHANGE IN FUND BALANCE | - | - | (1,847) | (1,847) |
| Fund balance, beginning of year | 101,011 | 101,011 | 101,011 | - |
| Fund balance, end of year | <u>\$ 101,011</u> | <u>\$ 101,011</u> | <u>\$ 99,164</u> | <u>\$ (1,847)</u> |

CITY OF HUNTINGTON WOODS, MICHIGAN
2014 GO DEBT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2021

| | Original Budget | Final Amended Budget | Actual | Variance with Final Budget Positive (Negative) |
|-----------------------------------|--------------------------|----------------------------|--------------------------|---|
| REVENUES | | | | |
| Property taxes | \$ 204,820 | \$ 204,820 | \$ 204,588 | \$ (232) |
| Intergovernmental | 180 | 180 | 225 | 45 |
| Interest income | 4,500 | 4,500 | 1,540 | (2,960) |
| TOTAL REVENUES | <u>209,500</u> | <u>209,500</u> | <u>206,353</u> | <u>(3,147)</u> |
| EXPENDITURES | | | | |
| Debt service | | | | |
| Principal | 150,000 | 150,000 | 150,000 | - |
| Interest and fiscal charges | 69,500 | 69,500 | 69,500 | - |
| TOTAL EXPENDITURES | <u>219,500</u> | <u>219,500</u> | <u>219,500</u> | <u>-</u> |
| NET CHANGE IN FUND BALANCE | (10,000) | (10,000) | (13,147) | (3,147) |
| Fund balance, beginning of year | <u>256,027</u> | <u>256,027</u> | <u>256,027</u> | <u>-</u> |
| Fund balance, end of year | <u><u>\$ 246,027</u></u> | <u><u>\$ 246,027</u></u> | <u><u>\$ 242,880</u></u> | <u><u>\$ (3,147)</u></u> |

CITY OF HUNTINGTON WOODS, MICHIGAN
2017 GO DEBT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2021

| | Original Budget | Final Amended Budget | Actual | Variance with Final Budget Positive (Negative) |
|-----------------------------------|--------------------|----------------------------|------------------|---|
| REVENUES | | | | |
| Property taxes | \$ 335,030 | \$ 335,030 | \$ 334,711 | \$ (319) |
| Intergovernmental | 270 | 270 | 365 | 95 |
| Interest income | 2,100 | 2,100 | 851 | (1,249) |
| TOTAL REVENUES | 337,400 | 337,400 | 335,927 | (1,473) |
| EXPENDITURES | | | | |
| Debt service | | | | |
| Principal | 225,000 | 225,000 | 225,000 | - |
| Interest and fiscal charges | 112,400 | 112,400 | 112,400 | - |
| TOTAL EXPENDITURES | 337,400 | 337,400 | 337,400 | - |
| NET CHANGE IN FUND BALANCE | - | - | (1,473) | (1,473) |
| Fund balance, beginning of year | 91,254 | 91,254 | 91,254 | - |
| Fund balance, end of year | <u>\$ 91,254</u> | <u>\$ 91,254</u> | <u>\$ 89,781</u> | <u>\$ (1,473)</u> |

**CITY OF HUNTINGTON WOODS, MICHIGAN
2019 GO DEBT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2021**

| | Original Budget | Final Amended Budget | Actual | Variance with Final Budget Positive (Negative) |
|-----------------------------------|--------------------|----------------------------|-------------------|---|
| REVENUES | | | | |
| Property taxes | \$ 522,380 | \$ 522,380 | \$ 521,896 | \$ (484) |
| Intergovernmental | - | - | 304 | 304 |
| Interest income | 500 | 500 | 1,215 | 715 |
| TOTAL REVENUES | 522,880 | 522,880 | 523,415 | 535 |
| EXPENDITURES | | | | |
| Debt service | | | | |
| Principal | 305,000 | 305,000 | 305,000 | - |
| Interest and fiscal charges | 217,880 | 217,880 | 217,625 | 255 |
| TOTAL EXPENDITURES | 522,880 | 522,880 | 522,625 | 255 |
| NET CHANGE IN FUND BALANCE | - | - | 790 | 790 |
| Fund balance, beginning of year | 113,342 | 113,342 | 113,342 | - |
| Fund balance, end of year | <u>\$ 113,342</u> | <u>\$ 113,342</u> | <u>\$ 114,132</u> | <u>\$ 790</u> |

**CITY OF HUNTINGTON WOODS, MICHIGAN
2020 GO DEBT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2021**

| | Original Budget | Final Amended Budget | Actual | Variance with Final Budget Positive (Negative) |
|--|--------------------|----------------------------|-------------------|---|
| REVENUES | | | | |
| Interest income | \$ 500 | \$ 500 | \$ 458 | \$ (42) |
| EXPENDITURES | | | | |
| Debt service | | | | |
| Interest and fiscal charges | 338,750 | 355,220 | 355,466 | (246) |
| EXCESS OF REVENUES (UNDER) EXPENDITURES | (338,250) | (354,720) | (355,008) | (288) |
| OTHER FINANCING SOURCES | | | | |
| Transfers in | 801,000 | 873,630 | 850,914 | (22,716) |
| NET CHANGE IN FUND BALANCE | 462,750 | 518,910 | 495,906 | (23,004) |
| Fund balance, beginning of year | 114,741 | 114,741 | 114,741 | - |
| Fund balance, end of year | <u>\$ 577,491</u> | <u>\$ 633,651</u> | <u>\$ 610,647</u> | <u>\$ (23,004)</u> |

**CITY OF HUNTINGTON WOODS, MICHIGAN
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2021**

| | Equipment Fund | Post Retirement Benefits Fund | Total |
|---|----------------------------|--|----------------------------|
| ASSETS | | | |
| Current assets | | | |
| Cash and cash equivalents | \$ 19,108 | \$ 15,135 | \$ 34,243 |
| Investments | 315,103 | 571,360 | 886,463 |
| Prepays | - | 25,583 | 25,583 |
| Total current assets | <u>334,211</u> | <u>612,078</u> | <u>946,289</u> |
| Noncurrent assets | | | |
| Investments | 135,044 | 244,868 | 379,912 |
| Capital assets, net of accumulated depreciation | 1,218,527 | - | 1,218,527 |
| Total noncurrent assets | <u>1,353,571</u> | <u>244,868</u> | <u>1,598,439</u> |
| TOTAL ASSETS | <u><u>1,687,782</u></u> | <u><u>856,946</u></u> | <u><u>2,544,728</u></u> |
| LIABILITIES | | | |
| Current liabilities | | | |
| Accounts payable | 2,855 | 1,878 | 4,733 |
| Accrued liabilities | 1,407 | 688 | 2,095 |
| Current portion of compensated absences | - | 203,168 | 203,168 |
| Current portion of long-term debt | 40,450 | - | 40,450 |
| Total current liabilities | <u>44,712</u> | <u>205,734</u> | <u>250,446</u> |
| Noncurrent liabilities | | | |
| Noncurrent portion of compensated absences | - | 515,536 | 515,536 |
| Noncurrent portion of long-term debt | 8,705 | - | 8,705 |
| Total current liabilities | <u>8,705</u> | <u>515,536</u> | <u>524,241</u> |
| TOTAL LIABILITIES | <u><u>53,417</u></u> | <u><u>721,270</u></u> | <u><u>774,687</u></u> |
| NET POSITION | | | |
| Net investment in capital assets | 1,169,372 | - | 1,169,372 |
| Unrestricted | 464,993 | 135,676 | 600,669 |
| TOTAL NET POSITION | <u><u>\$ 1,634,365</u></u> | <u><u>\$ 135,676</u></u> | <u><u>\$ 1,770,041</u></u> |

CITY OF HUNTINGTON WOODS, MICHIGAN
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF OPERATIONS AND CHANGES IN NET POSITION
YEAR ENDED JUNE 30, 2021

| | Equipment Fund | Post Retirement Benefits Fund | Total |
|---|---------------------|--|---------------------|
| | <u> </u> | <u> </u> | <u> </u> |
| OPERATING REVENUES | | | |
| Charges for services | \$ 369,287 | \$ 169,500 | \$ 538,787 |
| OPERATING EXPENSES | | | |
| Operations and maintenance | 159,864 | - | 159,864 |
| Retiree healthcare and other | - | 763,189 | 763,189 |
| Depreciation | 136,817 | - | 136,817 |
| | <u>296,681</u> | <u>763,189</u> | <u>1,059,870</u> |
| TOTAL OPERATING EXPENSES | | | |
| | <u>72,606</u> | <u>(593,689)</u> | <u>(521,083)</u> |
| OPERATING INCOME (LOSS) | | | |
| NONOPERATING REVENUES (EXPENSES) | | | |
| Interest income | 2,731 | 4,541 | 7,272 |
| Interest expense and fees | (2,738) | - | (2,738) |
| Gain on disposal of capital assets | 5,303 | - | 5,303 |
| | <u>5,296</u> | <u>4,541</u> | <u>9,837</u> |
| TOTAL NONOPERATING REVENUES (EXPENSES) | | | |
| | <u>77,902</u> | <u>(589,148)</u> | <u>(511,246)</u> |
| INCOME (LOSS) BEFORE TRANSFERS | | | |
| TRANSFERS | | | |
| Transfers in | 174,160 | 617,960 | 792,120 |
| | <u>252,062</u> | <u>28,812</u> | <u>280,874</u> |
| CHANGE IN NET POSITION | | | |
| Net position, beginning of year | <u>1,382,303</u> | <u>106,864</u> | <u>1,489,167</u> |
| Net position, end of year | <u>\$ 1,634,365</u> | <u>\$ 135,676</u> | <u>\$ 1,770,041</u> |

**CITY OF HUNTINGTON WOODS, MICHIGAN
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2021**

| | Equipment Fund | Post Retirement Benefits Fund | Total |
|--|-----------------------|--|-------------------------|
| | <u> </u> | <u> </u> | <u> </u> |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Cash receipts for interfund services provided | \$ 369,287 | \$ 169,500 | \$ 538,787 |
| Payments to employees for services | (86,053) | (392,067) | (478,120) |
| Payments for goods and services | <u>(79,459)</u> | <u>(436,766)</u> | <u>(516,225)</u> |
| NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | <u>203,775</u> | <u>(659,333)</u> | <u>(455,558)</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | |
| Interfund transfers | <u>174,160</u> | <u>617,960</u> | <u>792,120</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | |
| Acquisition of capital assets | (289,241) | - | (289,241) |
| Proceeds from sale of capital assets | 10,077 | - | 10,077 |
| Principal paid on debt | (38,897) | - | (38,897) |
| Interest paid on debt | <u>(2,738)</u> | <u>-</u> | <u>(2,738)</u> |
| NET CASH (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES | <u>(320,799)</u> | <u>-</u> | <u>(320,799)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Purchases of investments | (126,222) | (56,505) | (182,727) |
| Maturity of investments | 14,201 | 33,307 | 47,508 |
| Interest received | <u>2,731</u> | <u>4,541</u> | <u>7,272</u> |
| NET CASH (USED) BY INVESTING ACTIVITIES | <u>(109,290)</u> | <u>(18,657)</u> | <u>(127,947)</u> |
| NET (DECREASE) IN CASH AND CASH EQUIVALENTS | | | |
| | (52,154) | (60,030) | (112,184) |
| Cash and cash equivalents, beginning of year | <u>71,262</u> | <u>75,165</u> | <u>146,427</u> |
| Cash and cash equivalents, end of year | <u>\$ 19,108</u> | <u>\$ 15,135</u> | <u>\$ 34,243</u> |
| Reconciliation of operating income (loss) to net cash provided (used) by operating activities | | | |
| Operating income (loss) | \$ 72,606 | \$ (593,689) | \$ (521,083) |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities | | | |
| Depreciation | 136,817 | - | 136,817 |
| (Increase) in: | | | |
| Prepays | - | (3,215) | (3,215) |
| Increase (decrease) in: | | | |
| Accounts payable | (5,408) | (4,051) | (9,459) |
| Accrued liabilities | (240) | 100 | (140) |
| Compensated absences | <u>-</u> | <u>(58,478)</u> | <u>(58,478)</u> |
| NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES | <u>\$ 203,775</u> | <u>\$ (659,333)</u> | <u>\$ (455,558)</u> |

**CITY OF HUNTINGTON WOODS, MICHIGAN
CUSTODIAL FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2021**

| | Tax Collections | Friends of the Library | Total |
|------------------------------------|--------------------|---------------------------|----------|
| ASSETS | | | |
| Cash and cash equivalents | \$ - | \$ 8,966 | \$ 8,966 |
| LIABILITIES | - | - | - |
| NET POSITION | | | |
| Restricted for other organizations | \$ - | \$ 8,966 | \$ 8,966 |

**CITY OF HUNTINGTON WOODS, MICHIGAN
CUSTODIAL FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
YEAR ENDED JUNE 30, 2021**

| | <u>Tax Collections</u> | <u>Friends of the Library</u> | <u>Total</u> |
|--|----------------------------|-----------------------------------|------------------|
| ADDITIONS | | | |
| Property tax collections for other governmental units | \$ 9,227,929 | \$ - | \$ 9,227,929 |
| Other additions | - | 3,927 | 3,927 |
| TOTAL ADDITIONS | <u>9,227,929</u> | <u>3,927</u> | <u>9,231,856</u> |
| DEDUCTIONS | | | |
| Property tax distributions to other governmental units | 9,227,929 | - | 9,227,929 |
| Other deductions | - | 5,865 | 5,865 |
| TOTAL DEDUCTIONS | <u>9,227,929</u> | <u>5,865</u> | <u>9,233,794</u> |
| NET (DECREASE) IN FIDUCIARY NET POSITION | - | (1,938) | (1,938) |
| Net position, beginning of year | <u>-</u> | <u>10,904</u> | <u>10,904</u> |
| Net position, end of year | <u>\$ -</u> | <u>\$ 8,966</u> | <u>\$ 8,966</u> |

STATISTICAL SECTION

STATISTICAL SECTION INDEX

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

| <u>Contents</u> | <u>Page</u> |
|--|-------------|
| <u>Financial Trends</u> | 110-117 |
| These schedules contain trend information to help the reader understand how the City's financial performance has changed. | |
| <u>Revenue Capacity</u> | 118-124 |
| These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax. | |
| <u>Debt Capacity</u> | 125-128 |
| These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future. | |
| <u>Demographic and Economic Information</u> | 129-131 |
| These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place. | |
| <u>Operating Information</u> | 132-135 |
| These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs. | |

Sources

Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

CITY OF HUNTINGTON WOODS, MICHIGAN
NET POSITION BY COMPONENT (UNAUDITED)
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

| | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> |
|---|----------------------|----------------------|----------------------|----------------------|
| Governmental activities | | | | |
| Net position, invested in capital assets | \$ 17,489,323 | \$ 17,680,106 | \$ 18,807,744 | \$ 20,306,882 |
| Restricted | 1,006,973 | 1,121,696 | 1,118,423 | 1,431,856 |
| Unrestricted | <u>3,236,502</u> | <u>3,530,883</u> | <u>3,898,844</u> | <u>(8,277,635)</u> |
| Total governmental activities net position | <u>\$ 21,732,798</u> | <u>\$ 22,332,685</u> | <u>\$ 23,825,011</u> | <u>\$ 13,461,103</u> |
| Business-type activities | | | | |
| Net position, invested in capital assets | \$ 3,914,602 | \$ 3,888,654 | \$ 3,796,684 | \$ 4,081,175 |
| Unrestricted | <u>1,306,100</u> | <u>1,362,627</u> | <u>1,413,125</u> | <u>1,231,149</u> |
| Total business-type activities net position | <u>\$ 5,220,702</u> | <u>\$ 5,251,281</u> | <u>\$ 5,209,809</u> | <u>\$ 5,312,324</u> |
| Primary government | | | | |
| Net Investment in capital assets | \$ 21,403,925 | \$ 21,568,760 | \$ 22,604,428 | \$ 24,388,057 |
| Restricted | 1,006,973 | 1,121,696 | 1,118,423 | 1,431,856 |
| Unrestricted | <u>4,542,602</u> | <u>4,893,510</u> | <u>5,311,969</u> | <u>(7,046,486)</u> |
| Total primary government net position | <u>\$ 26,953,500</u> | <u>\$ 27,583,966</u> | <u>\$ 29,034,820</u> | <u>\$ 18,773,427</u> |

| <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> |
|----------------------|----------------------|---------------------|----------------------|----------------------|----------------------|
| \$ 23,393,781 | \$ 18,562,423 | \$ 22,471,311 | \$ 19,343,185 | \$ 18,512,674 | \$ 18,344,655 |
| 2,097,767 | 6,128,154 | 4,336,126 | 2,033,374 | 2,358,986 | 3,038,286 |
| <u>(10,296,258)</u> | <u>(10,302,305)</u> | <u>(23,991,912)</u> | <u>(15,894,345)</u> | <u>(15,310,654)</u> | <u>(13,188,383)</u> |
| <u>\$ 15,195,290</u> | <u>\$ 14,388,272</u> | <u>\$ 2,815,525</u> | <u>\$ 5,482,214</u> | <u>\$ 5,561,006</u> | <u>\$ 8,194,558</u> |
| | | | | | |
| \$ 3,997,472 | \$ 3,932,000 | \$ 4,084,636 | \$ 4,245,503 | \$ 5,761,094 | \$ 6,411,662 |
| 1,463,310 | 1,758,248 | 1,836,108 | 550,258 | 473,820 | 1,086,432 |
| <u>\$ 5,460,782</u> | <u>\$ 5,690,248</u> | <u>\$ 5,920,744</u> | <u>\$ 4,795,761</u> | <u>\$ 6,234,914</u> | <u>\$ 7,498,094</u> |
| | | | | | |
| \$ 27,391,253 | \$ 22,494,423 | \$ 26,555,947 | \$ 23,588,688 | \$ 24,273,768 | \$ 24,756,317 |
| 2,097,767 | 6,128,154 | 4,336,126 | 2,033,374 | 2,358,986 | 3,038,286 |
| <u>(8,832,948)</u> | <u>(8,544,057)</u> | <u>(22,155,804)</u> | <u>(15,344,087)</u> | <u>(14,836,834)</u> | <u>(12,101,951)</u> |
| <u>\$ 20,656,072</u> | <u>\$ 20,078,520</u> | <u>\$ 8,736,269</u> | <u>\$ 10,277,975</u> | <u>\$ 11,795,920</u> | <u>\$ 15,692,652</u> |

**CITY OF HUNTINGTON WOODS, MICHIGAN
CHANGES IN NET POSITION (UNAUDITED)
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

| | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> |
|--|------------------------------|------------------------------|------------------------------|------------------------------|
| Expenses | | | | |
| Governmental activities | | | | |
| General government | \$ 2,525,906 | \$ 4,073,818 | \$ 3,219,263 | \$ 3,509,607 |
| Public safety | 3,045,555 | 3,155,832 | 3,183,604 | 3,222,889 |
| Public works/Streets | 748,803 | 773,641 | 842,723 | 1,671,457 |
| Recreation/Library | 2,482,326 | 2,438,815 | 2,537,079 | 2,560,634 |
| Interest on debt | 451,564 | 482,619 | 448,602 | 471,953 |
| Total governmental activities expenses | <u>\$ 9,254,154</u> | <u>\$ 10,924,725</u> | <u>\$ 10,231,271</u> | <u>\$ 11,436,540</u> |
| Business-type activities: | | | | |
| Water and sewer | <u>2,007,100</u> | <u>2,124,635</u> | <u>2,091,775</u> | <u>2,162,586</u> |
| Total primary government expenses | <u><u>\$ 11,261,254</u></u> | <u><u>\$ 13,049,360</u></u> | <u><u>\$ 12,323,046</u></u> | <u><u>\$ 13,599,126</u></u> |
| Program Revenues | | | | |
| Governmental activities | | | | |
| Charges for services | | | | |
| General government | \$ 426,840 | \$ 503,394 | \$ 592,498 | \$ 949,342 |
| Public safety | 159,390 | 208,333 | 168,001 | 143,111 |
| Public works | - | - | - | 536,074 |
| Recreation / Library | 1,004,193 | 1,005,290 | 986,267 | 1,068,491 |
| Operating grants and contributions | 3,609 | 4,275 | 4,749 | 3,030 |
| Capital grants and contributions | 13,800 | 12,361 | 10,003 | 21,643 |
| Total governmental activities program revenue | <u>\$ 1,607,832</u> | <u>\$ 1,733,653</u> | <u>\$ 1,761,518</u> | <u>\$ 2,721,691</u> |
| Business-type activities | | | | |
| Charges for services | <u>2,268,021</u> | <u>2,417,538</u> | <u>2,299,856</u> | <u>2,511,407</u> |
| Total business-type activities program revenues | <u>2,268,021</u> | <u>2,417,538</u> | <u>2,299,856</u> | <u>2,511,407</u> |
| Total primary government program revenues | <u><u>\$ 3,875,853</u></u> | <u><u>\$ 4,151,191</u></u> | <u><u>\$ 4,061,374</u></u> | <u><u>\$ 5,233,098</u></u> |
| Net (Expenses)/Revenue | | | | |
| Governmental activities | \$ (7,646,322) | \$ (9,191,072) | \$ (8,469,753) | \$ (8,714,849) |
| Business-type activities | <u>\$ 260,921</u> | <u>\$ 292,903</u> | <u>\$ 208,081</u> | <u>\$ 348,821</u> |
| Total primary government net expense | <u><u>\$ (7,385,401)</u></u> | <u><u>\$ (8,898,169)</u></u> | <u><u>\$ (8,261,672)</u></u> | <u><u>\$ (8,366,028)</u></u> |
| General Revenues and Other Changes in Nets Position | | | | |
| Governmental activities | | | | |
| Property taxes | \$ 5,525,532 | \$ 5,662,130 | \$ 5,769,462 | \$ 5,940,391 |
| Property tax - debt service | 2,021,074 | 2,059,560 | 2,229,093 | 2,313,711 |
| State shared revenue | 511,759 | 526,067 | 539,886 | 549,411 |
| Investment earnings | 51,098 | 22,040 | 67,846 | 54,153 |
| Miscellaneous | - | - | - | - |
| Gain or loss (disposable assets) | 918,666 | 1,258,737 | 1,100,473 | (280,515) |
| Transfers - internal activities | <u>(1,070,741)</u> | <u>262,425</u> | <u>255,319</u> | <u>254,446</u> |
| Total governmental activities | <u>\$ 7,957,388</u> | <u>\$ 9,790,959</u> | <u>\$ 9,962,079</u> | <u>\$ 8,831,597</u> |
| Business-type activities | | | | |
| Investment earnings | 11,355 | 101 | 5,766 | 8,139 |
| Transfers - internal activities | <u>1,070,741</u> | <u>(262,425)</u> | <u>(255,319)</u> | <u>(254,446)</u> |
| Total business-type activities | <u>1,082,096</u> | <u>(262,324)</u> | <u>(249,553)</u> | <u>(246,307)</u> |
| Total primary government | <u><u>\$ 9,039,484</u></u> | <u><u>\$ 9,528,635</u></u> | <u><u>\$ 9,712,526</u></u> | <u><u>\$ 8,585,290</u></u> |
| Cumulative effect in accounting change - Gov Activities | \$ - | \$ - | \$ - | \$ - |
| Change in Net Position | | | | |
| Governmental activities | \$ 311,066 | \$ 599,887 | \$ 1,492,326 | \$ 116,748 |
| Business-type activities | <u>1,343,017</u> | <u>30,579</u> | <u>(41,472)</u> | <u>102,514</u> |
| Net Position - Beginning as restated | \$ - | \$ - | \$ - | \$ 18,554,165 |
| Total primary government | <u><u>\$ 1,654,083</u></u> | <u><u>\$ 630,466</u></u> | <u><u>\$ 1,450,854</u></u> | <u><u>\$ 219,262</u></u> |
| Net Position Ending | <u>\$ 1,654,083</u> | <u>\$ 630,466</u> | <u>\$ 1,450,854</u> | <u>\$ 18,773,427</u> |

| 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| \$ 2,308,876 | \$ 2,527,307 | \$ 2,004,010 | \$ 1,393,330 | \$ 1,577,736 | \$ 1,892,902 |
| 3,387,345 | 2,064,426 | 2,868,799 | 3,293,087 | 3,415,686 | 3,046,006 |
| 449,678 | 1,246,834 | 1,528,845 | 3,583,040 | 3,235,297 | 2,931,683 |
| 2,949,723 | 2,584,876 | 2,740,835 | 3,026,770 | 2,745,490 | 1,997,702 |
| 426,606 | 392,639 | 386,268 | 473,854 | 593,538 | 849,867 |
| <u>\$ 9,522,228</u> | <u>\$ 8,816,082</u> | <u>\$ 9,528,757</u> | <u>\$ 11,770,081</u> | <u>\$ 11,567,747</u> | <u>\$ 10,718,160</u> |
| <u>2,736,953</u> | <u>2,813,487</u> | <u>2,582,402</u> | <u>2,552,598</u> | <u>2,505,071</u> | <u>2,483,667</u> |
| <u><u>\$ 12,259,181</u></u> | <u><u>\$ 11,629,569</u></u> | <u><u>\$ 12,111,159</u></u> | <u><u>\$ 14,322,679</u></u> | <u><u>\$ 14,072,818</u></u> | <u><u>\$ 13,201,827</u></u> |
| | | | | | |
| \$ 1,215,049 | \$ 1,533,159 | \$ 743,567 | \$ 588,139 | \$ 507,339 | \$ 506,528 |
| 82,130 | 271,556 | 223,384 | 302,032 | 207,794 | 297,912 |
| 230,432 | 308,132 | 235,426 | 299,425 | 22,759 | 23,680 |
| 1,034,111 | 1,120,514 | 1,087,980 | 1,308,282 | 1,006,265 | 460,968 |
| 22,955 | 11,918 | 79,032 | 765,278 | 704,281 | 1,130,866 |
| - | - | 137,824 | 49,649 | 43,688 | 36,816 |
| <u>\$ 2,584,677</u> | <u>\$ 3,245,279</u> | <u>\$ 2,507,213</u> | <u>\$ 3,312,805</u> | <u>\$ 2,492,126</u> | <u>\$ 2,456,770</u> |
| | | | | | |
| <u>2,745,041</u> | <u>2,798,640</u> | <u>2,860,626</u> | <u>2,796,625</u> | <u>3,057,463</u> | <u>3,639,913</u> |
| <u>2,745,041</u> | <u>2,798,640</u> | <u>2,860,626</u> | <u>2,796,625</u> | <u>3,057,463</u> | <u>3,639,913</u> |
| <u>\$ 5,329,718</u> | <u>\$ 6,043,919</u> | <u>\$ 5,367,839</u> | <u>\$ 6,109,430</u> | <u>\$ 5,549,589</u> | <u>\$ 6,096,683</u> |
| | | | | | |
| \$ (6,937,551) | \$ (5,570,803) | \$ (7,021,544) | \$ (8,457,276) | \$ (9,075,621) | \$ (8,261,390) |
| \$ 8,088 | \$ (14,847) | \$ 278,224 | \$ 244,027 | \$ 552,392 | \$ 1,156,246 |
| <u>\$ (6,929,463)</u> | <u>\$ (5,585,650)</u> | <u>\$ (6,743,320)</u> | <u>\$ (8,213,249)</u> | <u>\$ (8,523,229)</u> | <u>\$ (7,105,144)</u> |
| | | | | | |
| \$ 6,133,390 | \$ 6,409,700 | \$ 6,539,272 | \$ 6,835,593 | \$ 7,276,634 | \$ 8,148,755 |
| 1,793,647 | 1,026,868 | 1,474,536 | 1,444,316 | 1,541,962 | 1,911,440 |
| 549,493 | 573,630 | 594,811 | 620,363 | 605,008 | 690,416 |
| 76,455 | 48,235 | 122,929 | 275,392 | 391,514 | 125,523 |
| - | - | - | 139,874 | 178,722 | 115,958 |
| (6,824) | (3,054,456) | - | - | - | - |
| <u>125,577</u> | <u>(240,192)</u> | <u>58,850</u> | <u>(150,634)</u> | <u>(839,427)</u> | <u>(97,150)</u> |
| <u>\$ 8,671,738</u> | <u>\$ 4,763,785</u> | <u>\$ 8,790,398</u> | <u>\$ 9,164,904</u> | <u>\$ 9,154,413</u> | <u>\$ 10,894,942</u> |
| | | | | | |
| <u>6,570</u> | <u>4,121</u> | <u>11,122</u> | <u>39,161</u> | <u>47,334</u> | <u>9,784</u> |
| <u>133,800</u> | <u>240,192</u> | <u>(58,850)</u> | <u>150,634</u> | <u>839,427</u> | <u>97,150</u> |
| <u>140,370</u> | <u>244,313</u> | <u>(47,728)</u> | <u>189,795</u> | <u>886,761</u> | <u>106,934</u> |
| <u>\$ 8,812,108</u> | <u>\$ 5,008,098</u> | <u>\$ 8,742,670</u> | <u>\$ 9,354,699</u> | <u>\$ 10,041,174</u> | <u>\$ 11,001,876</u> |
| | | | | | |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| | | | | | |
| \$ 1,734,187 | \$ (807,018) | \$ 1,768,854 | \$ 707,628 | \$ 78,792 | \$ 2,633,552 |
| 148,458 | 229,466 | 230,496 | 433,822 | 1,439,153 | 1,263,180 |
| <u>\$ 18,773,427</u> | <u>\$ 20,656,072</u> | <u>\$ 6,736,919</u> | <u>\$ 9,136,525</u> | <u>\$ 10,277,975</u> | <u>\$ 11,795,920</u> |
| <u>\$ 1,882,645</u> | <u>\$ (577,552)</u> | <u>\$ 1,999,350</u> | <u>\$ 1,141,450</u> | <u>\$ 1,517,945</u> | <u>\$ 3,896,732</u> |
| <u>\$ 20,656,072</u> | <u>\$ 20,078,520</u> | <u>\$ 8,736,269</u> | <u>\$ 10,277,975</u> | <u>\$ 11,795,920</u> | <u>\$ 15,692,652</u> |

**CITY OF HUNTINGTON WOODS, MICHIGAN
 FUND BALANCES, GOVERNMENTAL FUNDS (UNAUDITED)
 LAST TEN FISCAL YEARS**

| | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> |
|--------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| General Fund | | | | |
| Nonspendable | \$ 144,205 | \$ 168,916 | \$ 143,268 | \$ 132,848 |
| Restricted | - | - | - | - |
| Committed | 619,067 | 835,141 | 1,356,823 | 993,773 |
| Assigned | 196,346 | 206,674 | 208,232 | 209,592 |
| Unassigned | <u>1,249,435</u> | <u>1,325,324</u> | <u>1,401,826</u> | <u>1,139,107</u> |
| Total General Fund | <u>2,209,053</u> | <u>2,536,055</u> | <u>3,110,149</u> | <u>2,475,320</u> |
| All Other Governmental Funds | | | | |
| Nonspendable | - | - | - | - |
| Restricted | 2,959,254 | 1,976,615 | 4,699,354 | 1,699,416 |
| Committed | 4,500 | 4,500 | 4,500 | 4,500 |
| Assigned | <u>677,792</u> | <u>920,995</u> | <u>990,788</u> | <u>826,485</u> |
| Total other governmental funds | <u>3,641,546</u> | <u>2,902,110</u> | <u>5,694,642</u> | <u>2,530,401</u> |
| Total Governmental Funds | <u><u>\$ 5,850,599</u></u> | <u><u>\$ 5,438,165</u></u> | <u><u>\$ 8,804,791</u></u> | <u><u>\$ 5,005,721</u></u> |

| <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> |
|---------------------|---------------------|---------------------|----------------------|----------------------|----------------------|
| \$ 103,220 | \$ 77,796 | \$ 75,852 | \$ 80,671 | \$ 212,113 | \$ 117,002 |
| - | - | 123,321 | 301,571 | 282,066 | 294,702 |
| 1,053,674 | 1,110,594 | 1,172,313 | 1,256,882 | 1,192,005 | 1,248,431 |
| 200,818 | - | - | - | - | - |
| <u>1,306,299</u> | <u>1,645,220</u> | <u>1,755,247</u> | <u>1,623,221</u> | <u>1,625,551</u> | <u>2,273,236</u> |
| 2,664,011 | 2,833,610 | 3,126,733 | 3,262,345 | 3,311,735 | 3,933,371 |
| - | - | - | 1,171 | 700 | 3,735 |
| 2,129,708 | 5,049,703 | 4,212,805 | 9,842,329 | 20,134,822 | 17,143,003 |
| - | - | - | - | - | - |
| 606,806 | 668,281 | 682,236 | 875,875 | 1,141,832 | 1,635,174 |
| <u>2,736,514</u> | <u>5,717,984</u> | <u>4,895,041</u> | <u>10,719,375</u> | <u>21,277,354</u> | <u>18,781,912</u> |
| <u>\$ 5,400,525</u> | <u>\$ 8,551,594</u> | <u>\$ 8,021,774</u> | <u>\$ 13,981,720</u> | <u>\$ 24,589,089</u> | <u>\$ 22,715,283</u> |

**CITY OF HUNTINGTON WOODS, MICHIGAN
CHANGES IN FUND BALANCES (UNAUDITED)
GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS**

| | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> |
|---|-------------------------|--------------------------|----------------------------|------------------------------|
| Revenues | | | | |
| Property Taxes | \$ 7,546,606 | \$ 7,721,690 | \$ 7,998,556 | \$ 8,254,102 |
| Licenses and permits | 174,874 | 269,542 | 335,440 | 362,019 |
| Intergovernmental | 924,370 | 900,917 | 963,349 | 975,988 |
| Charges for services | 68,142 | 68,630 | 69,723 | 130,608 |
| Aquatic Club charges | 180,504 | 215,591 | 178,911 | 149,203 |
| Program fees | 766,337 | 730,343 | 748,342 | 828,612 |
| Fines and forfeits | 254,523 | 287,122 | 264,246 | 162,928 |
| Investment income | 38,312 | 19,803 | 58,276 | 54,152 |
| Other | 496,028 | 824,797 | 731,083 | 661,744 |
| Total revenues | 10,449,696 | 11,038,435 | 11,347,926 | 11,579,356 |
| Expenditures | | | | |
| General government | 1,510,107 | 1,439,464 | 1,442,701 | 1,875,418 |
| Public safety | 2,994,502 | 3,107,956 | 3,158,098 | 3,308,232 |
| Public works / Major Local Streets | 845,708 | 874,862 | 949,755 | 1,407,961 |
| Recreation and Cultural | 2,117,522 | 669,130 | 2,172,617 | 2,303,759 |
| Capital outlay | 2,329,334 | 1,519,142 | 1,231,650 | 3,540,722 |
| Debt service | | | | |
| Principal | 1,699,874 | 1,785,516 | 1,940,373 | 2,005,394 |
| Interest | 446,230 | 461,542 | 494,235 | 471,953 |
| Total expenditures | 11,943,277 | 9,857,612 | 11,389,429 | 14,913,439 |
| Excess of revenues over (under) expenditures | <u>(1,493,581)</u> | <u>1,180,823</u> | <u>(41,503)</u> | <u>(3,334,083)</u> |
| Other Financing Sources (Uses) | | | | |
| Proceeds from long-term debt | 3,050,000 | - | 3,769,328 | - |
| Debt defeasement/underwriter discount | - | - | - | - |
| Transfers - in | 1,354,454 | 1,496,514 | 1,438,071 | 1,399,076 |
| Transfers - out | <u>(2,863,088)</u> | <u>(1,678,176)</u> | <u>(1,799,270)</u> | <u>(1,583,548)</u> |
| Total other financing sources (uses) | 1,541,366 | (181,662) | 3,408,129 | (184,472) |
| Extraordinary Item | | | | |
| Flood Grants and Reimbursements | - | - | - | 1,221,193 |
| Flood Related Expenditures | - | - | - | 1,501,708 |
| Net Flood Loss | - | - | - | (280,515) |
| Net changes in fund balances | <u>\$ 47,785</u> | <u>\$ 999,161</u> | <u>\$ 3,366,626</u> | <u>\$ (3,799,070)</u> |
| Debt service as a percentage of noncapital expenditures | 24.08% | 24.67% | 23.88% | 22.92% |

| <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> |
|--------------------|---------------------|---------------------|---------------------|----------------------|-----------------------|
| \$ 7,927,037 | \$ 7,436,568 | \$ 8,013,808 | \$ 8,279,909 | \$ 8,818,596 | \$ 10,060,195 |
| 292,808 | 280,163 | 235,330 | 308,323 | 209,650 | 303,484 |
| 969,807 | 1,056,188 | 1,234,725 | 1,411,253 | 1,344,273 | 1,905,908 |
| 137,603 | 348,908 | 226,124 | 300,326 | 289,459 | 287,616 |
| 214,683 | 227,784 | 291,655 | 274,670 | 233,105 | 91,687 |
| 751,532 | 789,633 | 880,001 | 902,349 | 686,494 | 205,817 |
| 160,718 | 171,209 | 234,253 | 152,839 | 108,205 | 81,839 |
| 67,729 | 42,417 | 114,078 | 275,392 | 391,514 | 125,523 |
| <u>615,745</u> | <u>735,248</u> | <u>686,053</u> | <u>723,282</u> | <u>404,670</u> | <u>386,793</u> |
| 11,137,662 | 11,088,118 | 11,916,027 | 12,628,343 | 12,485,966 | 13,448,862 |
| 1,017,647 | 1,083,856 | 1,251,841 | 1,408,085 | 1,353,377 | 1,447,571 |
| 3,240,419 | 3,197,637 | 3,020,549 | 3,367,299 | 3,482,635 | 3,563,664 |
| 1,396,969 | 1,446,559 | 1,651,936 | 1,690,762 | 1,672,769 | 1,728,367 |
| 2,418,115 | 2,470,497 | 2,576,756 | 2,707,397 | 2,441,989 | 1,857,245 |
| 567,429 | 893,201 | 1,770,918 | 2,892,780 | 1,553,129 | 3,319,885 |
| 1,206,350 | 1,218,715 | 1,131,040 | 1,158,590 | 1,248,920 | 1,569,253 |
| <u>425,450</u> | <u>385,749</u> | <u>423,457</u> | <u>455,457</u> | <u>599,871</u> | <u>947,413</u> |
| <u>10,272,379</u> | <u>10,696,214</u> | <u>11,826,497</u> | <u>13,680,370</u> | <u>12,352,690</u> | <u>14,433,398</u> |
| <u>865,283</u> | <u>391,904</u> | <u>89,530</u> | <u>(1,052,027)</u> | <u>133,276</u> | <u>(984,536)</u> |
| | 3,691,961 | - | 7,390,000 | 11,375,000 | - |
| | - | - | 417,277 | 620,480 | - |
| 1,466,828 | 1,264,509 | 1,498,080 | 1,700,280 | 1,741,781 | 2,998,024 |
| <u>(1,937,307)</u> | <u>(2,197,305)</u> | <u>(2,117,430)</u> | <u>(2,495,584)</u> | <u>(3,263,168)</u> | <u>(3,887,294)</u> |
| <u>(470,479)</u> | <u>2,759,165</u> | <u>(619,350)</u> | <u>7,011,973</u> | <u>10,474,093</u> | <u>(889,270)</u> |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| <u>394,804</u> | <u>\$ 3,151,069</u> | <u>\$ (529,820)</u> | <u>\$ 5,959,946</u> | <u>\$ 10,607,369</u> | <u>\$ (1,873,806)</u> |
| 21.67% | 16.78% | 15.00% | 14.02% | 16.42% | 21.63% |

**CITY OF HUNTINGTON WOODS, MICHIGAN
TAX REVENUES BY SOURCE (UNAUDITED)
GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

| Year Ended June 30 | General Property Taxes | Property Tax Debt Service | Sales and Use Tax | Total |
|-----------------------------------|---------------------------------------|--|----------------------------------|--------------|
| 2012 | \$ 5,525,532 | \$ 2,021,074 | \$ 511,759 | \$ 8,058,365 |
| 2013 | 5,662,130 | 2,059,560 | 526,067 | 8,247,757 |
| 2014 | 5,769,462 | 2,229,093 | 539,886 | 8,538,441 |
| 2015 | 5,923,050 | 2,313,685 | 549,411 | 8,786,146 |
| 2016 | 6,029,645 | 1,766,165 | 549,493 | 8,345,303 |
| 2017 | 6,357,383 | 1,043,965 | 573,630 | 7,974,978 |
| 2018 | 6,514,292 | 1,474,536 | 594,811 | 8,583,639 |
| 2019 | 6,801,828 | 1,444,318 | 620,363 | 8,866,509 |
| 2020 | 7,042,316 | 1,750,138 | 605,008 | 9,397,462 |
| 2021 | 8,128,220 | 1,911,439 | 690,416 | 10,730,075 |
| Change 2012-2021 | 47% | -5% | 35% | 33% |

**CITY OF HUNTINGTON WOODS, MICHIGAN
STATE EQUALIZED VALUE AND ESTIMATED
ACTUAL VALUE OF TAXABLE PROPERTY (UNAUDITED)
LAST TEN FISCAL YEARS**

| Tax Year | Real Property | | | Personal Property | | | Total | | | Tax Rate Mills |
|----------|-----------------------|----------------|------------------------|-----------------------|---------------|------------------------|-----------------------|----------------|------------------------|----------------|
| | State Equalized Value | Taxable Value | Estimated Actual Value | State Equalized Value | Taxable Value | Estimated Actual Value | State Equalized Value | Taxable Value | Estimated Actual Value | |
| 2012 | \$ 303,408,100 | \$ 289,596,810 | \$ 606,816,200 | \$ 3,787,760 | \$ 3,787,760 | \$ 7,575,520 | \$ 307,195,860 | \$ 293,384,570 | \$ 614,391,720 | 24.9469 |
| 2013 | 317,679,190 | 295,092,160 | 635,358,380 | 3,815,660 | 3,815,660 | 7,631,320 | 321,494,850 | 298,907,820 | 642,989,700 | 25.5963 |
| 2014 | 355,054,620 | 304,535,520 | 710,109,240 | 4,245,510 | 4,245,510 | 8,491,020 | 359,300,130 | 308,781,030 | 718,600,260 | 26.0592 |
| 2015 | 409,664,400 | 317,138,070 | 819,328,800 | 4,330,700 | 4,330,700 | 8,661,400 | 413,995,100 | 321,468,770 | 827,990,200 | 25.9712 |
| 2016 | 449,601,660 | 326,331,330 | 899,203,320 | 4,451,010 | 4,451,010 | 8,902,020 | 454,052,670 | 330,782,340 | 908,105,340 | 23.7381 |
| 2017 | 475,272,250 | 338,377,770 | 950,544,500 | 4,311,370 | 4,311,370 | 8,622,740 | 479,583,620 | 342,689,140 | 959,167,240 | 22.4961 |
| 2018 | 485,739,160 | 352,795,870 | 971,478,320 | 5,275,840 | 5,275,840 | 10,551,680 | 491,015,000 | 358,071,710 | 982,030,000 | 22.5712 |
| 2019 | 507,947,030 | 367,829,580 | 1,015,894,060 | 5,424,980 | 5,424,980 | 10,849,960 | 513,372,010 | 373,254,560 | 1,026,744,020 | 23.0029 |
| 2020 | 528,385,340 | 382,594,850 | 1,056,770,680 | 6,457,860 | 6,457,860 | 12,915,720 | 534,843,200 | 389,052,710 | 1,069,686,400 | 25.3132 |
| 2021 | 537,958,650 | 396,521,990 | 1,075,917,300 | 6,980,920 | 6,980,920 | 13,961,840 | 544,939,570 | 403,502,910 | 1,089,879,140 | 24.5767 |

Source: Oakland County Assessor

The city's operating millage rate is limited to 23 mills, reduced by Headlee to current operating millage rate of 18.3307

The city levies the maximum as authorized under the Headlee tax limitation formula

**CITY OF HUNTINGTON WOODS, MICHIGAN
STATE EQUALIZED AND TAXABLE VALUES BY CLASS (UNAUDITED)
LAST EIGHT FISCAL YEARS**

An analysis of **State Equalized Valuation** is as follows:

| | BY CLASS | | | | | | | |
|-------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
| Real Property | \$ 537,958,650 | \$ 528,385,340 | \$ 507,947,030 | \$ 485,867,200 | \$ 475,403,710 | \$ 449,733,810 | \$ 409,797,890 | \$ 355,575,280 |
| Personal Property | 6,980,920 | 6,457,860 | 5,424,980 | 5,147,800 | 4,179,910 | 4,318,860 | 4,197,210 | 3,724,850 |
| TOTAL | \$ 544,939,570 | \$ 534,843,200 | \$ 513,372,010 | \$ 491,015,000 | \$ 479,583,620 | \$ 454,052,670 | \$ 413,995,100 | \$ 359,300,130 |

| | BY USE | | | | | | | |
|-------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
| Residential | \$ 528,883,680 | \$ 519,621,010 | \$ 500,001,710 | \$ 478,159,040 | \$ 467,761,240 | \$ 442,567,320 | \$ 402,953,020 | \$ 348,870,800 |
| Commercial | 9,074,970 | 8,764,330 | 7,945,320 | 7,708,160 | 7,642,470 | 7,166,490 | 6,844,870 | 6,704,480 |
| Personal Property | 6,980,920 | 6,457,860 | 5,424,980 | 5,147,800 | 4,179,910 | 4,318,860 | 4,197,210 | 3,724,850 |
| TOTAL | \$ 544,939,570 | \$ 534,843,200 | \$ 513,372,010 | \$ 491,015,000 | \$ 479,583,620 | \$ 454,052,670 | \$ 413,995,100 | \$ 359,300,130 |

An analysis of **Taxable Valuation** is as follows:

| | BY CLASS | | | | | | | |
|-------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
| Real Property | \$ 396,521,990 | \$ 382,594,850 | \$ 367,829,580 | \$ 352,923,910 | \$ 338,509,230 | \$ 326,463,480 | \$ 317,271,570 | \$ 305,056,180 |
| Personal Property | 6,980,920 | 6,457,860 | 5,424,980 | 5,147,800 | 4,179,910 | 4,318,860 | 4,197,210 | 3,724,850 |
| TOTAL | \$ 403,502,910 | \$ 389,052,710 | \$ 373,254,560 | \$ 358,071,710 | \$ 342,689,140 | \$ 330,782,340 | \$ 321,468,780 | \$ 308,781,030 |

| | BY USE | | | | | | | |
|-------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
| Residential | \$ 389,434,620 | \$ 375,705,390 | \$ 361,246,090 | \$ 346,301,530 | \$ 331,891,680 | \$ 320,025,480 | \$ 310,850,780 | \$ 298,821,690 |
| Commercial | 7,087,370 | 6,889,460 | 6,583,490 | 6,622,380 | 6,617,550 | 6,438,000 | 6,420,790 | 6,234,490 |
| Personal Property | 6,980,920 | 6,457,860 | 5,424,980 | 5,147,800 | 4,179,910 | 4,318,860 | 4,197,210 | 3,724,850 |
| TOTAL | \$ 403,502,910 | \$ 389,052,710 | \$ 373,254,560 | \$ 358,071,710 | \$ 342,689,140 | \$ 330,782,340 | \$ 321,468,780 | \$ 308,781,030 |

**CITY OF HUNTINGTON WOODS, MICHIGAN
PROPERTY TAX RATES - ALL DIRECT AND
OVERLAPPING GOVERNMENTS (UNAUDITED)
(PER \$1,000 OF TAXABLE VALUE)
LAST TEN FISCAL YEARS**

| Fiscal Year | City Direct Rate | | | Overlapping Rates | | | | | |
|---------------------|------------------|-----------------|-----------------|-------------------|-----------|----------------------|--------------------|--------|--------------|
| | Operating | Debt Service | Total Direct | School Districts | | Community College | Intermediate | | GWK Drain |
| | | | | Berkley | Royal Oak | | School District | County | |
| 2012: Homestead (1) | 18.8490 | 6.0979 | 24.9469 | 10.6967 | 13.7300 | 1.5844 | 3.3690 | 5.3361 | 0.7880 |
| 2012: Non-Homestead | 18.8490 | 6.0979 | 24.9469 | 28.6967 | 31.7300 | 1.5844 | 3.3690 | 5.3361 | 0.7880 |
| 2013: Homestead (1) | 19.3490 | 6.2473 | 25.5963 | 10.7167 | 13.7300 | 1.5844 | 3.3690 | 5.5361 | 0.7916 |
| 2013: Non-Homestead | 19.3490 | 6.2473 | 25.5963 | 28.7167 | 31.7300 | 1.5844 | 3.3690 | 5.5361 | 0.7916 |
| 2014: Homestead (1) | 19.3490 | 6.7102 | 26.0592 | 10.7367 | 13.7300 | 1.5844 | 3.3690 | 5.5361 | 0.7673 |
| 2014: Non-Homestead | 19.3490 | 6.7102 | 26.0592 | 28.7367 | 31.7300 | 1.5844 | 3.3690 | 5.5361 | 0.7673 |
| 2015: Homestead (1) | 19.1989 | 6.7723 | 25.9712 | 10.7353 | 13.1928 | 1.5844 | 3.3690 | 5.9461 | 0.7437 |
| 2015: Non-Homestead | 19.1989 | 6.7723 | 25.9712 | 28.7353 | 31.1928 | 1.5844 | 3.3690 | 5.9461 | 0.7437 |
| 2016: Homestead (1) | 18.9812 | 4.7569 | 23.7381 | 13.7269 | 13.3842 | 1.5819 | 3.3633 | 5.7432 | 0.8312 |
| 2016: Non-Homestead | 18.9812 | 4.7569 | 23.7381 | 31.7269 | 31.3842 | 1.5819 | 3.3633 | 4.8460 | 0.8312 |
| 2017: Homestead (1) | 18.9372 | 3.5589 | 22.4961 | 13.6993 | 12.6960 | 1.5555 | 3.3079 | 5.7712 | 0.6630 |
| 2017: Non-Homestead | 18.9372 | 3.5589 | 22.4961 | 31.6993 | 30.6960 | 1.5555 | 3.3079 | 5.7712 | 0.6630 |
| 2018: Homestead (1) | 19.1259 | 3.4453 | 22.5712 | 13.6843 | 12.5245 | 1.5431 | 3.2813 | 5.7805 | 0.6206 |
| 2018: Non-Homestead | 19.1259 | 3.4453 | 22.5712 | 30.6843 | 30.5245 | 1.5431 | 3.2813 | 5.7805 | 0.6206 |
| 2019: Homestead (1) | 18.8707 | 4.1322 | 23.0029 | 12.7000 | 12.0511 | 1.5303 | 3.2539 | 5.7725 | 0.5579 |
| 2019: Non-Homestead | 18.8707 | 4.1322 | 23.0029 | 30.0849 | 30.0511 | 1.5303 | 3.2539 | 5.7725 | 0.5579 |
| 2020: Homestead (1) | 20.9131 | 4.4001 | 25.3132 | 12.1038 | 12.2372 | 1.5184 | 3.2280 | 5.7343 | 0.5169 |
| 2020: Non-Homestead | 20.9131 | 4.4001 | 25.3132 | 30.1038 | 30.2372 | 1.5184 | 3.2280 | 5.7343 | 0.5169 |
| 2021: Homestead (1) | 20.3306 | 4.2461 | 24.5767 | 12.0524 | 11.3966 | 1.5057 | 3.2012 | 5.8309 | 0.3560 |
| 2021: Non-Homestead | 20.3306 | 4.2461 | 24.5767 | 30.0524 | 29.3966 | 1.5057 | 3.2012 | 5.8309 | 0.3560 |

Source: Oakland County Assessor
The City's operating millage rate is limited to 23 mills, reduced by
Headlee to current operating millage rate of 18.3307
The City levies the maximum as authorized under the Headlee tax
limitation formula

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Huntington Woods.

**CITY OF HUNTINGTON WOODS, MICHIGAN
TEN LARGEST TAXPAYERS (UNAUDITED)
CURRENT YEAR AND TEN YEARS AGO**

| Taxpayer/Type of Business | Taxable Value | Rank | Percent of Total City Taxable Value | Taxable Value | Rank | Percent of Total City Taxable Value |
|-----------------------------------|-----------------------|------|-------------------------------------|-----------------------|------------|-------------------------------------|
| | 2021 | | | 2011 | | |
| Consumers Energy - Utility | \$ 4,093,850 | 1 | 1.01% | \$ 798,880 | 3 | 0.26% |
| Herman Brodsky - Property Mgmt | 1,172,370 | 2 | 0.29% | 1,037,110 | 1 | 0.34% |
| Private Residence - Hendrie | 1,155,660 | 3 | 0.29% | | | |
| NBD Bank | 1,029,480 | 4 | 0.26% | 1,005,880 | 2 | 0.33% |
| Detroit Edison - Utility | 1,003,850 | 5 | 0.25% | 641,610 | 5 | 0.21% |
| Private Residence - Borgman | 798,820 | 6 | 0.20% | | | |
| Private Residence - Hendrie | 752,710 | 7 | 0.19% | | | |
| Kasco Equities - Property Mgmt | 717,970 | 8 | 0.18% | 751,550 | 4 | 0.25% |
| Private Residence - Huntington | 581,500 | 9 | 0.14% | | | |
| Private Residence - Hendrie | 578,380 | 10 | 0.14% | | | |
| Former Top 10 Taxpayers - various | | | | 2,043,160 | 6,7,8,9,10 | 0.67% |
| Ten Largest Taxpayers | <u>11,884,590</u> | | <u>2.95%</u> | <u>6,278,190</u> | | <u>2.05%</u> |
| | | | | - | | |
| Other Taxpayers | <u>391,618,320</u> | | | <u>\$ 299,590,890</u> | | |
| Total Taxable Value | <u>\$ 403,502,910</u> | | | <u>\$ 305,869,080</u> | | |

Source: City of Huntington Woods Assessor

**CITY OF HUNTINGTON WOODS, MICHIGAN
TAX INFORMATION (UNAUDITED)**

Taxes Due: July 1st

Payable:

City, County operating taxes, and school taxes are due and payable July 1st at the office of the City Treasurer. (The County parks, transportation and drain debt taxes are due and payable December 1st).

Penalties and Interest for Delinquency:

All City taxes paid on or before the 10th day of August shall be collected without additional charge. There shall be added to all taxes paid after the 10th day of August, one percent for each and every month that the amount remains unpaid; provided however, that if one-half of the City taxes are paid on or before the 10th day of August, the remaining one-half of the tax is due on or before the 31st day of October without additional charge, but should the latter one-half not be paid before the 31st day of October, then the taxes shall be subject to the charge of one percent per month from August 10th. County taxes are to be paid on or before the 14th day of February without additional charge. All County taxes paid after the 14th day of February shall be subject to a penalty of three percent. Commencing March 1st, taxes on real property are collected through the County Treasurer of Oakland County, who adds and retains a collection fee of four percent and, in addition adds interest at the rate of one percent per month to the date of payment.

Lien on Property:

Unpaid taxes, together with all charges thereon, become a continuing lien on the property assessed. The General Tax Law provides for disposition at public sale of real estate delinquent for taxes as follows:

| <u>Date of Sale</u> | <u>Delinquent Tax Property to be Sold</u> |
|---------------------|---|
| July 2019 | Year 2014 |
| July 2020 | Year 2015 |
| July 2021 | Year 2016 |

State Land Sale:

The General Property Tax Act, Public Act 206 of 1893, as amended, requires the County Treasurer to foreclose on real property for failure to pay delinquent property taxes. One March 1st, following the year taxes went delinquent a \$175.00 fee and a \$18.00 recording fee will be added to the parcel. The interest rate on the unpaid balance increases to 1.5% per month retroactive to the previous March 1st. In February properties that are delinquent for two years will be taken to the Circuit Court for foreclosure. Property owners have 21 days from the foreclosure judgement date to redeem the property by paying all taxes, penalties, interest and fees. After 21 days the State is granted first right of refusal to purchase property at the greater of minimum bid or fair market value. The City has second right of refusal to purchase property for a public purpose at the minimum bid price. The County may purchase property at the minimum bid price following the local unit decision not to purchase. Properties that are not purchased will be available for land sale. The land sale will be a live auction. Parcels will be sold as-is at time of auction. Minimum opening bid will be the sum of all delinquent taxes, including all interests, penalties, fees and expenses.

**CITY OF HUNTINGTON WOODS, MICHIGAN
PROPERTY TAX LEVIES AND COLLECTIONS (UNAUDITED)
LAST TEN FISCAL YEARS**

| Fiscal Year Ending June 30 | Total Tax Levy | End of Year Current Tax Collections | Percent of Levy Collected Year of Levy | Delinquent Personal Property Tax Collections Subsequent | Total Tax Collections To Date | Total Percent of Levy Collected To Date |
|---|---------------------------|--|---|--|--|--|
| 2012 | \$ 7,599,933 | \$ 7,596,376 | 99.95% | \$ 3,489 | \$ 7,599,865 | 100.00% |
| 2013 | 7,765,959 | 7,758,079 | 99.90% | 6,399 | 7,764,478 | 99.98% |
| 2014 | 8,044,502 | 8,036,776 | 99.90% | 6,655 | 8,043,431 | 99.99% |
| 2015 | 8,261,481 | 8,253,972 | 99.91% | 6,664 | 8,260,636 | 99.99% |
| 2016 | 7,922,580 | 7,916,254 | 99.92% | 6,535 | 7,922,789 | 100.00% |
| 2017 | 7,433,654 | 7,426,288 | 99.90% | 2,787 | 7,429,075 | 99.94% |
| 2018 | 7,957,401 | 7,954,321 | 99.96% | 2,330 | 7,956,651 | 99.99% |
| 2019 | 8,331,782 | 8,316,013 | 99.81% | 550 | 8,316,563 | 99.82% |
| 2020 | 8,817,878 | 8,804,965 | 99.85% | 512 | 8,805,477 | 99.86% |
| 2021 | 10,063,100 | 10,046,988 | 99.84% | 1,732 | 10,048,720 | 99.86% |

Source: Oakland County Assessor

**CITY OF HUNTINGTON WOODS, MICHIGAN
RATIO OF OUTSTANDING DEBT BY TYPE (UNAUDITED)
LAST TEN FISCAL YEARS**

| Year Ended June 30 | Governmental Activities | | | Business- Type Activities | Total Primary Government | Percentage of Personal Income | Net Debt Per Capita |
|-----------------------------------|---|--------------------------------|------------------------------|--|---|--|------------------------------------|
| | General Obligation Bonds | GWK Drain Bonds | Installment Loans | Installment Loan | | | |
| 2012 | \$ 12,640,000 | \$ 2,697,258 | \$ 133,818 | \$ - | \$ 15,471,076 | 4.74% | \$ 2,480 |
| 2013 | 11,050,000 | 2,501,743 | 123,840 | 288,052 | 13,963,635 | 4.17% | 2,238 |
| 2014 | 13,020,000 | 2,301,372 | 93,128 | 326,641 | 15,741,141 | 4.68% | 2,523 |
| 2015 | 11,220,000 | 2,095,978 | 69,846 | 461,643 | 13,847,467 | 4.12% | 2,220 |
| 2016 | 10,225,000 | 1,880,099 | 46,564 | 527,719 | 12,679,382 | 3.71% | 2,033 |
| 2017 | 12,555,000 | 1,661,684 | 23,282 | 358,174 | 14,598,140 | 4.16% | 2,340 |
| 2018 | 11,705,000 | 1,437,643 | - | 287,351 | 13,429,994 | 3.34% | 2,153 |
| 2019 | 18,165,000 | 1,209,053 | 174,652 | - | 19,548,705 | 4.84% | 3,134 |
| 2020 | 29,862,475 | 975,134 | 88,052 | - | 30,925,661 | 7.74% | 4,958 |
| 2021 | 28,210,879 | 735,881 | 49,156 | - | 28,995,916 | 7.08% | 4,648 |

Source: U.S. Census Department (population) see demographic and economic statistics schedule for details

Source: Michigan Department of Labor (per capita income) see demographic and economic statistical schedule for details

**CITY OF HUNTINGTON WOODS, MICHIGAN
RATIO OF GENERAL BONDED DEBT OUTSTANDING (UNAUDITED)
LAST TEN FISCAL YEARS**

| Fiscal Year Ending June 30 | General Obligation Bonds | Less Available Debt Service Funds | Total | Percentage of Estimated Actual Value of Taxable Property | Net Bonded Debt per Capita |
|---|---|--|---------------|---|---|
| 2012 | \$ 12,640,000 | \$ 770,332 | \$ 11,869,668 | 4.05% | \$ 1,903 |
| 2013 | 11,050,000 | 811,304 | 10,238,696 | 3.43% | 1,641 |
| 2014 | 13,020,000 | 792,122 | 12,227,878 | 3.96% | 1,960 |
| 2015 | 11,220,000 | 843,221 | 10,376,779 | 3.23% | 1,663 |
| 2016 | 10,225,000 | 1,252,177 | 8,972,823 | 2.71% | 1,438 |
| 2017 | 12,555,000 | 892,350 | 11,662,650 | 3.40% | 1,870 |
| 2018 | 11,705,000 | 640,889 | 11,064,111 | 3.09% | 1,774 |
| 2019 | 18,165,000 | 721,897 | 17,443,103 | 4.67% | 2,796 |
| 2020 | 29,862,475 | 986,485 | 28,875,990 | 7.42% | 4,629 |
| 2021 | 28,210,879 | 1,456,034 | 26,754,845 | 6.63% | 4,188 |

General Obligation Bonds in this table represent only those bonds serviced from property tax revenues

Source: City of Huntington Woods Assessor (estimated actual values)

Source: U.S. Census Department (population) see demographic and economic statistics schedule for details

**CITY OF HUNTINGTON WOODS, MICHIGAN
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT (UNAUDITED)
JUNE 30, 2021**

| Name of Governmental Unit | Bonds/Debt Outstanding | Percentage Applicable to City | City's Share of Debt |
|--|---------------------------|-------------------------------------|-----------------------------|
| City of Huntington Woods | | | |
| Direct Debt | | | |
| General Obligation-Capital Improvement Bonds | \$ 28,210,879 | 100% | \$ 28,210,879 |
| Share of County Issued GWK Drain Bonds | 735,881 | 100% | 735,881 |
| Installment Loans | 49,156 | 100% | <u>49,156</u> |
| Total Direct Debt | | | <u>28,995,916</u> |
| Overlapping Debt | | | |
| Public Schools | | | |
| Berkley School District | 49,030,000 | 33.53% | 16,439,759 |
| Royal Oak School District | 48,175,000 | 0.01% | 4,818 |
| County | 253,404,549 | 0.62% | 1,571,108 |
| Intermediate School District | 42,045,000 | 0.62% | 260,679 |
| Oakland Community College | - | 0.62% | <u>-</u> |
| Total Overlapping Debt | | | <u>18,276,364</u> |
| Total Direct and Overlapping Debt | | | <u><u>\$ 47,272,280</u></u> |

Source: Percentages obtained from Municipal Advisory Council of Michigan

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Huntington Woods.

**CITY OF HUNTINGTON WOODS, MICHIGAN
COMPUTATION OF LEGAL DEBT MARGIN (UNAUDITED)
LAST TEN FISCAL YEARS**

| | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|
| Debt Limit | \$ 30,719,586 | \$ 32,149,485 | \$ 35,930,013 | \$ 41,399,510 | \$ 45,405,267 |
| Total net debt applicable to limit | <u>\$ 13,394,156</u> | <u>\$ 14,729,662</u> | <u>\$ 13,161,696</u> | <u>\$ 13,016,344</u> | <u>\$ 11,764,763</u> |
| Legal Debt Margin | \$ 17,325,430 | \$ 17,419,823 | \$ 22,768,317 | \$ 28,383,166 | \$ 33,640,504 |
| Total net debt applicable to the limit as a percentage of the debt limit | 43.60% | 45.82% | 36.63% | 31.44% | 25.91% |
| | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> |
| Debt Limit | \$ 47,958,362 | \$ 49,101,500 | \$ 51,337,201 | \$ 53,484,320 | \$ 54,493,957 |
| Total net debt applicable to limit | <u>\$ 13,701,540</u> | <u>\$ 12,420,222</u> | <u>\$ 18,453,044</u> | <u>\$ 29,485,055</u> | <u>\$ 27,490,726</u> |
| Legal Debt Margin | \$ 34,256,822 | \$ 36,681,278 | \$ 32,884,157 | \$ 23,999,265 | \$ 27,003,231 |
| Total net debt applicable to the limit as a percentage of the debt limit | 28.57% | 25.29% | 35.94% | 55.13% | 50.45% |

Legal Debt Margin Calculation for Fiscal Year 2021

| | |
|---|-----------------------------|
| State Equalized Valuation | \$ 544,939,570 |
| Legal Debt Limit (10% of State Equalized Value) | <u>\$ 54,493,957</u> |
| Amount of Debt Applicable to Limit | 28,946,760 |
| Less: Amount Available in Debt Service Fund | <u>1,456,034</u> |
| Net General Obligation Debt Subject to Limitation | <u>\$ 27,490,726</u> |
| Legal Debt Margin amount available | <u><u>\$ 27,003,231</u></u> |

State law limits the amount of city general obligation debt to 10% of state equalized value

**CITY OF HUNTINGTON WOODS, MICHIGAN
 DEMOGRAPHIC STATISTICS (UNAUDITED)
 LAST TEN FISCAL YEARS**

| Year | Population | Personal Income | Per Capita Income | Mean Home Value | K-12 School Enrollment | Unemployment Rate |
|-------------|-------------------|----------------------------|------------------------------|----------------------------|-----------------------------------|------------------------------|
| 2012 | 6,238 | \$ 326,609,204 | \$ 52,358 | \$ 251,270 | 1,253 | 3.7% |
| 2013 | 6,238 | 335,036,742 | 53,709 | 263,088 | 1,301 | 2.9% |
| 2014 | 6,332 | 336,222,868 | 53,453 | 294,041 | 1,325 | 2.9% |
| 2015 | 6,290 | 336,219,370 | 54,322 | 339,267 | 1,303 | 2.9% |
| 2016 | 6,290 | 341,685,380 | 55,789 | 372,341 | 1,069 | 2.9% |
| 2017 | 6,290 | 350,910,885 | 63,429 | 393,600 | 1,048 | 4.7% |
| 2018 | 6,334 | 401,761,200 | 63,600 | 402,268 | 1,036 | 3.7% |
| 2019 | 6,317 | 403,599,447 | 63,891 | 420,660 | 1,040 | 3.7% |
| 2020 | 6,312 | 399,770,520 | 63,335 | 422,530 | 986 | 8.7% |
| 2021 | 6,358 | 409,406,920 | 64,090 | 422,284 | 1,025 | 3.2% |

Source: U.S. Census Department (population)

Source: Bureau Of Labor Statistics (unemployment rates)

Source: NeighborhoodScout.com(personal income and per capita income)

Source: Berkley School District (school enrollment)

Source: ERI Economic Research Institute

**CITY OF HUNTINGTON WOODS, MICHIGAN
PRINCIPAL EMPLOYERS (UNAUDITED)
LAST TEN FISCAL YEARS**

| Employer | 2012 | | | 2013 | | | 2014 | | | 2015 | | | 2016 | | |
|--------------------------|-----------|------|-------------------------------------|-----------|------|-------------------------------------|-----------|------|-------------------------------------|-----------|------|-------------------------------------|-----------|------|-------------------------------------|
| | Employees | Rank | Percentage of Total City Employment | Employees | Rank | Percentage of Total City Employment | Employees | Rank | Percentage of Total City Employment | Employees | Rank | Percentage of Total City Employment | Employees | Rank | Percentage of Total City Employment |
| Detroit Zoo | 178 | 2 | 11.42% | 210 | 1 | 13.22% | 203 | 1 | 12.83% | 220 | 1 | 13.93% | 220 | 1 | 13.93% |
| Rackham Golf Course | 50 | 3 | 3.21% | 26 | 4 | 1.64% | 26 | 3 | 1.64% | 30 | 3 | 1.90% | 30 | 3 | 1.90% |
| City of Huntington Woods | 203 | 1 | 13.03% | 196 | 2 | 12.34% | 196 | 2 | 12.39% | 202 | 2 | 12.79% | 211 | 2 | 13.36% |
| Chase Bank | 30 | 4 | 1.93% | 30 | 3 | 1.89% | 25 | 4 | 1.58% | 24 | 4 | 1.52% | 24 | 4 | 1.52% |
| Huntington Cleaners | 23 | 5 | 1.48% | 20 | 5 | 1.26% | 21 | 5 | 1.33% | 20 | 5 | 1.27% | 19 | 5 | 1.20% |
| Largest Employers | 484 | | 31.07% | 482 | | 30.35% | 471 | | 29.77% | 496 | | 31.41% | 504 | | 31.91% |
| Forecasted Jobs SEMCOG | 1,500 | | 68.93% | 1,529 | | 69.65% | 1,558 | | 70.23% | 1,588 | | 68.59% | 1,582 | | 68.09% |

| Employer | 2017 | | | 2018 | | | 2019 | | | 2020 | | | 2021 | | |
|--------------------------|-----------|------|-------------------------------------|-----------|------|-------------------------------------|-----------|------|-------------------------------------|-----------|------|-------------------------------------|-----------|------|-------------------------------------|
| | Employees | Rank | Percentage of Total City Employment | Employees | Rank | Percentage of Total City Employment | Employees | Rank | Percentage of Total City Employment | Employees | Rank | Percentage of Total City Employment | Employees | Rank | Percentage of Total City Employment |
| Detroit Zoo | 245 | 1 | 15.52% | 239 | 1 | 15.14% | 240 | 1 | 15.20% | 339 | 1 | 21.47% | 240 | 1 | 9.20% |
| Rackham Golf Course | 32 | 3 | 2.03% | 25 | 4 | 1.58% | 30 | 4 | 1.90% | 30 | 3 | 1.90% | 30 | 3 | 1.15% |
| City of Huntington Woods | 201 | 2 | 12.73% | 207 | 2 | 13.11% | 201 | 2 | 12.73% | 204 | 2 | 12.92% | 112 | 2 | 4.29% |
| Chase Bank | 24 | 4 | 1.52% | 26 | 3 | 1.65% | 14 | 3 | 0.89% | 20 | 4 | 1.27% | 20 | 4 | 0.77% |
| Huntington Cleaners | 18 | 5 | 1.14% | 18 | 5 | 1.14% | 18 | 5 | 1.14% | 18 | 5 | 1.14% | 19 | 5 | 0.73% |
| Largest Employers | 520 | | 32.94% | 515 | | 32.62% | 503 | | 31.86% | 611 | | 38.70% | 421 | | 16.14% |
| Forecasted Jobs SEMCOG | 1,579 | | 67.06% | 1,579 | | 67.38% | 1,579 | | 68.14% | 1,579 | | 61.30% | 2,610 | | 83.86% |

Source: Huntington Woods Business Licenses & City Budget document

**CITY OF HUNTINGTON WOODS, MICHIGAN
 FULL-TIME EQUIVALENT CITY GOVERNMENT
 EMPLOYEES BY FUNCTION (UNAUDITED)
 LAST TEN FISCAL YEARS**

| Function | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|--------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| General government | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 7 |
| Public safety | 18 | 18 | 18 | 18 | 18 | 18 | 19 | 19 | 18 | 18 |
| Public works | 9 | 8 | 10 | 10 | 10 | 9 | 8 | 8 | 8 | 8 |
| Library | 6 | 6 | 6 | 7 | 7 | 8 | 6 | 6 | 6 | 7 |
| Recreation | 33 | 32 | 30 | 31 | 31 | 34 | 35 | 35 | 35 | 31 |
| Total | 72 | 70 | 70 | 72 | 72 | 75 | 73 | 73 | 72 | 71 |

Source: City of Huntington Woods budget document

**CITY OF HUNTINGTON WOODS, MICHIGAN
OPERATING INDICATORS BY FUNCTION/PROGRAM (UNAUDITED)
LAST TEN FISCAL YEARS**

| <u>Function/Program</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> |
|------------------------------------|-------------|-------------|-------------|-------------|-------------|
| General government | | | | | |
| Tax bills issued | 2,567 | 2,567 | 2,576 | 2,532 | 2,515 |
| Commission meetings held | 16 | 16 | 16 | 17 | 19 |
| Public Safety | | | | | |
| Physical arrests | 312 | 295 | 430 | 298 | 542 |
| Traffic violations | 5,132 | 4,733 | 6,003 | 3,832 | 5,057 |
| Parking violations | 1,615 | 1,474 | 1,380 | 969 | 1,130 |
| Emergency responses (medical runs) | 214 | 220 | 215 | 228 | 217 |
| Fire responses | 61 | 94 | 80 | 66 | 126 |
| Public Services | | | | | |
| Miles of streets plowed | 25 | 25 | 25 | 25 | 25 |
| Miles of streets reconstructed | 1.31 | 1.12 | 1.04 | 0.69 | 0.76 |
| Library | | | | | |
| Volumes in collection | 66,258 | 70,552 | 73,171 | 69,106 | 62,089 |
| Total volumes borrowed | 68,288 | 68,542 | 73,082 | 61,646 | 53,996 |
| Recreation | | | | | |
| Pool visitors | 36,601 | 30,542 | 30,421 | 31,250 | 33,542 |
| Camp participants | 968 | 1,075 | 917 | 1,094 | 1,157 |
| Class participants | 6,992 | 6,542 | 5,290 | 5,766 | 6,409 |
| Latchkey participants | 238 | 192 | 198 | 202 | 192 |
| Senior participants | 1,798 | 1,509 | 1,468 | 1,711 | 1,881 |
| Water & Sewer utility | | | | | |
| Average daily consumption (units) | 708 | 667 | 623 | 540 | 570 |
| Water main breaks | 4 | 16 | 13 | 4 | 10 |
| Transportation | | | | | |
| Individuals transported | 2,783 | 3,675 | 2,717 | 3,672 | 5,169 |

Source: City department Heads

| <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> |
|-------------|-------------|-------------|-------------|-------------|
| 2,510 | 2,632 | 2,640 | 2,647 | 2,645 |
| 16 | 15 | 16 | 17 | 21 |
| 353 | 170 | 200 | 94 | 59 |
| 5,923 | 4,825 | 4,306 | 2,921 | 2,292 |
| 1,145 | 835 | 807 | 742 | 280 |
| 127 | 246 | 324 | 146 | 302 |
| 147 | 179 | 237 | 69 | 216 |
| 25 | 25 | 25 | 25 | 25 |
| 0.05 | 0.05 | 0.05 | 1.00 | 1.00 |
| 50,615 | 49,149 | 47,611 | 48,942 | 47,200 |
| 61,118 | 63,960 | 59,966 | 40,670 | 23,928 |
| 34,059 | 36,903 | 33,760 | 27,436 | 10,161 |
| 1,159 | 1,138 | 1,107 | 1,072 | 283 |
| 5,935 | 5,174 | 7,672 | 6,753 | 4,840 |
| 201 | 218 | 226 | 224 | 40 |
| 1,877 | 2,178 | 3,810 | 2,622 | 404 |
| 591 | 618 | 560 | 513 | 607 |
| 12 | 7 | 13 | 5 | 6 |
| 3,896 | 4,072 | 3,918 | 2,801 | - |

**CITY OF HUNTINGTON WOODS, MICHIGAN
CAPITAL ASSETS STATISTICS BY FUNCTION/PROGRAM (UNAUDITED)
LAST TEN FISCAL YEARS**

| Function/program | 2012 | 2013 | 2014 | 2015 | 2016 |
|-------------------------|-------------|-------------|-------------|-------------|-------------|
| Public Safety | | | | | |
| Stations | 1 | 1 | 1 | 1 | 1 |
| Patrol units | 5 | 5 | 5 | 5 | 5 |
| Fire stations | 1 | 1 | 1 | 1 | 1 |
| Fire vehicles | 2 | 2 | 2 | 2 | 2 |
| Public Services | | | | | |
| Number of trucks | 18 | 18 | 18 | 18 | 19 |
| Miles of major streets | 6.95 | 6.95 | 6.95 | 6.95 | 6.95 |
| Miles of local streets | 17.80 | 17.80 | 17.80 | 17.80 | 17.80 |
| Recreation | | | | | |
| Number of parks | 13 | 13 | 13 | 13 | 13 |
| Acreage | 13.5 | 13.5 | 13.5 | 13.5 | 13.5 |
| Water utility | | | | | |
| Miles of water line | 25 | 25 | 25 | 25 | 25 |
| Wastewater utility | | | | | |
| Miles of sewer line | 41.09 | 41.09 | 41.09 | 41.09 | 41.09 |
| Transportation | | | | | |
| Number of vehicles | 4 | 4 | 4 | 4 | 4 |

Source: City Budget document

| <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> |
|-------------|-------------|-------------|-------------|-------------|
| 1 | 1 | 1 | 1 | 1 |
| 5 | 5 | 5 | 5 | 5 |
| 1 | 1 | 1 | 1 | 1 |
| 2 | 2 | 2 | 2 | 2 |
| 19 | 19 | 19 | 18 | 18 |
| 9.65 | 9.65 | 9.65 | 9.65 | 9.65 |
| 15.10 | 15.10 | 15.10 | 15.10 | 15.10 |
| 13 | 13 | 13 | 13 | 13 |
| 13.5 | 13.5 | 13.5 | 13.5 | 13.5 |
| 25 | 25 | 25 | 25 | 25 |
| 41.09 | 41.09 | 41.09 | 41.09 | 41.09 |
| 4 | 4 | 4 | 3 | 3 |