
City of Wyandotte, Michigan

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

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Independent Auditor's Report

To the City Council
City of Wyandotte, Michigan

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

Emphasis of Matter

As described in Note 1 to the financial statements, during the year ended September 30, 2021, the City adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*, which gives guidance on the identification and reporting of fiduciary activities. Our opinion is not modified with respect to this matter.

To the City Council
City of Wyandotte, Michigan

Other Matters

Required Supplemental Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Wyandotte, Michigan's basic financial statements. The other supplemental information, as identified in the table of contents, is presented for the purpose of additional analysis and is not a required part of the basic financial statements.

The other supplemental information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplemental information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Plante & Moran, PLLC

March 4, 2022

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

Financial Highlights

As discussed in further detail in this discussion and analysis, the following represent the most significant financial highlights for the year ended September 30, 2021:

- Property tax revenue is the City's single largest source of revenue. The City's 2020 taxable value (levied for the 2021 fiscal year) was \$587,499,321 (a portion of which has been abated or resides in special tax districts), which represents an increase of 2.68 percent compared to the prior year and a cumulative increase of 5.32 percent over the past two years.
- State-shared revenue, our second largest revenue source, increased by approximately \$410,000 this year compared to a decrease of \$132,000 in the prior year. This represents an increase of 13.4 percent in the current year and a cumulative increase of 10.2 percent over the past two years. However, the City is receiving approximately \$960,000 less per year since the year 2000.
- The City continued the sharing agreements with the Consolidated Tax Increment Finance Authority and Downtown Development Authority. The sharing agreement with the Consolidated Tax Increment Finance Authority returned approximately \$2,018,000 of general operating tax revenue to the General Fund in the current year and \$150,000 of debt levy tax revenue compared to \$1,942,000 of general operating tax revenue and \$150,000 of debt levy tax revenue in the prior year. The sharing agreement with the Downtown Development Authority returned approximately \$407,000 to the General Fund in the current year compared to \$394,000 in the prior year. Portions of these funds were used to defray annual operating costs and repay debt obligations. Remaining funds were contributed to the City's retirement system.
- In previous years, the expenditures for retiree health insurance were made from the Health and Life Insurance Reserve of the retirement system. Beginning in 2006, the City's General Fund paid for the annual cost of retiree health insurance due to a lack of funds in the reserve. The City paid \$2,788,020 in the current year compared to \$2,638,020 in the prior year for the gross cost of retiree health insurance.
- In May 2014, the electors of the City approved an additional operating millage for a five-year period, which began in the 2015 fiscal year. In May 2019, voters approved a new supplemental operating millage authorizing the additional 3.0 operating mills for five additional years.

The General Fund ended the year with an overall net change in fund balance of approximately \$839,000. The amended budget of the City's General Fund indicated that an excess of revenue of approximately \$125,000 was to be expected. This positive variance is primarily attributed to lower than anticipated expenditures in virtually all departments, although the primary reasons for the positive variance are savings in medical insurance costs for active employees due to a favorable rate increase compared to the rate increase assumptions used when developing the budget (\$178,000), savings in medical insurance due to position vacancies (\$121,000), and lower-than-anticipated expenditures for part-time employees in virtually all departments (\$222,000). Revenue from the Yack Arena (\$183,000) and the 27th District Court (\$684,000) fell short of budgetary expectations. These revenue shortfalls were offset by additional constitutional revenue sharing (\$279,000) and fire rescue service (\$150,000).

The City remains cognizant of the difficult economic conditions that continue to negatively affect the operations of the City. As a result, we will continue to monitor operations to reduce expenditures and increase revenue where possible. In the recent past, the following actions have assisted in managing the City in light of the troubling environment:

- Reductions in expenditures were achieved through the elimination or delays in replacement of personnel positions when vacancies occurred. The number of full-time employees has been reduced from 174 employees to 133 employees over the past 22 years. In addition, numerous employees are now being shared between the City and the Department of Municipal Services and with neighboring communities through various collaborative initiatives.
- The City has also continued to reduce discretionary spending and has reduced certain elements of employer-paid health care coverage, including the implementation of an 80/20 health care premium cost-sharing provision with eligible employee groups.
- The City reached agreements with all five collective bargaining units to eliminate traditional retiree health care coverage for new hires. This change was also instituted for nonunion employee groups and represents an important step to contain future costs and liabilities for the City.
- The City has collaborated with neighboring communities to achieve efficiencies, cost savings, and improved service to our citizens in the areas of 911 dispatching, animal control services, and property valuation and assessing. The City will continue to identify areas where collaboration can achieve similar advantages that assist in managing the budget.

Although it has been a number of years, the City performed a review of the operational environment of the City. The purpose of the review was to identify areas of operation that could be improved to provide better customer service at a reduced cost. Numerous recommendations were identified that would yield positive financial results to the City. The City has been implementing many of these recommendations and continues to review these issues and prioritize their implementation.

Using This Annual Report

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

The fund financial statements present a short-term view; they tell the reader how the taxpayers' resources were spent during the year and how much is available for future spending. Fund financial statements also report the City's operations in more detail than the government-wide financial statements by providing information about the City's most significant funds. The fiduciary fund statements provide financial information about activities for which the City acts solely as a trustee or agent for the benefit of those outside of the government.

City of Wyandotte, Michigan

Management's Discussion and Analysis (Continued)

The City as a Whole

The following table shows, in a condensed format, the net position as of September 30, 2021 and 2020:

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Assets						
Current and other assets:						
Cash and investments - Cash and cash equivalents	\$ 40,680,873	\$ 37,249,238	\$ 35,785,821	\$ 34,342,148	\$ 76,466,694	\$ 71,591,386
Receivables	3,956,637	4,466,806	10,216,253	9,060,504	14,172,890	13,527,310
Other assets	3,052,277	3,363,023	14,215,922	16,252,085	17,268,199	19,615,108
Capital assets	64,311,695	63,874,228	84,162,614	77,494,776	148,474,309	141,369,004
Total assets	112,001,482	108,953,295	144,380,610	137,149,513	256,382,092	246,102,808
Deferred Outflows of Resources	2,517,817	10,381,198	1,569,176	4,342,694	4,086,993	14,723,892
Liabilities						
Current liabilities	5,764,728	5,536,691	7,549,283	6,128,870	13,314,011	11,665,561
Noncurrent liabilities	103,926,704	107,611,462	83,946,651	88,371,759	187,873,355	195,983,221
Total liabilities	109,691,432	113,148,153	91,495,934	94,500,629	201,187,366	207,648,782
Deferred Inflows of Resources	19,592,023	16,416,685	1,851,948	992,794	21,443,971	17,409,479
Net Position (Deficit)						
Net investment in capital assets	61,936,695	61,109,228	40,400,881	35,866,258	102,337,576	96,975,486
Restricted	12,479,055	11,305,472	5,382,137	5,272,405	17,861,192	16,577,877
Unrestricted	(89,179,906)	(82,645,045)	6,818,886	4,860,121	(82,361,020)	(77,784,924)
Total net position (deficit)	<u>\$ (14,764,156)</u>	<u>\$ (10,230,345)</u>	<u>\$ 52,601,904</u>	<u>\$ 45,998,784</u>	<u>\$ 37,837,748</u>	<u>\$ 35,768,439</u>

The City of Wyandotte, Michigan has a combined net position of \$37.8 million in the current year, which is an increase of \$2.1 million from the prior year. The increase is primarily due to a decrease in the City's pension and OPEB expenses. Business-type activities comprise \$52.6 million and \$46 million of the total net position in 2021 and 2020, respectively.

City of Wyandotte, Michigan

Management's Discussion and Analysis (Continued)

The City's Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenue						
Program revenue:						
Charges for services	\$ 6,392,364	\$ 6,362,505	\$ 58,493,953	\$ 57,680,359	\$ 64,886,317	\$ 64,042,864
Operating grants	4,889,611	4,931,662	316,765	286,186	5,206,376	5,217,848
Capital grants	-	-	101,970	-	101,970	-
General revenue:						
Taxes - Property taxes	12,884,236	12,513,120	-	-	12,884,236	12,513,120
State-shared revenue	3,960,257	3,542,048	-	-	3,960,257	3,542,048
Investment earnings	155,031	229,254	12,081	67,278	167,112	296,532
Other revenue	635,683	949,713	-	-	635,683	949,713
Total revenue	28,917,182	28,528,302	58,924,769	58,033,823	87,841,951	86,562,125
Expenses						
General government	8,241,886	7,859,957	-	-	8,241,886	7,859,957
District court	969,619	1,023,310	-	-	969,619	1,023,310
Public safety	15,518,085	16,293,847	-	-	15,518,085	16,293,847
Public works	7,355,897	7,606,893	-	-	7,355,897	7,606,893
Community and economic development	41,732	64,141	-	-	41,732	64,141
Recreation and culture	1,098,407	1,178,196	-	-	1,098,407	1,178,196
Debt service	225,367	250,727	-	-	225,367	250,727
Business-type	-	-	52,321,649	54,957,792	52,321,649	54,957,792
Total expenses	33,450,993	34,277,071	52,321,649	54,957,792	85,772,642	89,234,863
Change in Net Position	(4,533,811)	(5,748,769)	6,603,120	3,076,031	2,069,309	(2,672,738)
Net Position (Deficit) - Beginning of year	(10,230,345)	(4,481,576)	45,998,784	42,922,753	35,768,439	38,441,177
Net Position (Deficit) - End of year	\$ (14,764,156)	\$ (10,230,345)	\$ 52,601,904	\$ 45,998,784	\$ 37,837,748	\$ 35,768,439

Governmental Activities

The City's total governmental revenue increased by approximately \$389,000, or 1.4 percent, in the current year compared to an increase of \$382,000, or 1.4 percent, in the prior year. Expenses decreased by approximately \$826,000, or 2.4 percent, in the current year compared to an increase of \$2,233,000, or 7.0 percent, in the prior year.

Business-type Activities

The City's business-type activities consist of the Electric Fund, Water Fund, Cable Television Fund, Sewage Disposal Fund, Golf Course Fund, and Building Rental Fund. We provide electric, water, and cable television service to residents from city-owned facilities. We provide sewage treatment via the Downriver Utility Wastewater Authority (DUWA), which is co-owned with 12 communities and operated by the DUWA. Wyandotte Shores golf course is owned and operated by the City and offers golfers a nine-hole links style course on the shores of the Detroit River. The Building Rental Fund accounts for the activity of the city-owned commercial building at 3200 Biddle Avenue.

The Electric Fund's operating revenue increased compared to the prior year by approximately 1.1 percent, while operating expenses decreased by approximately 4.16 percent. The increase in revenue is attributed to favorable market conditions influencing the resale price of power that corresponds to power purchase agreements and advanced market purchases, underscoring the positive impact of the City's diversified power supply portfolio. Revenue was also impacted by a rebound in commercial usage affiliated with operations resuming after the COVID-19 downturn in the prior fiscal year. The decrease in operating expenses is primarily associated with the accounting impact of changes in the liabilities related to legacy retiree costs for the defined benefit pension and traditional retiree health care (OPEB).

The Water Fund's operating revenue decreased by approximately 1.6 percent, while operating expenses decreased by approximately 26.6 percent compared to the prior year. The decrease in operating revenue is minimal and closely parallels summer weather conditions when comparing fiscal years. The decrease in operating expenses is attributed to the decrease in the traditional retiree health care liability.

The Cable Television Fund realized operating income of \$2,206,821 in the current year, as compared to operating income of \$1,344,291 in the prior year. The department continues to experience growth in subscriber additions for the department's broadband/internet services. Also, the department realized revenue as a result of the FCC auction of C band spectrum for 5G services during the current year.

The results of the Sewage Disposal Fund indicate operating loss of approximately \$85,000 in the current year compared to operating gain of approximately \$24,000 in the prior year, which closely matched our expectations when preparing the budget and adopting the corresponding user fees.

The municipal golf course showed an operating gain of approximately \$74,000 in the current year, as compared to a loss of approximately \$6,000 in the prior year. Operating expenses increased by approximately 6.3 percent, while operating revenue increased by approximately 26.0 percent. Although the golf course has shown financial improvements in its operations, there continue to be negative pressures associated with the financial results of the operations. These negative pressures are attributable to general macroeconomic conditions, the proliferation of golf courses in the area, and inherent limitations surrounding the operation of a nine-hole facility. In spite of the continued operating loss, cash flow was positive for the current year.

The city-owned commercial building realized an operating loss of approximately \$107,000 in the current year compared to a loss of approximately \$69,000 in the prior year. This increased loss is primarily attributable to loss of the remaining rental revenue from the fourth floor (\$75,000) offset by reductions in amounts spent on operating and maintaining the building (\$15,000).

Financial Analysis of Individual Funds

Our analysis of the City's major funds begins on page 13, following the government-wide financial statements. The fund financial statements provide detailed information about the most significant funds, not the City as a whole. The City Council creates funds to help manage money for specific purposes, as well as to show accountability for certain activities. The City's major governmental fund for 2021 is the General Fund. Major enterprise funds are discussed in the preceding section.

The General Fund pays for most of the City's governmental services. The most significant is public safety, which incurred expenses of approximately \$11.6 million, or 61.6 percent of the total General Fund expenditures, in the current year, as compared to \$11.6 million, or 61.1 percent of the total General Fund expenditures, in the prior fiscal year. Additional noteworthy expenditures include public works (\$2.4 million, or 12.8 percent of total expenditures, in the current fiscal year, as compared to \$2.5 million, or 13.0 percent of total expenditures, in the prior fiscal year) and recreation and culture (\$800,000, or 4.5 percent of total expenditures, in the current fiscal year, as compared to \$900,000, or 4.8 percent of total expenditures, in the prior fiscal year).

General Fund Budgetary Highlights

Over the course of the year, the City Council revised the City's budget several times. These budget amendments fall into three categories:

- Amendments and supplemental appropriations approved shortly after the beginning of the year to include projected expenditures that were not completed at the end of the prior fiscal year
- Changes made throughout the year to account for revised estimates based on new or better knowledge and new projects that the City Council desired to pursue
- Increases in appropriations to prevent budget overruns

Even with these adjustments, actual expenditures were less than anticipated. This is primarily attributable to a smaller increase in medical insurance premiums than anticipated, conservative discretionary spending, management of personnel costs when vacancies arose, and deferral of capital equipment purchases. The City also elected to forgo a discretionary transfer from the Self-insurance Fund that was budgeted for the fiscal year. In addition, savings were also derived from the City's continued decision to self-insure prescription drug coverage for active employees; increased contributions from employees for their health insurance premiums; continued closure of the defined benefit retirement system to most new entrants; elimination of retiree health care coverage for new employees; and savings from the consolidation of police and fire dispatching, animal control services, and property valuation and assessing with neighboring communities.

Capital Assets and Debt Administration

The City sold \$9.495 million in bonds during 2006 to renovate the Yack Arena and construct a new district court and police facility. The renovation of the Yack Arena was completed in 2007, and the district court and police facility was completed in 2009. These bonds were refunded during the 2015 fiscal year and replaced with \$5.82 million of general obligation bonds. These bonds are scheduled to mature in 2026.

Also, during 2020, the Cable Television Fund issued revenue bonds to finance rebuilding the cable system so that fiber capable of speeds from 1G and expandable up to 10G (not to be confused with 5G, which references fifth generation cellular and not 5G speed) would be available for every home and business in Wyandotte (FTTH/FTTP project). The bonds will also finance the migration of the department's headend.

See Note 6 for a summary of the City's capital assets and Note 8 for a summary of the City's long-term debt.

Economic Factors and Next Year's Budgets and Rates

The City's budget for next year will continue to be challenging to manage while continuing to offer the same level of service even in light of the electors' approval of the five-year supplemental operating millage, which was approved in May 2019. Negative factors causing these challenges include tepid increases in state-shared revenue projections and property tax revenue, escalating health care costs, increased actuarial required contributions to the defined benefit retirement system to defray the unfunded liability, new required contributions for OPEB liabilities, and depletion of reserve funds previously relied upon by the City. Thus, the City needs to continue to monitor the budget very closely.

Requests for Further Information

This financial report is intended to provide a general overview of the City's finances and demonstrate the City's accountability for the money it receives. If you have questions about this report or need additional information, please contact the clerk's office. This report, city budgets, and other financial information are available on the City's website at www.wyandotte.net.

September 30, 2021

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash and investments (Note 3)	\$ 40,680,873	\$ 35,785,821	\$ 76,466,694	\$ 10,922,663
Receivables:				
Property taxes receivable	1,461,520	-	1,461,520	-
Special assessments receivable	96,103	-	96,103	-
Customer receivables	-	9,907,992	9,907,992	-
Accrued interest receivable	356	8	364	9
Other receivables	1,391,332	-	1,391,332	283,093
Due from other governments	1,063,050	-	1,063,050	3,677
Due from component units (Note 7)	252,529	-	252,529	-
Internal balances	(308,253)	308,253	-	-
Inventory	-	1,220,280	1,220,280	-
Prepaid expenses and other assets	145,932	281,226	427,158	2,011
Due from fiduciary funds	413,912	-	413,912	-
Restricted assets (Note 11)	-	12,714,416	12,714,416	-
Investment in joint ventures (Note 5)	1,871,641	-	1,871,641	-
Land held for resale (Note 4)	151,277	-	151,277	1,614,722
Capital assets:				
Assets not subject to depreciation (Note 6)	18,229,021	11,021,121	29,250,142	-
Assets subject to depreciation - Net (Note 6)	46,082,674	73,141,493	119,224,167	-
Advance to component unit (Note 7)	469,515	-	469,515	-
Total assets	112,001,482	144,380,610	256,382,092	12,826,175
Deferred Outflows of Resources				
Deferred charges on bond refunding (Note 8)	-	813,556	813,556	-
Deferred OPEB costs (Note 14)	2,517,817	755,620	3,273,437	-
Total deferred outflows of resources	2,517,817	1,569,176	4,086,993	-
Liabilities				
Accounts payable	1,682,896	3,997,255	5,680,151	307,451
Due to other governmental units	1,517,220	-	1,517,220	-
Due to primary government (Note 7)	-	-	-	252,529
Refundable deposits, bonds, etc.	1,459,027	1,150,393	2,609,420	-
Accrued liabilities and other	1,105,585	2,401,635	3,507,220	439,423
Noncurrent liabilities:				
Due within one year:				
Payable from restricted assets	-	824,598	824,598	-
Compensated absences	838,081	-	838,081	-
Provision for claims (Note 10)	383,093	53,496	436,589	-
Current portion of long-term debt (Note 8)	480,000	3,262,255	3,742,255	-
Due in more than one year:				
Compensated absences	779,461	-	779,461	-
Advances from primary government (Note 7)	-	-	-	469,515
Long-term debt - Net of current portion (Note 8)	1,895,000	48,829,323	50,724,323	-
Net pension liability (Note 13)	10,127,643	3,241,451	13,369,094	-
Net OPEB liability (Note 14)	89,423,426	27,735,528	117,158,954	-
Total liabilities	109,691,432	91,495,934	201,187,366	1,468,918
Deferred Inflows of Resources				
Property taxes levied for the following year	13,760,734	-	13,760,734	1,873,437
Deferred pension cost reductions (Note 13)	5,108,875	1,635,145	6,744,020	-
Deferred OPEB cost reductions (Note 14)	722,414	216,803	939,217	-
Total deferred inflows of resources	19,592,023	1,851,948	21,443,971	1,873,437

Statement of Net Position (Continued)

September 30, 2021

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Net Position (Deficit)				
Net investment in capital assets	\$ 61,936,695	\$ 40,400,881	\$ 102,337,576	\$ -
Restricted:				
Major and local street projects	3,386,572	-	3,386,572	-
Police	248,058	-	248,058	-
Debt service	-	935,763	935,763	-
Grants	2,745,684	-	2,745,684	50,000
Sidewalk and alley paving	970,781	-	970,781	-
Rubbish	746,682	-	746,682	-
Drains	4,381,278	-	4,381,278	-
Debt reserves	-	1,630,229	1,630,229	-
Working capital - MPPA	-	1,421,983	1,421,983	-
Grant reserves	-	385,554	385,554	-
Energy optimization surplus	-	1,008,608	1,008,608	-
Unrestricted	(89,179,906)	6,818,886	(82,361,020)	9,433,820
	<u>\$ (14,764,156)</u>	<u>\$ 52,601,904</u>	<u>\$ 37,837,748</u>	<u>\$ 9,483,820</u>
Total net position (deficit)				

City of Wyandotte, Michigan

Functions/Programs	Expenses	Program Revenue		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 8,241,886	\$ 3,983,139	\$ 49,010	\$ -
District court	969,619	774,372	182,214	-
Public safety	15,518,085	552,958	375,798	-
Public works	7,355,897	722,699	4,275,736	-
Community and economic development	41,732	-	6,853	-
Recreation and culture	1,098,407	359,196	-	-
Interest on long-term debt	225,367	-	-	-
Total governmental activities	33,450,993	6,392,364	4,889,611	-
Business-type activities:				
Electric	33,668,200	37,362,496	40,004	-
Water	3,102,739	4,401,592	-	-
Cable Television	10,148,406	11,984,037	-	-
Sewage Disposal	4,689,790	4,065,579	276,761	-
Golf Course	438,622	512,902	-	101,970
Building Rental	273,892	167,347	-	-
Total business-type activities	52,321,649	58,493,953	316,765	101,970
Total primary government	\$ 85,772,642	\$ 64,886,317	\$ 5,206,376	\$ 101,970
Component units:				
Tax Increment Finance Authorities - Consolidated	\$ 1,876,119	\$ -	\$ 3,677	\$ -
Tax Increment Finance Authorities - Downtown	712,144	-	-	-
Brownfield Redevelopment Authority	123,596	-	-	-
Downriver Central Dispatch	898,500	898,500	-	-
Downriver Central Animal Control Agency	123,289	123,289	-	-
Downriver Consolidated Assessing	417,573	417,573	-	-
Total component units	\$ 4,151,221	\$ 1,439,362	\$ 3,677	\$ -
General revenue:				
Property taxes				
State-shared revenue				
Investment income				
Loss on sale of capital assets				
Other miscellaneous income				
Total general revenue				
Change in Net Position				
Net Position (Deficit) - Beginning of year				
Net Position (Deficit) - End of year				

Statement of Activities

Year Ended September 30, 2021

Net (Expense) Revenue and Changes in Net Position				
Primary Government				
Governmental Activities	Business-type Activities	Total	Component Units	
\$ (4,209,737)	\$ -	\$ (4,209,737)	\$ -	
(13,033)	-	(13,033)	-	
(14,589,329)	-	(14,589,329)	-	
(2,357,462)	-	(2,357,462)	-	
(34,879)	-	(34,879)	-	
(739,211)	-	(739,211)	-	
(225,367)	-	(225,367)	-	
(22,169,018)	-	(22,169,018)	-	
-	3,734,300	3,734,300	-	
-	1,298,853	1,298,853	-	
-	1,835,631	1,835,631	-	
-	(347,450)	(347,450)	-	
-	176,250	176,250	-	
-	(106,545)	(106,545)	-	
-	6,591,039	6,591,039	-	
(22,169,018)	6,591,039	(15,577,979)	-	
-	-	-	(1,872,442)	
-	-	-	(712,144)	
-	-	-	(123,596)	
-	-	-	-	
-	-	-	-	
-	-	-	-	
-	-	-	(2,708,182)	
12,884,236	-	12,884,236	3,662,408	
3,960,257	-	3,960,257	-	
155,031	12,081	167,112	12,836	
(1,254)	-	(1,254)	-	
636,937	-	636,937	65,679	
17,635,207	12,081	17,647,288	3,740,923	
(4,533,811)	6,603,120	2,069,309	1,032,741	
(10,230,345)	45,998,784	35,768,439	8,451,079	
\$ (14,764,156)	\$ 52,601,904	\$ 37,837,748	\$ 9,483,820	

Governmental Funds
Balance Sheet

September 30, 2021

	General Fund	Nonmajor Funds	Total Governmental Funds
Assets			
Cash and investments (Note 3)	\$ 22,013,522	\$ 18,122,903	\$ 40,136,425
Receivables:			
Property taxes receivable	1,179,777	281,743	1,461,520
Special assessments receivable	-	96,103	96,103
Accrued interest receivable	341	15	356
Other receivables	1,244,657	146,675	1,391,332
Due from other governments	701,689	361,361	1,063,050
Due from component units (Note 7)	252,529	-	252,529
Due from other funds (Note 7)	128,288	225,265	353,553
Prepaid expenses and other assets	145,932	-	145,932
Due from fiduciary funds	413,912	-	413,912
Land held for resale (Note 4)	-	151,277	151,277
Advance to component unit (Note 7)	-	315,527	315,527
	<u>\$ 26,080,647</u>	<u>\$ 19,700,869</u>	<u>\$ 45,781,516</u>
Total assets			
Liabilities			
Accounts payable	\$ 789,099	\$ 891,126	\$ 1,680,225
Due to other governmental units	1,517,220	-	1,517,220
Due to other funds (Note 7)	301,833	134,288	436,121
Advances from other funds (Note 7)	3,400,000	3,325,318	6,725,318
Refundable deposits, bonds, etc.	1,459,027	-	1,459,027
Accrued liabilities and other	990,570	77,390	1,067,960
	<u>8,457,749</u>	<u>4,428,122</u>	<u>12,885,871</u>
Total liabilities			
Deferred Inflows of Resources			
Unavailable revenue	320,701	404,697	725,398
Property taxes levied for the following year	11,035,102	2,725,632	13,760,734
	<u>11,355,803</u>	<u>3,130,329</u>	<u>14,486,132</u>
Total deferred inflows of resources			
Total liabilities and deferred inflows of resources	19,813,552	7,558,451	27,372,003

**Governmental Funds
Balance Sheet (Continued)**

September 30, 2021

	General Fund	Nonmajor Funds	Total Governmental Funds
Fund Balances			
Nonspendable:			
Inventory/Assets held for sale	\$ -	\$ 151,277	\$ 151,277
Prepays	145,932	-	145,932
Long-term receivable	-	315,527	315,527
Restricted:			
Roads	-	3,386,572	3,386,572
Police	-	248,058	248,058
Grants	-	2,090,255	2,090,255
Rubbish	-	744,455	744,455
Sidewalk and alley paving	-	879,234	879,234
Drains	-	4,378,812	4,378,812
Committed - Special events	-	759,058	759,058
Assigned:			
Subsequent year's budget	82,274	-	82,274
Capital projects	-	1,336,602	1,336,602
Debt service	-	408,151	408,151
Unassigned	6,038,889	(2,555,583)	3,483,306
Total fund balances	6,267,095	12,142,418	18,409,513
Total liabilities, deferred inflows of resources, and fund balances	\$ 26,080,647	\$ 19,700,869	\$ 45,781,516

Governmental Funds

Reconciliation of the Balance Sheet to the Statement of Net Position

September 30, 2021

Fund Balances Reported in Governmental Funds	\$ 18,409,513
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and are not reported in the funds	64,311,695
Receivables that are not collected soon after year end are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds	725,398
Investments in joint ventures are not financial resources and are not reported in the funds	1,871,641
Bonds payable and capital lease obligations are not due and payable in the current period and are not reported in the funds	(2,375,000)
Accrued interest is not due and payable in the current period and is not reported in the funds	(37,625)
Some employee fringe benefits are payable over a long period of years and do not represent a claim on current financial resources; therefore, they are not reported as fund liabilities:	
Employee compensated absences	(1,617,542)
Pension benefits	(15,236,518)
Retiree health care benefits	(87,628,023)
Internal service funds are included as part of governmental activities	<u>6,812,305</u>
Net Position (Deficit) of Governmental Activities	<u>\$ (14,764,156)</u>

Governmental Funds

Statement of Revenue, Expenditures, and Changes in Fund Balances

Year Ended September 30, 2021

	General Fund	Nonmajor Funds	Total Governmental Funds
Revenue			
Taxes	\$ 10,321,487	\$ 2,566,270	\$ 12,887,757
Special assessments	-	100,305	100,305
Intergovernmental:			
Federal grants	372,948	2,746	375,694
State sources	3,974,870	3,205,202	7,180,072
Charges for services	4,120,928	681,173	4,802,101
Fines and forfeitures	774,372	-	774,372
Licenses and permits	612,076	-	612,076
Investment income	23,726	33,736	57,462
Other revenue	603,888	1,456,044	2,059,932
	20,804,295	8,045,476	28,849,771
Total revenue			
Expenditures			
Current services:			
General government	3,183,805	40,500	3,224,305
District court	785,944	183,675	969,619
Public safety	11,566,842	38,107	11,604,949
Public works	2,395,577	6,812,815	9,208,392
Community and economic development	-	41,732	41,732
Recreation and culture	841,136	125,305	966,441
Debt service	-	618,617	618,617
	18,773,304	7,860,751	26,634,055
Total expenditures			
Excess of Revenue Over Expenditures	2,030,991	184,725	2,215,716
Other Financing Sources (Uses)			
Transfers in	-	2,405,439	2,405,439
Transfers out	(1,191,494)	(1,213,945)	(2,405,439)
	(1,191,494)	1,191,494	-
Total other financing (uses) sources			
Net Change in Fund Balances	839,497	1,376,219	2,215,716
Fund Balances - Beginning of year	5,427,598	10,766,199	16,193,797
Fund Balances - End of year	\$ 6,267,095	\$ 12,142,418	\$ 18,409,513

Governmental Funds

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

Year Ended September 30, 2021

Net Change in Fund Balances Reported in Governmental Funds	\$ 2,215,716
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures; however, in the statement of activities, these costs are allocated over their estimated useful lives as depreciation:	
Net book value of assets disposed of	(1,255)
Depreciation expense	(3,349,140)
Capital outlay	3,787,862
Revenue in the statement of activities that does not provide current financial resources is not reported as revenue in the funds until it is available	(28,904)
Repayment of bond principal is an expenditure in the governmental funds but not in the statement of activities (where it reduces long-term debt)	390,000
Interest expense is recognized in the government-wide statements as it accrues	3,250
Some employee costs (pension, OPEB, and compensated absences) do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds	(7,527,040)
Internal service funds are included as part of governmental activities	<u>(24,300)</u>
Change in Net Position of Governmental Activities	<u><u>\$ (4,533,811)</u></u>

City of Wyandotte, Michigan

	Enterprise Funds			
	Electric	Water	Cable Television	Sewage Disposal
Assets				
Current assets:				
Cash and cash equivalents (Note 3)	\$ 19,372,753	\$ 4,127,101	\$ 8,096,795	\$ 3,451,158
Receivables - Net	6,253,544	1,060,715	1,070,384	1,523,357
Due from other funds (Note 7)	22,162	376,676	81,416	-
Inventory	1,048,659	117,332	54,289	-
Prepaid expenses and other assets	243,244	17,657	20,325	-
Total current assets	26,940,362	5,699,481	9,323,209	4,974,515
Noncurrent assets:				
Restricted assets (Note 11)	1,807,537	-	9,276,650	1,630,229
Advances to other funds (Note 7)	-	-	-	225,685
Capital assets: (Note 6)				
Assets not subject to depreciation	3,483,677	2,601,737	4,883,799	-
Assets subject to depreciation - Net	33,454,843	9,826,800	1,614,013	25,744,571
Advance to component unit (Note 7)	-	-	-	-
Total noncurrent assets	38,746,057	12,428,537	15,774,462	27,600,485
Total assets	65,686,419	18,128,018	25,097,671	32,575,000
Deferred Outflows of Resources				
Deferred charges on bond refunding (Note 8)	813,556	-	-	-
Deferred OPEB costs (Note 14)	540,869	120,936	93,815	-
Total deferred outflows of resources	1,354,425	120,936	93,815	-
Liabilities				
Current liabilities:				
Accounts payable	1,941,137	105,936	1,429,990	431,124
Due to other funds (Note 7)	-	20,075	935	376,676
Refundable deposits, bonds, etc.	955,318	-	195,075	-
Accrued liabilities and other	2,048,089	236,967	83,129	-
Provision for claims (Note 10)	42,533	10,559	404	-
Current portion of long-term debt (Note 8)	1,979,326	154	580,928	701,847
Total current liabilities	6,966,403	373,691	2,290,461	1,509,647
Noncurrent liabilities:				
Payable from restricted assets	-	-	824,598	-
Net pension liability (Note 13)	2,415,691	449,058	376,702	-
Net OPEB liability (Note 14)	19,852,901	4,439,057	3,443,570	-
Long-term debt - Net of current portion (Note 8)	23,859,349	696	9,691,623	15,277,655
Total noncurrent liabilities	46,127,941	4,888,811	14,336,493	15,277,655
Total liabilities	53,094,344	5,262,502	16,626,954	16,787,302
Deferred Inflows of Resources				
Deferred pension cost reductions (Note 13)	1,218,592	226,526	190,027	-
Deferred OPEB cost reductions (Note 14)	155,186	34,700	26,917	-
Total deferred inflows of resources	1,373,778	261,226	216,944	-
Net Position				
Net investment in capital assets	11,913,401	12,427,687	3,741,550	9,765,069
Restricted (Note 11)	2,816,145	-	935,763	1,630,229
Unrestricted	(2,156,824)	297,539	3,670,275	4,392,400
Total net position	<u>\$ 12,572,722</u>	<u>\$ 12,725,226</u>	<u>\$ 8,347,588</u>	<u>\$ 15,787,698</u>

Proprietary Funds
Statement of Net Position

September 30, 2021

Enterprise Funds		Governmental Activities
Nonmajor Enterprise	Total	Internal Service
\$ 738,014	\$ 35,785,821	\$ 544,448
-	9,908,000	-
-	480,254	-
-	1,220,280	-
-	281,226	-
738,014	47,675,581	544,448
-	12,714,416	-
-	225,685	6,499,633
51,908	11,021,121	-
2,501,266	73,141,493	-
-	-	153,988
2,553,174	97,102,715	6,653,621
3,291,188	144,778,296	7,198,069
-	813,556	-
-	755,620	-
-	1,569,176	-
89,068	3,997,255	2,671
-	397,686	-
-	1,150,393	-
33,450	2,401,635	-
-	53,496	383,093
-	3,262,255	-
122,518	11,262,720	385,764
-	824,598	-
-	3,241,451	-
-	27,735,528	-
-	48,829,323	-
-	80,630,900	-
122,518	91,893,620	385,764
-	1,635,145	-
-	216,803	-
-	1,851,948	-
2,553,174	40,400,881	-
-	5,382,137	-
615,496	6,818,886	6,812,305
\$ 3,168,670	\$ 52,601,904	\$ 6,812,305

City of Wyandotte, Michigan

	Enterprise Funds			
	Electric	Water	Cable Television	Sewage Disposal
Operating Revenue				
Sale of water	\$ -	\$ 4,401,545	\$ -	\$ -
Sewage disposal charges	-	-	-	4,065,579
Sale of electricity	37,181,929	-	-	-
Income from customers and rent from tenants	-	-	11,054,374	-
Other miscellaneous revenue	193,086	47	929,663	-
Total operating revenue	37,375,015	4,401,592	11,984,037	4,065,579
Operating Expenses				
Cost of water pumping and purification	-	888,441	-	-
Cost of sewage treatment	-	-	-	2,255,714
Cost of electrical production	24,460,690	-	-	-
Cost of insurance claims	-	-	-	-
Transportation	97,723	33,014	26,523	-
Other operation and maintenance	2,487,087	871,351	977,774	1,018,370
Distributions	2,561,789	848,714	2,973,966	-
Cable television royalties and retransmission fees	-	-	5,062,139	-
Depreciation	2,865,815	461,156	736,814	876,677
Total operating expenses	32,473,104	3,102,676	9,777,216	4,150,761
Operating Income (Loss)	4,901,911	1,298,916	2,206,821	(85,182)
Nonoperating Revenue (Expense)				
Investment income	1,129	-	8,521	2,431
Interest expense	(1,195,096)	(63)	(371,190)	(539,029)
Amortization related to long-term debt	(12,519)	-	-	-
Grant revenue	40,004	-	-	276,761
Total nonoperating (expense) revenue	(1,166,482)	(63)	(362,669)	(259,837)
Income (Loss)	3,735,429	1,298,853	1,844,152	(345,019)
Donated Assets	-	-	-	-
Change in Net Position	3,735,429	1,298,853	1,844,152	(345,019)
Net Position - Beginning of year	8,837,293	11,426,373	6,503,436	16,132,717
Net Position - End of year	\$ 12,572,722	\$ 12,725,226	\$ 8,347,588	\$ 15,787,698

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

Year Ended September 30, 2021

Enterprise Funds		Governmental Activities
Nonmajor Enterprise	Total	Internal Service
\$ -	\$ 4,401,545	\$ -
-	4,065,579	-
-	37,181,929	-
608,990	11,663,364	-
71,259	1,194,055	-
680,249	58,506,472	-
-	888,441	-
-	2,255,714	-
-	24,460,690	-
-	-	121,869
-	157,260	-
578,316	5,932,898	-
-	6,384,469	-
-	5,062,139	-
134,198	5,074,660	-
712,514	50,216,271	121,869
(32,265)	8,290,201	(121,869)
-	12,081	97,569
-	(2,105,378)	-
-	(12,519)	-
-	316,765	-
-	(1,789,051)	97,569
(32,265)	6,501,150	(24,300)
101,970	101,970	-
69,705	6,603,120	(24,300)
3,098,965	45,998,784	6,836,605
\$ 3,168,670	\$ 52,601,904	\$ 6,812,305

Proprietary Funds
Statement of Cash Flows

Year Ended September 30, 2021

	Enterprise Funds					Total	Governmental
	Electric	Water	Cable Television	Sewage Disposal	Nonmajor Enterprise		Internal Service
Cash Flows from Operating Activities							
Receipts from customers	\$ 37,143,388	\$ 4,315,223	\$ 11,758,660	\$ 3,795,944	\$ 632,249	\$ 57,645,464	\$ -
Receipts from interfund services and reimbursements	-	-	-	714,203	48,000	762,203	-
Payments to suppliers	(23,739,042)	(1,618,032)	(6,017,240)	(3,195,948)	(467,595)	(35,037,857)	(800)
Payments to employees and fringes	(6,200,491)	(1,849,147)	(1,824,984)	-	(69,572)	(9,944,194)	-
Claims paid	-	-	-	-	-	-	(193,619)
Net cash provided by (used in) operating activities	7,203,855	848,044	3,916,436	1,314,199	143,082	13,425,616	(194,419)
Cash Flows from Noncapital Financing Activities							
Interfund borrowings and repayments - Net	(50,696)	(317,137)	(795)	(225,685)	-	(594,313)	59,791
Grant revenue	-	-	-	276,761	-	276,761	-
Net cash (used in) provided by noncapital financing activities	(50,696)	(317,137)	(795)	51,076	-	(317,552)	59,791
Cash Flows from Capital and Related Financing Activities							
Issuance of bonds	-	-	-	2,770,651	-	2,770,651	-
Grant revenue	40,004	-	-	-	-	40,004	-
Purchase of capital assets	(3,555,795)	(961,030)	(3,623,826)	(2,568,402)	(152,595)	(10,861,648)	-
Principal and interest paid on capital debt	(3,286,970)	(358)	(1,032,072)	(1,257,829)	-	(5,577,229)	-
Net cash used in capital and related financing activities	(6,802,761)	(961,388)	(4,655,898)	(1,055,580)	(152,595)	(13,628,222)	-
Cash Flows Provided by Investing Activities - Interest received on investments	1,129	-	8,521	2,487	-	12,137	97,569
Net Increase (Decrease) in Cash	351,527	(430,481)	(731,736)	312,182	(9,513)	(508,021)	(37,059)
Cash - Beginning of year	20,828,763	4,557,582	18,105,181	3,138,976	747,527	47,378,029	581,507
Cash - End of year	\$ 21,180,290	\$ 4,127,101	\$ 17,373,445	\$ 3,451,158	\$ 738,014	\$ 46,870,008	\$ 544,448
Classification of Cash							
Cash and investments	\$ 19,372,753	\$ 4,127,101	\$ 8,096,795	\$ 3,451,158	\$ 738,014	\$ 35,785,821	\$ 544,448
Restricted cash	1,807,537	-	9,276,650	-	-	11,084,187	-
Total cash	\$ 21,180,290	\$ 4,127,101	\$ 17,373,445	\$ 3,451,158	\$ 738,014	\$ 46,870,008	\$ 544,448

Proprietary Funds
Statement of Cash Flows (Continued)

Year Ended September 30, 2021

	Enterprise Funds					Total	Governmental
	Electric	Water	Cable Television	Sewage Disposal	Nonmajor Enterprise		Internal Service
Reconciliation of Operating Income (Loss) to Net Cash from Operating Activities							
Operating income (loss)	\$ 4,901,911	\$ 1,298,916	\$ 2,206,821	\$ (85,182)	\$ (32,265)	\$ 8,290,201	\$ (121,869)
Adjustments to reconcile operating income (loss) to net cash from operating activities:							
Depreciation	2,865,815	461,156	736,814	876,677	134,198	5,074,660	-
Changes in assets and liabilities:							
Receivables	(231,675)	(463,045)	(225,377)	(269,635)	-	(1,189,732)	-
Due to and from other funds	-	-	-	714,203	-	714,203	-
Inventories	(201,705)	8,469	3,348	-	-	(189,888)	-
Prepaid and other assets	54,063	6,297	722	121,059	-	182,141	-
Net pension or OPEB liability	(3,320,802)	(977,493)	(180,042)	-	-	(4,478,337)	-
Accounts payable	523,396	(51,632)	980,327	(42,923)	41,149	1,450,317	(800)
Estimated claims liability	-	-	-	-	-	-	(71,750)
Deferrals related to pension or OPEB	2,629,110	561,804	407,859	-	-	3,598,773	-
Accrued and other liabilities	(16,258)	3,572	(14,036)	-	-	(26,722)	-
Total adjustments	2,301,944	(450,872)	1,709,615	1,399,381	175,347	5,135,415	(72,550)
Net cash provided by (used in) operating activities	<u>\$ 7,203,855</u>	<u>\$ 848,044</u>	<u>\$ 3,916,436</u>	<u>\$ 1,314,199</u>	<u>\$ 143,082</u>	<u>\$ 13,425,616</u>	<u>\$ (194,419)</u>
Significant Noncash Transactions - Donor assets	\$ -	\$ -	\$ -	\$ -	\$ 101,970	\$ 101,970	\$ -

Fiduciary Funds
Statement of Fiduciary Net Position

September 30, 2021

	Pension and Other Employee Benefit Trust Funds	Custodial Funds
Assets		
Cash and cash equivalents	\$ 1,335,070	\$ 408,857
Investments:		
U.S. government securities	129,657	-
Common trust funds/Mutual funds	83,255,365	-
Global fixed income	138,684	-
Receivables:		
Accrued interest receivable	4	-
Due from other governments	-	8,070
Due from primary government	1,075	-
Total assets	84,859,855	416,927
Liabilities		
Due to other governmental units	-	58,205
Due to primary government	413,912	-
Accrued liabilities and other	183,759	199,128
Total liabilities	597,671	257,333
Net Position - Restricted		
Pension	81,267,503	-
Postemployment benefits other than pension	2,994,681	-
Individuals, organizations, and other governments	-	159,594
Total net position	\$ 84,262,184	\$ 159,594

Fiduciary Funds
Statement of Changes in Fiduciary Net Position

Year Ended September 30, 2021

	<u>Pension and Other Employee Benefits Trust Funds</u>	<u>Custodial Funds</u>
Additions		
Investment income (loss):		
Interest and dividends	\$ 1,439,031	\$ -
Net increase in fair value of investments	12,281,373	-
Investment-related expenses	(180,139)	-
Net investment income	13,540,265	-
Contributions:		
Employer contributions	8,408,359	-
Employee contributions	91,552	-
Total contributions	8,499,911	-
Property tax collections	-	21,117,224
Total additions	22,040,176	21,117,224
Deductions		
Pension benefit payments	7,384,761	-
Health benefits	3,603,642	-
Property tax distributions to other governments	-	21,117,224
Total deductions	10,988,403	21,117,224
Net Increase in Fiduciary Net Position	11,051,773	-
Net Position - Beginning of year, as restated	73,210,411	159,594
Net Position - End of year	\$ 84,262,184	\$ 159,594

City of Wyandotte, Michigan

	Tax Increment Finance Authorities - Consolidated	Tax Increment Finance Authorities - Downtown	Downtown Development Authority
Assets			
Cash and cash equivalents (Note 3)	\$ 9,187,839	\$ 1,301,715	\$ 1,601
Receivables - Net	35,990	-	-
Prepaid expenses and other assets	-	2,011	-
Land held for resale (Note 4)	1,569,922	44,800	-
Total assets	10,793,751	1,348,526	1,601
Liabilities			
Accounts payable	292,852	14,599	-
Due to primary government (Note 7)	-	1,740	-
Accrued liabilities and other	48,500	1,157	-
Noncurrent liabilities - Due in more than one year - Advances from primary government (Note 7)	-	-	-
Total liabilities	341,352	17,496	-
Deferred Inflows of Resources - Property taxes levied for the following year	1,462,047	411,390	-
Net Position (Deficit)			
Restricted - Grants	-	50,000	-
Unrestricted	8,990,352	869,640	1,601
Total net position (deficit)	\$ 8,990,352	\$ 919,640	\$ 1,601

Component Units
Statement of Net Position

September 30, 2021

Brownfield Redevelopment Authority	Downriver Central Dispatch	Downriver Central Animal Control Agency	Downriver Consolidated Assessing	Total
\$ 431,508	\$ -	\$ -	\$ -	\$ 10,922,663
-	162,225	26,733	61,831	286,779
-	-	-	-	2,011
-	-	-	-	1,614,722
431,508	162,225	26,733	61,831	12,826,175
-	-	-	-	307,451
-	162,225	26,733	61,831	252,529
389,766	-	-	-	439,423
469,515	-	-	-	469,515
859,281	162,225	26,733	61,831	1,468,918
-	-	-	-	1,873,437
-	-	-	-	50,000
(427,773)	-	-	-	9,433,820
\$ (427,773)	\$ -	\$ -	\$ -	\$ 9,483,820

City of Wyandotte, Michigan

Functions/Programs	Program Revenue			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Tax Increment Finance Authorities - Consolidated - Community and economic development	\$ 1,876,119	\$ -	\$ 3,677	\$ -
Tax Increment Finance Authorities - Downtown - Community and economic development	712,144	-	-	-
Downtown Development Authority	-	-	-	-
Brownfield Redevelopment Authority:				
Community and economic development	54,265	-	-	-
Interest on long-term debt	69,331	-	-	-
Total Brownfield Redevelopment Authority	123,596	-	-	-
Downriver Central Dispatch - Governmental activities - Public safety	898,500	898,500	-	-
Downriver Central Animal Control Agency - Governmental activities - Public safety	123,289	123,289	-	-
Downriver Consolidated Assessing - Governmental activities - General government	417,573	417,573	-	-
Total component units	\$ 4,151,221	\$ 1,439,362	\$ 3,677	\$ -

General revenue:
Property taxes
Investment income
Other miscellaneous income

Total general revenue

Change in Net Position
Net Position (Deficit) - Beginning of year
Net Position (Deficit) - End of year

Component Units Statement of Activities

Year Ended September 30, 2021

Net (Expense) Revenue and Changes in Net Position							
Tax Increment Finance Authorities - Consolidated	Tax Increment Finance Authorities - Downtown	Downtown Development Authority	Brownfield Redevelopment Authority	Downriver Central Dispatch	Downriver Central Animal Control Agency	Downriver Consolidated Assessing	Total
\$ (1,872,442)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,872,442)
-	(712,144)	-	-	-	-	-	(712,144)
-	-	-	(54,265)	-	-	-	(54,265)
-	-	-	(69,331)	-	-	-	(69,331)
-	-	-	(123,596)	-	-	-	(123,596)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
(1,872,442)	(712,144)	-	(123,596)	-	-	-	(2,708,182)
2,863,088	578,257	-	221,063	-	-	-	3,662,408
10,314	2,379	-	143	-	-	-	12,836
-	65,679	-	-	-	-	-	65,679
2,873,402	646,315	-	221,206	-	-	-	3,740,923
1,000,960	(65,829)	-	97,610	-	-	-	1,032,741
7,989,392	985,469	1,601	(525,383)	-	-	-	8,451,079
\$ 8,990,352	\$ 919,640	\$ 1,601	\$ (427,773)	\$ -	\$ -	\$ -	\$ 9,483,820

September 30, 2021

Note 1 - Significant Accounting Policies

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

Reporting Entity

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

Blended Component Units

The Wyandotte Building Authority (the "Building Authority") is governed by a three-member board that is appointed by the mayor with City Council approval. Although it is legally separate from the City, the Building Authority is reported as if it were part of the primary government because its sole purpose is to finance and construct the City's public buildings.

Discretely Presented Component Units

The following component units are reported within the component units column to emphasize that they are legally separate from the City:

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

The Brownfield Redevelopment Authority was created, pursuant to Public Act 381 of 1996, to promote revitalization of environmentally distressed areas within the six-square-mile boundary of the City. The Brownfield Redevelopment Authority is funded primarily by property tax revenue captures. The Brownfield Redevelopment Authority is governed by a nine-member board that is appointed by the mayor and confirmed by the City Council.

The tax increment finance authorities (TIFA) were created to preserve and continuously improve the areas within the TIFA districts. The Consolidated Development Area TIFA's governing body and Downtown Development Area TIFA's governing body each consist of nine individuals selected by the mayor with approval by the City Council. The TIFAs have reserved \$1,436,000 for a future DNR grant match.

The Economic Development Corporation (EDC) was created to alleviate and prevent conditions of unemployment and to assist and retain local industries and commercial enterprises in their efforts to operate within the City. The EDC's governing body consists of nine individuals selected by the mayor with approval by the City Council. There was no financial activity related to the EDC in the current year.

The Downriver Central Dispatch (DCD) was created to enhance public safety through the sharing of technology and information resources to support the centralized dispatching of public safety resources. The DCD's governing body consists of one representative appointed by each governmental unit that is a member of the DCD. The DCD's budget is subject to approval by the City Council.

The Downriver Central Animal Control Agency (DCACA) was created to enhance animal control services by sharing of costs and responsibilities. The DCACA's governing body consists of one representative appointed by each governmental unit that is a member of the DCACA. The DCACA's budget is subject to approval by the City Council.

September 30, 2021

Note 1 - Significant Accounting Policies (Continued)

The Downriver Consolidated Assessing Agency (DCAA) was created to enhance assessing services by sharing of costs and responsibilities. The DCAA's governing body consists of one representative appointed by each governmental unit that is a member of the DCAA. The DCAA's budget is subject to approval by the City Council.

Separate financial statements for the above discretely presented component units are not prepared.

Fiduciary Component Units

The City of Wyandotte Employees' Retirement System and the City of Wyandotte Retiree Health Care Plan provide retirement and postemployment benefits to plan members and their beneficiaries. The systems are administered through qualified trusts. Management of the City of Wyandotte Employees' Retirement System is vested in the seven-person pension board, with three being appointed by the City Council. The City of Wyandotte Employees' Retirement System does impose a financial burden on the City, and the City believes it would be misleading to exclude the plan from the financial statements. Management of the Retiree Health Care Plan is vested with City Council. The Retiree Health Care Plan is included as fiduciary component unit of the City because the City governs the plan and the plan imposes a financial burden on the City.

Jointly Governed Organization

Jointly governed organizations are discussed in Note 5.

Accounting and Reporting Principles

The City follows accounting principles generally accepted in the United States of America (GAAP), as applicable to governmental units. Accounting and financial reporting pronouncements are promulgated by the Governmental Accounting Standards Board. The following is a summary of the significant accounting policies used by the City:

Report Presentation

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

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

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

September 30, 2021

Note 1 - Significant Accounting Policies (Continued)

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

Fund Accounting

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

Governmental Funds

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

- The General Fund is the City's primary operating fund and is used to provide for basic services, including the following functions: legislative, judicial, elections, tax collection, property assessment, administration, public safety, engineering, public works, recreation, cultural, and planning. This fund accounts for all financial resources of the general government other than those required to be accounted for in another fund.

Proprietary Funds

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

- Electric Fund - The Electric Fund accounts for the activities of providing electric services to the residents (and businesses) of the City.
- Water Fund - The Water Fund accounts for the activities of the water distribution system.
- Cable Television Fund - The Cable Television Fund accounts for the activities of providing cable services (and internet) to the residents (and businesses) of the City.
- Sewage Disposal Fund - The Sewage Disposal Fund accounts for the operations, maintenance, and improvements to the sewage disposal system in the City. Operations are primarily funded through user charges.

Internal Service Fund - The Internal Service Fund is used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City or to other governments. The City's Internal Service Fund has been established to account for insurance costs associated with workers' compensation and general liability, as well as the self-insured portion of workers' compensation and general liability. The Internal Service Fund is used to account for current coverage and to provide reserves for future catastrophic claims.

Fiduciary Funds

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

- Pension and Other Employee Benefit Trust Funds - The Pension and Other Employee Benefit Trust Funds account for the activities of the retirement system and the trust established to account for costs related to retiree health care.

September 30, 2021

Note 1 - Significant Accounting Policies (Continued)

- Custodial Funds - The Custodial Funds record tax collections for other units of government (the county, school district, etc.) and for activity held by the City as a fiduciary for certain activities.

Interfund Activity

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

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

Basis of Accounting

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

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

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

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

Note 1 - Significant Accounting Policies (Continued)

Specific Balances and Transactions

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired.

Investments

Investments are reported at fair value or estimated fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates.

Inventories and Prepaid Items

Land held for resale and real estate inventories in the special revenue funds, capital projects funds, and component units are valued at the lower of cost (specific identification, including demolition cost) or market. Inventories of the remaining governmental funds are recorded as expenditures when purchased rather than when consumed. Inventories of the enterprise funds are stated at the lower of cost, determined by the average cost method for general inventory, or market. Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both government-wide and fund financial statements.

Restricted Assets

Amounts have been set aside pursuant to contractual restrictions, grant reserves, and unspent bond proceeds. These amounts have been classified as restricted assets. In the Sewage Disposal Fund, restricted assets relate to reserves held at Downriver Utility Wastewater Authority (DUWA), a joint venture of the City. Refer to Note 5 for more information on DUWA. Refer to Note 11 for further discussion on the restricted assets of the Electric and Cable funds.

Capital Assets

Capital assets, which include property, plant, equipment, intangible assets, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental 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 recorded at estimated acquisition value at the date of donation.

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

	Depreciable Life - Years
Roads and other infrastructure	20 to 25
Sidewalks	10 to 60
Distribution systems	10 to 15
Utility plant and treatment facilities	20 to 50
Buildings and building improvements	40 to 50
Land improvements	20 to 50
Vehicles	4 to 15
Machinery and equipment	3 to 35

Note 1 - Significant Accounting Policies (Continued)

Long-term Obligations

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has two items that qualify for reporting in this category. One is the deferred charge on refunding reported in the statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. In addition, the City reports deferred outflows of resources related to postemployment benefits.

In addition to liabilities, the statement of net position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The government has three items that qualify for reporting in this category. The deferred inflows of resources related to unavailable revenue in the governmental funds are from special assessments, grants, and other revenue. Also, the government also has property taxes levied for the next fiscal year. This amount is shown as deferred inflows of resources on both the governmental funds balance sheet and the statement of net position. In addition, the City reports deferred inflows of resources related to pension and postemployment benefits.

Net Position Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Fund Balance Flow Assumption

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

September 30, 2021

Note 1 - Significant Accounting Policies (Continued)

Fund Balance Policies

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

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

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The City Council has, by resolution, authorized the city administrator to assign fund balance. The City Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally exist only temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Property Tax Revenue

Properties are assessed as of December 31. The related property taxes are billed on August 1 of the following year, are due on September 30, become a lien on December 1, and have a final collection date of February 28 before they are added to the county tax rolls.

Property taxes billed on August 1 will be used to finance the following year's operations. As such, these taxes are recorded as deferred revenue in each respective fund at September 30.

The 2020 taxable valuation of the City totaled approximately \$587,000,000 (a portion of which has been abated or resides in special tax districts), on which taxes levied consisted of 14.8686 mills for operating purposes, 2.4827 mills for debt service, and 2.4827 mills for garbage and rubbish services. In addition, the City levied 2.9160 mills to support drain operation and maintenance, and the statutory or constitutional provisions that authorize the levy have not been identified. The above levies on a net basis resulted in approximately \$8,558,000 for operating purposes, \$1,190,000 for debt service, \$1,374,000 for garbage and rubbish services, and \$1,203,000 for drain operation and maintenance. These amounts are recognized in the respective General Fund and special revenue fund financial statements as tax revenue. The special tax districts record their portion of taxes in the respective component units' financial statements as tax revenue. Some amounts are also recognized in the debt service fund through a transfer of tax funds from the General Fund.

Pension

The City offers a defined benefit pension plan to certain employees. The plan is closed to all new hires, except certain police and command members. The City records a net pension liability for the difference between the total pension liability calculated by the actuary and the pension plan's fiduciary net position. For the purpose of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the pension plan and additions to/deductions from the pension plan's fiduciary net position has been determined on the same basis as they are reported by the pension plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The net pension liability has historically been liquidated from the funds from which the individual salaries are paid.

September 30, 2021

Note 1 - Significant Accounting Policies (Continued)

Other Postemployment Benefit Costs

The City offers retiree health care benefits to retirees. The plan is closed to all new hires. The City records a net OPEB liability for the difference between the total OPEB liability calculated by the actuary and the OPEB plan's fiduciary net position. For the purpose of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the OPEB plan and additions to/deductions from the OPEB plan's fiduciary net position has been determined on the same basis as they are reported by the OPEB plan. For this purpose, health premium payments are recognized when due and payable. Investments are reported at fair value. The net OPEB liability has historically been liquidated from the funds from which the individual salaries are paid.

Compensated Absences (Vacation and Sick Leave)

It is the City's policy to permit employees to accumulate earned but unused sick and vacation pay benefits. Employees may receive payment of the accumulated sick leave and vacation balance at the rate determined by union contracts, which vary from unit to unit. A liability is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only for employee terminations as of year end. The compensated absence liability has historically been liquidated from the funds from which the individual salaries are paid.

Proprietary Funds Operating Classification

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

Emissions Allowance

The Environmental Protection Agency has granted emissions allowances to the City related to the emission of certain pollutants. No amounts are recorded at the date of the grant. The City estimates the allowances needed for future years. As appropriate, the City may purchase additional allowances or sell the estimated future excess allowances. The purchase and sale of allowances by emission type are accounted for separately and are not offset against transactions involving allowances of different emission types. Purchased allowances net of proceeds from the sale of related allowances are recorded as an asset and will be expensed during the applicable period. Proceeds from the sale of allowances are recognized as income at the time of sale. There were no emission allowances purchased or sold during the year ended September 30, 2021.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

Significant Customers

The City's electric department has one significant customer, BASF Corporation, representing approximately 20 percent of the electric department's operating revenue for the year ended September 30, 2021.

September 30, 2021

Note 1 - Significant Accounting Policies (Continued)

The City's water department has one significant customer, BASF Corporation, representing approximately 14 percent of the water department's operating revenue for the year ended September 30, 2021.

Upcoming Accounting Pronouncements

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

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

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

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

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

September 30, 2021

Note 1 - Significant Accounting Policies (Continued)

Adoption of New Accounting Pronouncement

During the current year, the City adopted GASB Statement No. 84, *Fiduciary Activities*, which establishes criteria for identifying and reporting fiduciary activities. As a result of implementing this standard, the activity within the Tax Collection Fund and Other Custodial Fund that was not previously reported in the financial statements now is required to be reported within separate fiduciary funds.

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

	<u>Fiduciary Funds</u>
Net position - September 30, 2020 - As previously reported	\$ 73,210,411
Adjustment for GASB Statement No. 84	<u>159,594</u>
Net position - September 30, 2020 - As restated	<u>\$ 73,370,005</u>

Note 2 - Stewardship, Compliance, and Accountability

Excess of Expenditures Over Appropriations in Budgeted Funds

The City did not have significant expenditure budget variances.

Construction Code Fees

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

Cumulative shortfall at October 1, 2020	\$ (339,372)
Current year permit revenue	735,516
Related expenses:	
Direct costs	\$ 138,690
Estimated indirect costs	<u>515,881</u>
Current year surplus	<u>80,945</u>
Cumulative shortfall September 30, 2021	<u>\$ (258,427)</u>

Fund Deficits

The City has an accumulated deficit in the Brownfield Redevelopment Authority, Grants, Construction, and Equipment and Replacement funds. Management expects the deficit in the Brownfield Redevelopment Authority to be eliminated through the receipt of future tax captures. The deficit in the Construction and Equipment and Replacement funds will be eliminated through the receipt of future debt millage transferred to these funds. The Grants Fund deficit relates to a timing difference and will be eliminated in the next fiscal year once the grant revenue is received.

Note 3 - Deposits and Investments

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

The Pension and Other Postemployment Benefits Funds are also authorized by Michigan Public Act 314 of 1965, as amended, to invest in certain reverse repurchase agreements, stocks, diversified investment companies, annuity investment contracts, real estate leased to public entities, mortgages, real estate (if the trust fund's assets exceed \$250 million), debt or equity of certain small businesses, certain state and local government obligations, and certain other specified investment vehicles.

The City has designated three banks for the deposit of its funds. The investment policy adopted by the City Council and the mayor in accordance with Public Act 196 of 1997 has authorized investment in bonds, securities, and other direct obligations of the United States or any agency or instrumentality of the United States; certificates of deposit; savings accounts, deposit accounts or depository receipts of a financial institution that has offices in Michigan; mutual funds composed of investment vehicles that are legal for direct investment by local units of government in Michigan; and interlocal agreements and investment pools but not the remainder of state statutory authority, as listed above. The City's deposits and investments are in accordance with statutory authority.

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

Custodial Credit Risk of Bank Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the government's deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk. At year end, the City had bank deposits of approximately \$77.5 million (certificates of deposit and checking and savings accounts) that were uninsured and uncollateralized. In addition, the City's component units had bank deposits of approximately \$8.9 million (certificates of deposit and checking and savings accounts) that were uninsured and uncollateralized. The City believes that, due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits. As a result, the City evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

Interest Rate Risk

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

At year end, the City had the following investments:

Investment	Carrying Value	Weighted-average Maturity (Years)
Primary Government		
Municipal bond	\$ 254,773	1.08
Commercial paper	3,148,799	0.25

September 30, 2021

Note 3 - Deposits and Investments (Continued)

Investment	Carrying Value	Weighted- average Maturity (Years)
Fiduciary Funds		
U.S. government issues	\$ 129,657	3.40
Corporate bonds and notes	138,684	5.51
Total	<u>\$ 268,341</u>	

Credit Risk

State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations. The City has no investment policy that would further limit its investment choices. As of September 30, 2021, the credit quality ratings of debt securities (other than the U.S. government) are as follows:

Investment	Moody's A3	Moody's A2	Moody's A1	Moody's Baa1	Moody's Baa2	Moody's Baa3
Fiduciary Funds						
Corporate bonds and notes	\$ 19,411	\$ 22,011	\$ 6,117	\$ 27,066	\$ 35,665	\$ 28,414

Fair Value Measurements

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

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

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

	Investments Measured at Fair Value on a Recurring Basis at September 30, 2021			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at September 30, 2021
Debt securities:				
U.S. Treasury securities and municipal bonds	\$ -	\$ 384,430	\$ -	\$ 384,430
Commercial paper	-	3,148,799	-	3,148,799
Corporate bonds	138,684	-	-	138,684
Total debt securities	138,684	3,533,229	-	3,671,913
Common trust/Mutual fund	83,255,365	-	-	83,255,365
Total	<u>\$ 83,394,049</u>	<u>\$ 3,533,229</u>	<u>\$ -</u>	<u>\$ 86,927,278</u>

September 30, 2021

Note 3 - Deposits and Investments (Continued)

Debt and equity securities classified in Level 1 are valued using prices quoted in active markets for those securities.

The fair value of U.S. Treasury securities and commercial paper at September 30, 2021 was determined primarily based on Level 2 inputs. The City estimates the fair value of these investments using other inputs, such as interest rates, yield curves, and matrix pricing models that are observable at commonly quoted intervals.

Note 4 - Land Held for Resale

The inventory in the special revenue funds, capital projects funds, and component units consists of real property purchased for resale. The City purchases the property; demolishes or rehabilitates the structure, if any; and resells the property for commercial or residential development. Inventory costs include the costs of land, existing structures, rehabilitation, and demolition. Generally, the acquisition cost of inventory is substantially higher than its fair market value after demolition and site clearing. At September 30, 2021, inventory had a cost of \$531,134, \$318,666, and \$12,606,097 and an estimated fair market value of \$107,040, \$44,237, and \$1,614,722 in the special revenue funds, capital projects funds, and component units, respectively. Included in capital outlay and other expenses of the current year was a provision of \$84,896, \$0, and \$71,781 to record inventory at the lower of cost or market value in the special revenue funds, capital projects funds, and component units, respectively. In the current year, sales of properties held within the TIFA component units resulted in a loss on sale of \$164,540, which is included in expense.

Note 5 - Joint Ventures

Southgate-Wyandotte Drainage District

The City is a member of the Southgate-Wyandotte Drainage District, a joint venture with the City of Southgate, Michigan that provides drainage services to the residents of Southgate and Wyandotte under Chapter 20 of the Michigan Drain Code. The intercounty drain activity is administered by the Wayne County Drainage Board. The City incurred approximately \$610,344 to Wayne County, Michigan during the year for operations and maintenance.

The City of Wyandotte, Michigan has a participation interest of approximately 50.5 percent in the venture. The operations of the fund will be financed through assessments to the participating cities; Wayne County, Michigan; and the State of Michigan. The City is aware that, over the next several years, there are preliminary plans for significant system improvements to take place. The City's interest in the working capital of the venture in the amount of \$1,871,641 has been recorded in the government-wide statement of net position at September 30, 2021.

Downriver Utility Wastewater Authority

The City, along with 12 other communities, is a member of the Downriver Utility Wastewater Authority, which is a consortium formed under Public Act 233 of 1955 to acquire and operate the sewer system.

The City's share of capital assets, restricted assets (for debt service), and related debt is recorded in the Sewage Disposal Fund. During the year, the City accrued approximately \$2,256,000 for operations of the system and paid \$1,257,829 for debt service. The City is not aware of any circumstances that would cause an additional benefit or burden to the participating governments in the near future. Financial statements for the joint venture can be obtained from the administrative offices at 25605 Northline Road, Taylor, MI 48180.

September 30, 2021

Note 6 - Capital Assets

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

Governmental Activities

	Balance October 1, 2020	Additions	Disposals and Adjustments	Balance September 30, 2021
Capital assets not being depreciated - Land	\$ 18,229,021	\$ -	\$ -	\$ 18,229,021
Capital assets being depreciated:				
Roads and other infrastructure	102,286,115	2,955,342	-	105,241,457
Sidewalks	37,259,541	161,371	-	37,420,912
Buildings and improvements	25,778,758	29,795	-	25,808,553
Machinery, equipment, and vehicle	12,822,660	641,354	(400,269)	13,063,745
Land improvements	5,491,203	-	-	5,491,203
Subtotal	183,638,277	3,787,862	(400,269)	187,025,870
Accumulated depreciation:				
Roads and other infrastructure	77,874,867	1,981,543	-	79,856,410
Sidewalks	35,630,116	367,972	-	35,998,088
Buildings and improvements	7,647,602	423,254	-	8,070,856
Machinery, equipment, and vehicle	11,806,937	409,457	(399,014)	11,817,380
Land improvements	5,033,548	166,914	-	5,200,462
Subtotal	137,993,070	3,349,140	(399,014)	140,943,196
Net capital assets being depreciated	45,645,207	438,722	(1,255)	46,082,674
Net governmental activities capital assets	\$ 63,874,228	\$ 438,722	\$ (1,255)	\$ 64,311,695

September 30, 2021

Note 6 - Capital Assets (Continued)

Business-type Activities

	Balance October 1, 2020	Reclassifications	Additions	Disposals and Adjustments	Balance September 30, 2021
Capital assets not being depreciated:					
Land	\$ 51,908	\$ -	\$ -	\$ -	\$ 51,908
Construction in progress	6,481,424	(4,431,743)	8,919,532	-	10,969,213
Subtotal	6,533,332	(4,431,743)	8,919,532	-	11,021,121
Capital assets being depreciated:					
Utility plant	109,344,607	79,035	-	-	109,423,642
Transmission	5,911,181	-	-	-	5,911,181
Pumping	7,252,720	16,228	-	-	7,268,948
Purification	3,953,509	-	-	-	3,953,509
Distribution	71,680,417	4,177,559	-	-	75,857,976
Transportation	4,211,559	43,815	-	(54,777)	4,200,597
Stores	1,156,932	-	-	-	1,156,932
Cable equipment	4,626,672	-	-	-	4,626,672
Land improvements	2,951,319	-	-	-	2,951,319
Studio	770,315	81,116	-	-	851,431
General	3,944,504	33,990	-	-	3,978,494
Buildings	2,366,804	-	205,966	-	2,572,770
Equipment and fixtures	1,695,693	-	25,339	-	1,721,032
Sewer lines	40,822,094	-	2,568,402	-	43,390,496
Subtotal	260,688,326	4,431,743	2,799,707	(54,777)	267,864,999
Accumulated depreciation:					
Utility plant	93,445,814	-	1,140,045	-	94,585,859
Transmission	5,891,356	-	10,956	-	5,902,312
Pumping	3,047,258	-	105,905	-	3,153,163
Purification	3,771,730	-	7,995	-	3,779,725
Distribution	49,429,367	-	2,134,541	-	51,563,908
Transportation	3,494,878	-	275,020	(54,777)	3,715,121
Stores	960,630	-	16,121	-	976,751
Cable equipment	3,788,306	-	291,876	-	4,080,182
Land improvements	1,424,935	-	58,749	-	1,483,684
Studio	738,471	-	26,145	-	764,616
General	3,841,397	-	55,181	-	3,896,578
Buildings	1,450,816	-	70,847	(23,259)	1,498,404
Equipment and fixtures	1,578,858	-	6,336	-	1,585,194
Sewer lines	16,863,066	-	874,943	-	17,738,009
Subtotal	189,726,882	-	5,074,660	(78,036)	194,723,506
Net capital assets being depreciated	70,961,444	4,431,743	(2,274,953)	23,259	73,141,493
Net business-type activities capital assets	\$ 77,494,776	\$ -	\$ 6,644,579	\$ 23,259	\$ 84,162,614

September 30, 2021

Note 6 - Capital Assets (Continued)

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

Governmental activities:	
General government	\$ 2,502,309
Public safety	443,417
Public works	145,657
Recreation and culture	<u>257,757</u>
Total governmental activities	<u>\$ 3,349,140</u>
Business-type activities:	
Electric	\$ 2,865,815
Water	461,156
Cable Television	736,814
Sewage Disposal	876,677
Golf Course	94,014
Building Rental	<u>40,184</u>
Total business-type activities	<u>\$ 5,074,660</u>

Construction Commitments

The City has active construction projects at year end. The City's commitments with contractors/suppliers as of September 30, 2021 are as follows:

	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Filter plant rehabilitation - Phase III	\$ 1,962,164	\$ 645,350
3665 11th Street - Building renovation	2,384,473	3,449,527
Fiber to the Home/Premises (FTTH/FTTP)	2,883,731	8,046,269
AMI transponders - Water	594,042	567,308
GIS, SCADA, and OMS	170,120	829,880
MobiTV	<u>158,303</u>	<u>61,697</u>
Total	<u>\$ 8,152,833</u>	<u>\$ 13,600,031</u>

September 30, 2021

Note 7 - Interfund Receivables, Payables, and Transfers

The composition of interfund balances is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor governmental funds	\$ 127,519
	Cable Television Fund	935
	Total General Fund	128,454
Nonmajor governmental funds	General Fund	218,378
	Nonmajor governmental funds	6,721
	Total nonmajor governmental funds	225,099
Electric Fund	General Fund	2,039
	Nonmajor governmental funds	48
	Water Fund	20,075
	Total Electric Fund	22,162
Cable Television Fund	General Fund	81,416
Water Fund	Sewage Disposal Fund	376,676
	Total	<u>\$ 833,807</u>

The City has made the following long-term advances between funds:

Fund Borrowed From	Fund Loaned To	Amount
Internal Service Fund	General Fund	\$ 3,400,000
	Nonmajor governmental funds	3,099,633
	Total Internal Service Fund	6,499,633
Sewage Disposal Fund	Nonmajor governmental funds	225,685
	Total	<u>\$ 6,725,318</u>

The balance of amounts loaned to (borrowed from) discretely presented component units is as follows:

Receivable	Payable	Amount
General Fund	Tax Increment Finance Authorities - Downtown	\$ 1,740
	Downriver Central Dispatch	162,225
	Downriver Central Animal Control	26,733
	Downriver Consolidated Assessing	61,831
	Total General Fund	252,529
Nonmajor governmental funds	Brownfield Redevelopment Authority	315,527
Internal Service Fund	Brownfield Redevelopment Authority	153,988
	Total	<u>\$ 722,044</u>

September 30, 2021

Note 7 - Interfund Receivables, Payables, and Transfers (Continued)

These balances primarily result from the time lag between the dates that goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system, and payments between funds are made. The Internal Service Fund advance to the General Fund is considered a long-term advance and relates to prefunding of liability and workers' compensation claims. The Sewage Disposal Fund advance to a nonmajor governmental fund relates to an outstanding balance on an interest-bearing long-term loan. The nonmajor special revenue funds and Internal Service Fund advances to the Brownfield Redevelopment Authority are considered long-term advances. The nonmajor special revenue funds and Internal Service Fund advances relate to the outstanding balance of revolving loans. The original projects were paid for with grant funding. The Brownfield Redevelopment Authority is utilizing tax captures to pay back the outstanding advance to the nonmajor special revenue funds over time. After the advances are repaid, the City will be able to use the funds to make new revolving funds in accordance with grant requirements.

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

Paying Fund (Transfer Out)	Receiving Fund (Transfer In)	Amount
General Fund	Nonmajor governmental funds	\$ 1,191,494
Nonmajor governmental funds	Nonmajor governmental funds	<u>1,213,945</u>
	Total	<u>\$ 2,405,439</u>

The transfer to other governmental funds from the General Fund was primarily to pay the annual debt service for the 27th District Court and police department facility construction and Yack Arena renovation bonds. These funds are derived through tax levies. The transfer of \$1,213,945 between the nonmajor governmental funds consisted of a \$529,121 transfer between the City's two street funds to redistribute Act 51 revenue from the Major Streets Fund to the Local Streets Fund, where the funds were then spent. A total of \$684,824 was transferred from the debt service fund to the Construction Fund and Equipment and Replacement Fund for debt payments.

Note 8 - Long-term Debt

Long-term debt activity for the year ended September 30, 2021 can be summarized as follows:

Governmental Activities

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Bonds and contracts payable - General obligations - Other debt - 2014 Revenue bonds	\$ 2,765,000	\$ -	\$ (390,000)	\$ 2,375,000	\$ 480,000

September 30, 2021

Note 8 - Long-term Debt (Continued)

Business-type Activities

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Bonds and contracts payable - Direct borrowings and direct placements:					
2014 Electric Installment Purchase Agreement	\$ 128,445	\$ -	\$ (128,445)	\$ -	\$ -
Cable Revenue Bonds - Series 2020	10,930,000	-	(660,000)	10,270,000	580,000
Downriver Utility Wastewater Authority bonds (including judgment levy bonds with the County of Wayne, Michigan), 21 issues	13,927,651	2,770,651	(718,800)	15,979,502	701,847
Total direct borrowings and direct placements principal outstanding	24,986,096	2,770,651	(1,507,245)	26,249,502	1,281,847
Other debt:					
2015 Series A Electric System Revenue and Revenue Refunding Bonds	19,905,000	-	(700,000)	19,205,000	1,040,000
2015 Series B Electric System Revenue and Revenue Refunding Bonds	6,530,000	-	(1,070,000)	5,460,000	800,000
Total other debt principal outstanding	26,435,000	-	(1,770,000)	24,665,000	1,840,000
Unamortized bond premiums	890,287	-	(35,611)	854,676	-
Total bonds and contracts payable	52,311,383	2,770,651	(3,312,856)	51,769,178	3,121,847
Capital leases	457,308	-	(134,908)	322,400	140,408
Total business-type activities long-term debt	<u>\$ 52,768,691</u>	<u>\$ 2,770,651</u>	<u>\$ (3,447,764)</u>	<u>\$ 52,091,578</u>	<u>\$ 3,262,255</u>

Component Unit

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Bonds and contracts payable - Direct borrowings and direct placements - Installment purchase agreements	\$ 14,887	\$ -	\$ (14,887)	\$ -	\$ -

The City had deferred outflows of \$813,556 related to deferred charges on bond refundings at September 30, 2021.

September 30, 2021

Note 8 - Long-term Debt (Continued)

General Obligation Bonds and Contracts

The City issues general obligation bonds to provide for the acquisition and construction of major capital facilities. General obligations have been issued for both governmental and business-type activities. General obligation bonds are direct obligations and pledge the full faith and credit of the City. County contractual agreements and installment purchase agreements are also general obligations of the City. General obligations outstanding at September 30, 2021 are as follows:

Purpose	Year Issued	Interest Rates	Maturing	Outstanding
Governmental Activities				
2014 Refunding Bonds	2014	2-4%	2025	\$ 2,375,000
Business-type Activities				
Downriver Utility Wastewater Authority bonds (including judgment levy bonds with the County of Wayne, Michigan), 21 issues	Various	2 - 5.7%	2020-2043	\$ 15,979,502

Revenue Bonds

Revenue bonds involve a pledge of specific income derived from the acquired or constructed assets and to pay debt service. The Electric Fund's 2015 Series A and B Revenue and Refunding Bonds and the 2020 Cable System Revenue Bonds are payable out of the net revenue before capital contributions of the Electric and Cable funds, respectively. During the year, net operating revenue, as defined, of the system was \$4,647,187 and \$2,885,756 for the Electric and Cable funds, respectively. Fiscal year 2022 debt service requirements total \$2,974,703 and \$934,463 for the Electric and Cable funds, respectively. The City has no liability for these bonds if the net revenue pledged should prove insufficient.

Purpose	Year Issued	Interest Rates	Maturing	Outstanding
Business-type Activities				
2015A Revenue Refunding Bonds	2015	3.50 - 5%	2044	\$ 19,205,000
2015B Revenue Refunding Bonds	2015	4.92%	2026	5,460,000
Cable Revenue Bonds - Series 2020	2020	3.50%	2035	10,270,000

Debt Service Requirements to Maturity

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

Years Ending September 30	Governmental Activities			Business-type Activities				
	Other Debt		Total	Direct Borrowings and Direct Placements		Other Debt		Total
	Principal	Interest		Principal	Interest	Principal	Interest	
2022	\$ 480,000	\$ 90,300	\$ 570,300	\$ 1,281,847	\$ 899,649	\$ 1,840,000	\$ 1,134,703	\$ 5,156,199
2023	475,000	71,100	546,100	1,801,356	854,966	1,935,000	1,040,977	5,632,299
2024	475,000	52,100	527,100	1,418,164	808,658	2,015,000	942,911	5,184,733
2025	475,000	33,100	508,100	1,468,739	760,597	2,095,000	840,878	5,165,214
2026	470,000	14,100	484,100	1,515,537	710,948	1,765,000	751,055	4,742,540
2027-2031	-	-	-	7,793,134	2,766,354	4,695,000	2,939,220	18,193,708
Thereafter	-	-	-	10,970,725	2,374,445	10,320,000	3,891,000	27,556,170
Total	\$ 2,375,000	\$ 260,700	\$ 2,635,700	\$ 26,249,502	\$ 9,175,617	\$ 24,665,000	\$ 11,540,744	\$ 71,630,863

September 30, 2021

Note 8 - Long-term Debt (Continued)

Interest

Total interest costs for the year were approximately \$2,323,000.

Bond Refunding

In previous years, the City defeased certain bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. The old bonds are not callable. Accordingly, the trust accounts' assets and liabilities for the defeased bonds are not included in the basic financial statements. As of September 30, 2021, \$2,500,000 of bonds outstanding is considered defeased.

Also, in 2015, the City defeased certain bonds of the Department of Municipal Services by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust accounts' assets and liabilities for the defeased bonds are not included in the basic financial statements. At September 30, 2021, \$2,560,000 of bonds outstanding is considered defeased.

Assets Pledged as Collateral

Direct Borrowings and Direct Placements

The City's outstanding installment purchase agreements are secured by purchased equipment.

Note 9 - Capital Leases

The City leases vehicles and equipment under long-term lease arrangements that are classified as capital leases. For financial statement purposes, the present values of the net minimum lease payments have been capitalized and are being amortized over the useful lives of the assets. Under the terms of the lease agreements, payments ranging from \$30 to \$4,406 are due monthly through February 2024. The leases have been imputed with interest at annual rates ranging from 0 percent to 6.6 percent.

At September 30, 2021, property under capital leases consists of vehicles and equipment with a gross cost of \$807,247. Accumulated depreciation on the property under capital leases was \$308,898 at September 30, 2021.

The future minimum lease payments under capital leases are as follows:

<u>Years Ending</u>	<u>Amount</u>
2022	\$ 149,474
2023	149,014
2024	<u>36,288</u>
Total	334,776
Less amount representing interest	<u>12,376</u>
Present value of net minimum lease payments	<u><u>\$ 322,400</u></u>

September 30, 2021

Note 10 - Risk Management

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

General Liability

The City currently keeps coverage that limits the maximum loss to \$20,000 per occurrence, except for law enforcement claims, which limit the maximum loss to \$25,000 per occurrence. Losses in excess of these limitations are insured up to a minimum of \$5,000,000 per occurrence depending on the nature of the claim. Losses in excess of the plan limitations are uninsured.

Workers' Compensation

The City (including the Department of Municipal Services) is partially uninsured for workers' compensation claims. The terms of the plan are subject to change each policy period. Subsequent to May 31, 1986, there is no aggregate insurance coverage limit. All claims are insured for the per occurrence exposure between the deductible of \$850,000 and the policy limits equal to state statutory requirements.

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

	Self-insurance Fund		Department of Municipal Services	
	2021	2020	2021	2020
Estimated liability - Beginning of year	\$ 454,843	\$ 578,973	\$ 102,035	\$ 131,609
Estimated claims incurred, including changes in estimates	121,869	47,022	(44,834)	(28,153)
Claim payments	(193,619)	(171,152)	(3,705)	(1,421)
Estimated liability - End of year	<u>\$ 383,093</u>	<u>\$ 454,843</u>	<u>\$ 53,496</u>	<u>\$ 102,035</u>

September 30, 2021

Note 11 - Restricted Assets and Restricted Net Position

Restricted assets consist of the following:

	Electric Fund	Cable Television Fund	Sewage Disposal Fund
Restricted working capital - Michigan Public Power Agency (MPPA)	\$ 1,421,983	\$ -	\$ -
Restricted grant reserves	385,554	-	-
Unspent bond proceeds	-	8,340,887	-
Debt service	-	935,763	-
Downriver Utility Wastewater Authority - Assets held at DUWA for future debt service and capital projects	-	-	1,507,777
Wayne County Downriver Sewage Disposal System - Assets held at the system for future debt service	-	-	122,452
Total restricted assets	1,807,537	9,276,650	1,630,229
Less unspent bond proceeds	-	(8,340,887)	-
Plus energy optimization surplus	1,008,608	-	-
Total restricted net position	\$ 2,816,145	\$ 935,763	\$ 1,630,229

When an expense is incurred that allows the use of restricted assets, those assets are applied before utilizing any unrestricted assets.

The assets restricted for MPPA working capital are contractually restricted by way of an energy services agreement entered into with the MPPA by the department in October 2012.

The assets restricted for grant reserves in the Electric Fund represent the balances outstanding as of September 30, 2021 related to grant funds advanced to the department by the Department of Energy in 2011 to be used for loan loss reserves and interest rate buy-downs on approved energy-related projects for qualifying customers of the department.

The unspent bond proceeds in the Cable Television Fund relate to the Cable System Revenue Bonds, Series 2020. At September 30, 2021, there was \$824,598 of liabilities to be paid from the Cable Television Fund restricted bond proceeds.

The assets restricted for debt service in the Cable Television Fund are pursuant to the 2019 cable system revenue bond ordinance for revenue bond debt service. In conjunction with the bond ordinance, the Commission passed a resolution to restrict net position in the Cable Fund of \$935,763, which represents the maximum annual debt service requirement on the Cable Television Fund bonds. This amount has been reported as restricted net position in the Cable Television Fund at September 30, 2021.

In accordance with Michigan Public Act 295 of 2008, the Department of Municipal Services is required to establish energy optimization programs. The department charges energy optimization fees, for which the funds are required to be spent on energy optimization programs. The surplus from these energy optimization fees has been reported as restricted net position at September 30, 2021.

Restricted assets in the Sewage Disposal Fund relate to reserves held at Downriver Utility Wastewater Authority, a joint venture of the City.

September 30, 2021

Note 12 - Pension and Other Employee Benefit Trust Funds

The following are condensed financial statements for the individual pension plans and postemployment health care plans:

	Pension Trust	Retiree Health Care	Total
Statement of Net Position			
Cash and investments	\$ 81,267,499	\$ 3,591,277	\$ 84,858,776
Other assets	4	1,075	1,079
Liabilities	-	597,671	597,671
Net position	<u>\$ 81,267,503</u>	<u>\$ 2,994,681</u>	<u>\$ 84,262,184</u>
Statement of Changes in Net Position			
Net investment income	\$ 13,047,474	\$ 492,791	\$ 13,540,265
Contributions	4,595,802	3,904,109	8,499,911
Benefit payments and deductions	<u>(7,384,761)</u>	<u>(3,603,642)</u>	<u>(10,988,403)</u>
Net change in net position	<u>\$ 10,258,515</u>	<u>\$ 793,258</u>	<u>\$ 11,051,773</u>

Note 13 - Pension Plan

Plan Description

The City of Wyandotte Employees' Retirement System administers the City of Wyandotte Employees' Pension Plan - a single-employer defined benefit pension plan that provides pensions for employees of the City. The system covers substantially all full-time general employees hired prior to October 1, 1999; all union (AFSCME) general members hired prior to April 1, 2000; all union (IAFF) firefighters hired prior to October 1, 2000; all fire dispatchers and police hired prior to July 1, 2001; and all municipal services employees hired prior to October 1, 2006. The plan is closed to new hires; however, as of January 1, 2020, the plan reopened for police patrol and command members (DB-2). Those members hired between February 1, 1999 and December 31, 2019 who did not elect to join the plan effective January 1, 2020 are not eligible. Benefit terms have been established by contractual agreements between the City and the various employee union representation; amendments are subject to the same process.

Management of the plan is vested in the retirement commission, which consists of seven members - four elected by plan members (general, police, fire, and municipal services), one appointed by the City, one appointed by the municipal services commission, and the city treasurer, who serves as an ex officio member.

Benefits Provided

The pension plan provides retirement, disability, and death benefits. Retirement benefits for members are calculated for the various groups as follows:

General Plan Members

The benefit is calculated as total service times 1.4 percent of the member's final average compensation (FAC). The FAC is calculated as the three highest consecutive years out of the last five. For members hired prior to October 1, 1982, the minimum benefit is the greater of total service times 2 percent of FAC less the annuity equivalent of the members' hypothetical contribution balance or 1.4 percent of FAC. The maximum benefit is 70 percent of FAC.

Police Patrol and Command Members

The benefit is calculated as FAC times the sum of 2.5 percent of the first 25 years of service plus 1 percent for years of service in excess of 25 years, up to 75 percent of FAC. FAC is calculated as the highest 3 out of the last 10 consecutive years.

September 30, 2021

Note 13 - Pension Plan (Continued)

Police and Command Members (DB-2)

The benefit is calculated as FAC times 2.0 percent. Maximum benefit is 70 percent of FAC. FAC is calculated as the highest 60 consecutive months of base wages out of the last 10 consecutive years.

Fire Members

For all fire members, the benefit is calculated as FAC times the sum of 2.5 percent of the first 25 years of service plus 1 percent for years of service in excess of 25 years, up to 75 percent of FAC less the annuity equivalent of the member's hypothetical contribution balance. FAC for fire members is calculated as the highest 3 out of the last 10 consecutive years.

Municipal Service Members

The benefit is calculated as FAC times 1.65, 1.7, or 1.5 to 1.7 percent for nonexempt, exempt, and hourly members, respectively. FAC is calculated as the highest 3 consecutive years out of the last 10.

General, police, and fire plan members with 25 years of service or age 55 with 10 years of service are eligible to retire. Municipal service plan members with 30 years (25 years for municipal services hourly) of service or age 60 with 10 years of service are eligible to retire. General and municipal services members have a mandatory retirement age of 70 years, while police and fire is age 60. All plan members are eligible for nonduty disability benefits after 10 years of service and for duty-related disability benefits upon hire. Disability retirement benefits are determined in the same manner as retirement benefits but are payable immediately without an actuarial reduction. Death benefits equal the workers' compensation benefit.

Employees Covered by Benefit Terms

The following members were covered by the benefit terms:

Date of member count	September 30, 2020
Inactive plan members or beneficiaries currently receiving benefits	297
Inactive plan members entitled to but not yet receiving benefits	16
Active plan members	65
	<hr/>
Total employees covered by the plan	378
	<hr/> <hr/>

Contributions

State law requires public employers to make pension contributions in accordance with an actuarial valuation. The City hires an independent actuary for this purpose and annually contributes the amount determined to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Contribution requirements of plan members are established and may be amended by the retirement commission in accordance with the City Charter, union contracts, and plan provisions. The City's required contribution is determined after consideration of the required contribution rate of employees. For the year ended September 30, 2021, the police patrol and police command members contributed 5 percent of annual pay. For the year ended September 30, 2021, the City contributed the actuarial required contribution of \$5,347,505, which consisted of \$1,417,713 from municipal services and \$3,086,537 in transfers from other funds, as well as \$843,255 from supplemental reserves in the pension system, which are not considered for annual actuarially required contribution purposes.

September 30, 2021

Note 13 - Pension Plan (Continued)

Net Pension Liability

The City has chosen to use September 30, 2021 as its measurement date for the net pension liability. The September 30, 2021 fiscal year end reported net pension liability was determined using a measure of the total pension liability and the pension net position as of the September 30, 2021 measurement date. The September 30, 2021 total pension liability was determined by an actuarial valuation performed as of September 30, 2020, which used update procedures to roll forward the estimated liability to September 30, 2021.

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

Changes in Net Pension Liability	Increase (Decrease)		
	Total Pension Liability	Plan Net Position	Net Pension Liability
Balance at October 1, 2020	\$ 95,792,929	\$ 71,008,988	\$ 24,783,941
Changes for the year:			
Service cost	582,338	-	582,338
Interest	6,467,420	-	6,467,420
Differences between expected and actual experience	(821,329)	-	(821,329)
Contributions - Employer	-	4,504,250	(4,504,250)
Contributions - Employee	-	91,552	(91,552)
Net investment income	-	13,047,474	(13,047,474)
Benefit payments, including refunds	(7,384,761)	(7,384,761)	-
Net changes	(1,156,332)	10,258,515	(11,414,847)
Balance at September 30, 2021	<u>\$ 94,636,597</u>	<u>\$ 81,267,503</u>	<u>\$ 13,369,094</u>

The City's fiduciary net position as a percentage of the total pension liability is 85.87 percent.

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

For the year ended September 30, 2021, the City recognized pension recovery of \$449,484.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ (264,798)
Net difference between projected and actual earnings on pension plan investments	-	(6,479,222)
Total	<u>\$ -</u>	<u>\$ (6,744,020)</u>

September 30, 2021

Note 13 - Pension Plan (Continued)

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

Years Ending September 30	Amount
2022	\$ (1,671,988)
2023	(1,513,386)
2024	(1,923,754)
2025	(1,634,892)
Total	<u>\$ (6,744,020)</u>

Actuarial Assumptions

The total pension liability in the September 30, 2020 actuarial valuation was determined using an inflation assumption of 2.50 percent, assumed salary increases (including inflation) of 3 to 8.1 percent, an investment rate of return (net of investment expenses) of 7 percent, and the RP-2014 mortality table projected seven years with scale MP-2014.

Discount Rate

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

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

Investment Rate of Return

Best estimates of arithmetic real rates of return as of the September 30, 2021 measurement date for each major asset class included in the pension plan’s target asset allocation, as disclosed in the investment footnote, are summarized in the following tables:

Asset Class	Long-term Expected Real Rate of Return
Domestic fixed income	2.75 %
Domestic equity	4.62
International equity	5.58
Hedged strategies	3.10
Cash or cash equivalents	(0.33)

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

The following presents the net pension liability of the City, calculated using the discount rate of 7 percent, as well as what the City’s net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1 Percentage Point Decrease (6%)	Current Discount Rate (7%)	1 Percentage Point Increase (8%)
Net pension liability of the City	\$ 22,322,513	\$ 13,369,094	\$ 5,686,827

September 30, 2021

Note 13 - Pension Plan (Continued)

Investment Policy

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

Asset Class	Target Allocation
Domestic fixed income	37.00 %
Domestic equity	36.00
International equity	15.00
Hedged strategies	10.00
Cash or cash equivalents	2.00
Total	<u>100.00 %</u>

Rate of Return

For the year ended September 30, 2021, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 18.83 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Pension Plan Reserves

In accordance with plan documents, the following reserves are required to be set aside within the pension plan:

- The retiree reserve is to be computed annually by the actuary as the present value of estimated benefit payments for all current retirees. The amounts reserved may be used solely to pay monthly retiree benefit payments.
- The employee reserve is credited as employee contributions are received throughout the year; the plan maintains a record of the amount contributed by each employee and credits interest annually at a rate of 5 percent.
- The employer reserve account is used to account for the residual net position balance in the pension plan after funding the above two reserves.

The balances of the reserve accounts at September 30, 2021 are as follows:

	Required Reserve	Amount Funded
Retiree reserve	\$ 75,481,219	\$ 80,607,381
Employee reserve	660,122	660,122
Total	<u>\$ 76,141,341</u>	<u>\$ 81,267,503</u>

September 30, 2021

Note 14 - Other Postemployment Benefit Plan

Plan Description

The City provides retiree health care benefits to certain eligible employees and their spouses. The benefits are provided through the City of Wyandotte Retiree Health Care Plan, a single-employer defined benefit plan administered by the City. The City has eliminated retiree health care for all new hires.

The financial statements of the OPEB plan are included in these financial statements as a pension and other employee benefit trust fund (a fiduciary fund).

Management of the plan is vested with the City Council.

Benefits Provided

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

Employees Covered by Benefit Terms

The following members were covered by the benefit terms:

	City of Wyandotte Retiree Health Care Plan
	<hr/>
Date of member count	September 30, 2019
Inactive plan members or beneficiaries currently receiving benefits	277
Inactive plan members entitled to but not yet receiving benefits	9
Active plan members	<hr/> 105
Total plan members	<hr/> <hr/> 391

Contributions

Retiree health care costs are paid by the City on a pay-as-you-go basis. The City has no obligation to make contributions in advance of when the insurance premiums are due for payment. However, during the year ended September 30, 2021, the City contributed \$2,788,020 into the plan to advance fund these benefits, as determined by the City Council through annual budget resolutions. Plan members are not required to contribute to the plan.

Net OPEB Liability

The City has chosen to use the September 30, 2021 measurement date as its measurement date for the net OPEB liability. The September 30, 2021 fiscal year end reported net OPEB liability was determined using a measure of the total OPEB liability and the OPEB net position as of the September 30, 2021 measurement date. The September 30, 2021 total OPEB liability was determined by an actuarial valuation performed as of September 30, 2019, which used update procedures to roll forward the estimated liability to September 30, 2021.

September 30, 2021

Note 14 - Other Postemployment Benefit Plan (Continued)

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

Changes in Net OPEB Liability	Increase (Decrease)		
	Total OPEB Liability	Plan Net Position	Net OPEB Liability
Balance at September 30, 2020	\$ 115,620,736	\$ 2,201,423	\$ 113,419,313
Changes for the year:			
Service cost	2,076,147	-	2,076,147
Interest	2,768,053	-	2,768,053
Differences between expected and actual experience	(346,697)	-	(346,697)
Changes in assumptions	3,639,038	-	3,639,038
Contributions - Employer	-	3,904,109	(3,904,109)
Net investment income	-	492,791	(492,791)
Benefit payments, including refunds	(3,603,642)	(3,603,642)	-
Net changes	4,532,899	793,258	3,739,641
Balance at September 30, 2021	<u>\$ 120,153,635</u>	<u>\$ 2,994,681</u>	<u>\$ 117,158,954</u>

The plan's fiduciary net position represents 2.5 percent of the total OPEB liability.

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

For the year ended September 30, 2021, the City recognized OPEB expense of \$15,531,458.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ (663,820)
Changes in assumptions	3,273,437	-
Net difference between projected and actual earnings on OPEB plan investments	-	(275,397)
Total	<u>\$ 3,273,437</u>	<u>\$ (939,217)</u>

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

Years Ending September 30	Amount
2022	\$ 2,316,720
2023	164,484
2024	(75,511)
2025	(71,473)
Total	<u>\$ 2,334,220</u>

September 30, 2021

Note 14 - Other Postemployment Benefit Plan (Continued)

Actuarial Assumptions

The total OPEB liability in the actuarial valuation was determined using an inflation assumption of 2.75 percent; assumed salary increases (including inflation) of 3 to 8.1 percent; an investment rate of return (net of investment expenses) of 6 percent; a health care cost trend rate of 7.5 percent for 2021, decreasing 0.50 to 0.75 percent per year to an ultimate rate of 3.5 percent for 2031 and later years; and the RP-2014 mortality table projected seven years with scale MP-2014. These assumptions were applied to all periods included in the measurement.

Discount Rate

The discount rate used to measure the total OPEB liability was 2.19 percent. The beginning of year total OPEB liability was based on a single discount rate of 2.41 percent.

The OPEB plan's fiduciary net position was not projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate was determined by blending the long-term expected rate of return on OPEB plan investments of 6 percent with the current yield for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher, which currently stands at 2.19 percent (based on the Fidelity Index's 20-Year Municipal GO AA Index as of September 30, 2021).

Investment Rate of Return

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and adding expected inflation. Best estimates of geometric real rates of return as of the September 30, 2021 measurement date for each major asset class included in the OPEB plan's target asset allocation are summarized in the following table:

Asset Class	Long-term Expected Real Rate of Return
Domestic equity	6.06 %
Global equity	5.63
Domestic fixed income	1.60
Real estate	5.50
Real assets	3.60
Cash or cash equivalents	0.80

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 2.19 percent, 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 Percentage Point Decrease (1.19%)	Current Discount Rate (2.19%)	1 Percentage Point Increase (3.19%)
Net OPEB liability	\$ 136,138,538	\$ 117,158,954	\$ 101,913,029

September 30, 2021

Note 14 - Other Postemployment Benefit Plan (Continued)

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

The following presents the net OPEB liability of the City, calculated using the health care cost trend rate of 7.50 percent, as well as what the City's net OPEB liability would be if it were calculated using a health care cost trend rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1 Percentage Point Decrease (6.50%)	Current Health Care Cost Trend Rate (7.50%)	1 Percentage Point Increase (8.50%)
Net OPEB liability of the City of Wyandotte Retiree Health Care Plan	\$ 99,356,705	\$ 117,158,954	\$ 139,592,682

Assumption Changes

The beginning of year total OPEB liability was based on a single discount rate of 2.41 percent, and the end of year total OPEB liability was based on a single discount rate of 2.19 percent.

Investment Policy

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

Asset Class	Target Allocation
Domestic equity	32.00 %
Global equity	32.50
Domestic fixed income	27.00
Global fixed income	-
Real estate and alternatives	7.50
Cash or cash equivalents	1.00

Rate of Return

For the year ended September 30, 2021, the annual money-weighted rate of return on OPEB plan investments, net of OPEB plan investment expense, was 17.60 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Note 15 - Defined Contribution Pension Plan

The City established a defined contribution pension plan under Section 401(a) of the Internal Revenue Code for the following employees:

- Police patrol officers hired on or after February 1, 1999
- Police command officers hired on or after February 1, 1999
- Nonunion administrative employees hired on or after October 1, 1999
- Nonunion administrative employees hired prior to October 1, 1999 who elected to transfer their accrued benefits from the defined benefit plan

September 30, 2021

Note 15 - Defined Contribution Pension Plan (Continued)

- AFSCME Local 894 members hired on or after April 1, 2000
- Wyandotte firefighters IAFF Local 356 members hired on or after October 1, 2000
- Police and fire dispatchers hired on or after July 1, 2001
- Police and fire dispatchers hired prior to July 1, 2002 who elected to transfer their accrued benefits from the defined benefit plan
- Department of Municipal Services employees hired on or after October 1, 2006
- Department of Municipal Services union employees hired prior to October 1, 2006 who elected to transfer their accrued benefits from the defined benefit plan
- Department of Municipal Services nonunion employees hired prior to January 1, 2008 who elected to transfer their accrued benefits from the defined benefit plan

In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Investments are managed by a third party, and investment decisions are made by the individual employees. As established by the City of Wyandotte, Michigan through collective bargaining agreements, the City and the employees contribute a percentage of employees' qualified earnings in the amount of 10 and 5 percent, respectively.

The employee contribution percentages noted above represent the required contribution. Employees are not permitted to contribute additional amounts. The City withholds from employee earnings and remits to the plan each pay period. The City's contributions for each employee (plus interest allocated to the employee's account) are fully vested after five years of service.

In accordance with the above requirements, the City contributed approximately \$812,000 during the current year, and the employees contributed approximately \$406,000.

Note 16 - Related Party Transactions

City-owned facilities are users of the Wyandotte Department of Municipal Services (the "Department") electric and water services. Included in the Department's revenue are charges from the sale of such services. Pursuant to the revenue bond ordinance, the Department charges the City for street and public lighting services. In turn, the City has charged the Department an equal amount for services in lieu of property taxes. In 2006, the Department also began paying the City a fee for use of city services (i.e., police and fire protection, etc.) and infrastructure. The Department also provides billing and cash collection services for the City's sewer use charges, which are then remitted to the City upon collection. The Department earns a related collection fee for these services.

Included in the Department's cable expenses is a franchise fee payable to the City equal to 5 percent of the gross revenue of the Cable Television Fund for the year ended September 30, 2021.

Beginning in 2009, the water department began paying the City a service fee based on an annual dollar amount agreed upon by the City and the Department.

September 30, 2021

Note 16 - Related Party Transactions (Continued)

A summary of these transactions for the year ended September 30, 2021 is as follows:

Revenue:	
In lieu of property taxes	\$ 652,552
Cable television franchise fees	534,508
Water (city services)	175,000
Electric (city services)	938,975
Building rent	-
Expenses:	
Electric and water services	(628,040)
Street and public lighting	(652,552)
Collection fee	(58,797)
Remittances to City for sewage use charge collections	4,627,914
Payable to Sewage Disposal Fund	(376,676)
Payable to Solid Waste Disposal Fund	(48)

Note 17 - Contingent Liabilities

The City has been named as a defendant in numerous claims and lawsuits requesting damages of various amounts, the majority of which do not state a specific maximum. The various proceedings have not yet progressed to a point where a legal opinion can be reached as to the ultimate liability, if any, after consideration of available insurance, where applicable, that may result from the resolution of these matters. The City has not recorded an estimate for any possible liability at September 30, 2021.

The Wyandotte Department of Municipal Services was listed as a potentially responsible party for the remedial sediment cleanup of the Upper Trenton Channel Sediment Site (the "Site") on the Detroit River. As a result, the Department decided to participate in a voluntary and nonbinding allocation process. The Site is eligible to participate in a voluntary Great Lakes cleanup program targeting contaminated sediments known as the Great Lakes Legacy Act (the "Legacy Act"). The U.S. Environmental Protection Agency entered into a Legacy Act project agreement with three nonfederal sponsor partners for completion of the remedial design of the Site. The remedial design will guide the remedial action for the removal/cover of contaminated sediment from target areas at the Site to support successful construction of the remedy that meets the objectives and performance criteria. A third-party consultant is in the process of preparing a cost estimate for the remedial activities. At this time, the cost of remedial action has not been finalized for the Site, and the process to allocate the liability to the potentially responsible parties has not commenced; therefore, the Department is not able to reasonably estimate its allocation of the cost to remediate the Site.

The Wyandotte Department of Municipal Services continues to be involved in various contingent matters arising in the normal course of operations. While insurance coverage and other potential remedies are available in certain circumstances to varying degrees, no opinion can currently be given as to the ultimate outcome of these matters. No provision has been made for the ultimate liability, if any, that may result from the resolution of these matters.

The City has entered into various agreements to repay developers for brownfield remediation and cleanup. In addition, the City has an agreement with the Department for repayment of approximately \$3.5 million in costs related to a brownfield project. The repayments will be funded by incremental tax captures and are contingent upon increasing brownfield property tax values. The outstanding amount owed to developers is approximately \$579,000 as of September 30, 2021. Of the \$3.5 million potential reimbursement to the Department, the City expects that the Department will recover approximately \$300,000 under the brownfield tax capture process.

September 30, 2021

Note 18 - Tax Abatements

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

For the fiscal year ended September 30, 2021, the City abated \$289,864 of taxes under this program. There are no provisions to recapture taxes; however, the abatement may be eliminated if taxes are not paid timely.

Additionally, the Brownfield Redevelopment Authority, a discretely presented component unit, uses brownfield redevelopment agreements under PA 381 of 1996 to reimburse taxpayers that remediate environmental contamination on their properties. As a result of these agreements, the Brownfield Redevelopment Authority's tax revenue is reduced. For the fiscal year ended September 30, 2021, the Brownfield Redevelopment Authority abated \$221,063 of taxes under this program. There are no provisions to recapture taxes.

In addition, the City has abatements related to the Personal Property Tax (Act 328 of 1998, as amended by PA 20 of 1999), which reduce future taxes to the extent new purchases of eligible personal property will be 100 percent exempt from personal property tax. Taxes in the current year were reduced by \$8,283,357.

The City also has abatements related to the Commercial Facility Tax Exemption, Obsolete Property Rehabilitation Act, and Neighborhood Enterprise Zone exemption. These abatements totaled \$262,874 in the current year.

There are no significant abatements made by other governments that reduce the City's tax revenue.

Required Supplemental Information

Required Supplemental Information
Budgetary Comparison Schedule
General Fund

Year Ended September 30, 2021

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Taxes	\$ 10,255,912	\$ 10,255,912	\$ 10,321,487	\$ 65,575
Transfers out	(1,180,129)	(1,180,129)	(1,191,494)	(11,365)
Intergovernmental	3,670,297	4,053,852	4,347,818	293,966
Charges for services	4,495,877	4,661,877	4,120,928	(540,949)
Fines and forfeitures	1,353,000	1,353,000	774,372	(578,628)
Licenses and permits	569,587	573,087	612,076	38,989
Investment income	60,000	30,000	23,726	(6,274)
Other revenue	3,248,000	3,272,042	2,768,852	(503,190)
Total revenue	22,472,544	23,019,641	21,777,765	(1,241,876)
Expenditures				
Current services:				
General government:				
Mayor and council	132,824	133,081	114,198	18,883
Financial services and administration	665,070	672,929	613,217	59,712
Information technology	202,546	205,124	199,101	6,023
Treasurer	136,945	138,212	113,612	24,600
Assessor	190,103	191,330	167,445	23,885
City commissions	27,395	27,395	20,116	7,279
City clerk	248,214	249,873	232,576	17,297
Elections	84,708	96,750	64,392	32,358
General government administration	1,507,700	1,507,700	1,400,303	107,397
District court	1,062,959	1,109,724	785,944	323,780
Public safety:				
Police and civil defense	4,719,851	4,816,886	4,535,024	281,862
Fire	4,210,452	4,286,694	4,151,914	134,780
Dispatch	262,373	262,373	203,144	59,229
Animal control	118,414	120,478	27,660	92,818
Public works:				
Engineering and building	1,075,019	1,099,670	1,010,461	89,209
DPS	2,817,512	2,962,023	2,508,797	453,226
Recreation and culture:				
Recreation	507,746	511,719	405,403	106,316
Youth assistance	47,588	48,171	47,036	1,135
Historical/Marketing	162,314	164,040	151,042	12,998
Swimming pool	15,771	15,771	-	15,771
Yack arena	360,905	361,936	274,218	87,718
Other functions	3,912,997	3,912,997	3,912,665	332
Total expenditures	22,469,406	22,894,876	20,938,268	1,956,608
Net Change in Fund Balance	3,138	124,765	839,497	714,732
Fund Balance - Beginning of year	5,427,598	5,427,598	5,427,598	-
Fund Balance - End of year	\$ 5,430,736	\$ 5,552,363	\$ 6,267,095	\$ 714,732

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

Last Eight Fiscal Years

	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability								
Service cost	\$ 582,338	\$ 610,411	\$ 465,856	\$ 505,310	\$ 561,063	\$ 578,924	\$ 787,912	\$ 857,274
Interest	6,467,420	6,345,790	6,385,050	6,369,228	6,372,082	6,336,827	6,064,038	6,036,970
Changes in benefit terms	-	2,646,161	-	18,065	-	825,125	-	-
Differences between expected and actual experience	(821,329)	(547,546)	(204,983)	576,094	335,373	76,066	(669,257)	-
Changes in assumptions	-	-	-	-	-	-	10,489,220	-
Benefit payments, including refunds	(7,384,761)	(7,261,997)	(7,255,780)	(7,190,123)	(7,372,687)	(7,245,135)	(6,536,096)	(6,461,217)
Net Change in Total Pension Liability	(1,156,332)	1,792,819	(609,857)	278,574	(104,169)	571,807	10,135,817	433,027
Total Pension Liability - Beginning of year	95,792,929	94,000,110	94,609,967	94,331,393	94,435,562	93,863,755	83,727,938	83,294,911
Total Pension Liability - End of year	\$ 94,636,597	\$ 95,792,929	\$ 94,000,110	\$ 94,609,967	\$ 94,331,393	\$ 94,435,562	\$ 93,863,755	\$ 83,727,938
Plan Fiduciary Net Position								
Contributions - Employer	\$ 4,504,250	\$ 4,406,245	\$ 4,136,191	\$ 4,269,848	\$ 3,774,885	\$ 3,699,614	\$ 3,565,840	\$ 3,458,902
Contributions - Member	91,552	2,289,009	15,256	15,213	15,258	19,285	36,955	48,194
Net investment income (loss)	13,047,474	6,013,809	2,473,324	3,929,039	6,058,638	4,959,164	(2,316,546)	3,412,956
Benefit payments, including refunds	(7,384,761)	(7,261,997)	(7,255,780)	(7,190,123)	(7,372,687)	(7,245,135)	(6,536,096)	(6,461,217)
Other	-	-	(8,878)	21,626	(72)	-	-	-
Net Change in Plan Fiduciary Net Position	10,258,515	5,447,066	(639,887)	1,045,603	2,476,022	1,432,928	(5,249,847)	458,835
Plan Fiduciary Net Position - Beginning of year	71,008,988	65,561,922	66,201,809	65,156,206	62,680,184	61,247,256	66,497,103	66,038,268
Plan Fiduciary Net Position - End of year	\$ 81,267,503	\$ 71,008,988	\$ 65,561,922	\$ 66,201,809	\$ 65,156,206	\$ 62,680,184	\$ 61,247,256	\$ 66,497,103
City's Net Pension Liability - Ending	\$ 13,369,094	\$ 24,783,941	\$ 28,438,188	\$ 28,408,158	\$ 29,175,187	\$ 31,755,378	\$ 32,616,499	\$ 17,230,835
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	85.87 %	74.13 %	69.75 %	69.97 %	69.07 %	66.37 %	65.25 %	79.42 %
Covered Payroll	\$ 4,631,253	\$ 4,979,734	\$ 3,597,081	\$ 3,868,863	\$ 4,031,336	\$ 4,038,704	\$ 5,440,897	\$ 5,471,985
City's Net Pension Liability as a Percentage of Covered Payroll	288.67 %	497.70 %	790.59 %	734.28 %	723.71 %	786.28 %	599.47 %	314.89 %

*GASB Statement No. 67 was implemented for the fiscal year ended September 30, 2014 and does not require retroactive implementation for this schedule. Data will be added as information is available until 10 years of such information is available.

Required Supplemental Information
Schedule of Pension Contributions

Last Ten Fiscal Years
Years Ended September 30

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Actuarially determined contribution	\$ 5,347,505	\$ 5,206,138	\$ 4,939,046	\$ 4,632,288	\$ 4,224,526	\$ 4,097,426	\$ 4,076,644	\$ 4,143,858	\$ 4,016,207	\$ 3,554,138
Contributions in relation to the actuarially determined contribution	4,504,250	4,406,245	4,136,191	4,269,848	3,774,885	3,699,614	3,565,840	3,458,902	3,755,609	2,640,000
Contribution Deficiency	\$ (843,255)	\$ (799,893)	\$ (802,855)	\$ (362,440)	\$ (449,641)	\$ (397,812)	\$ (510,804)	\$ (684,956)	\$ (260,598)	\$ (914,138)
Covered Payroll	\$ 4,631,253	\$ 4,979,734	\$ 3,597,081	\$ 3,868,863	\$ 4,031,336	\$ 4,038,704	\$ 5,440,897	\$ 5,471,985	\$ 5,718,130	\$ 6,803,552
Contributions as a Percentage of Covered Payroll	97.26 %	88.48 %	114.99 %	110.36 %	93.64 %	91.60 %	65.54 %	63.21 %	65.68 %	38.80 %

Notes to Schedule of Pension Contributions

Actuarial valuation information relative to the determination of contributions:

Valuation date Actuarially determined contribution rates are calculated as of September 30 each year, which is 12 months prior to the beginning of the fiscal year in which the contributions are reported

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level dollar
Remaining amortization period	10 years, level dollar for general 7 years, level dollar for police/fire 15 years, level dollar for municipal services 20 years, level percent of pay for DB-2 police
Asset valuation method	4-year smoothed market value
Inflation	2.50 percent
Salary increase	3.0 to 8.1 percent
Investment rate of return	7.0 percent
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition
Mortality	The RP-2014 Mortality Table projected 7 years with scale MP-2014
Other information	The contribution deficiency noted above was supplemented by reserves in the pension system that have not been taken into consideration by the actuary when calculating the actuarially determined contribution.

Required Supplemental Information
Schedule of Pension Investment Returns

**Last Eight Fiscal Years
Years Ended September 30**

	2021	2020	2019	2018	2017	2016	2015	2014
Annual money-weighted rate of return - Net of investment expense	18.83 %	9.21 %	3.76 %	6.25 %	8.30 %	8.40 %	(2.50)%	5.30 %

*GASB Statement No. 67 was implemented for the fiscal year ended September 30, 2014 and does not require retroactive implementation for this schedule. Data will be added as information is available until 10 years of such information is available.

City of Wyandotte, Michigan

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

	Last Five Fiscal Years				
	2021	2020	2019	2018	2017
Total OPEB Liability					
Service cost	\$ 2,076,147	\$ 1,721,361	\$ 1,509,960	\$ 1,681,851	\$ 2,831,180
Interest	2,768,053	2,800,057	3,343,120	2,802,849	4,615,318
Differences between expected and actual experience	(346,697)	(6,830,685)	49,069	4,137,166	(953,238)
Changes in assumptions	3,639,038	18,942,774	13,422,167	2,559,971	(8,964,413)
Benefit payments, including refunds	(3,603,642)	(3,944,708)	(3,850,264)	(3,928,849)	(4,044,307)
Net Change in Total OPEB Liability	4,532,899	12,688,799	14,474,052	7,252,988	(6,515,460)
Total OPEB Liability - Beginning of year	115,620,736	102,931,937	88,457,885	81,204,897	150,454,539
Total OPEB Liability - End of year	\$ 120,153,635	\$ 115,620,736	\$ 102,931,937	\$ 88,457,885	\$ 143,939,079
Plan Fiduciary Net Position					
Contributions - Employer	\$ 3,904,109	\$ 3,887,143	\$ 3,689,633	\$ 3,679,182	\$ 3,985,588
Net investment income	492,791	129,697	66,198	115,383	175,533
Benefit payments, including refunds	(3,603,642)	(3,944,708)	(3,850,264)	(3,928,849)	(4,044,307)
Net Change in Plan Fiduciary Net Position	793,258	72,132	(94,433)	(134,284)	116,814
Plan Fiduciary Net Position - Beginning of year	2,201,423	2,129,291	2,223,724	2,358,008	2,241,194
Plan Fiduciary Net Position - End of year	\$ 2,994,681	\$ 2,201,423	\$ 2,129,291	\$ 2,223,724	\$ 2,358,008
Net OPEB Liability - Ending	\$ 117,158,954	\$ 113,419,313	\$ 100,802,646	\$ 86,234,161	\$ 141,581,071
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	2.49 %	1.90 %	2.07 %	2.51 %	1.64 %
Covered-employee Payroll	\$ 7,834,889	\$ 7,834,750	\$ 9,098,268	\$ 9,315,766	\$ 8,319,044
Net OPEB Liability as a Percentage of Covered-employee Payroll	1,495.35 %	1,447.64 %	1,107.93 %	925.68 %	1,701.89 %

*GASB Statement No. 74 was implemented for the fiscal year ended September 30, 2017 and does not require retroactive implementation for this schedule. Data will be added as information is available until 10 years of such information is available.

In September 30, 2018, the beginning of year total OPEB liability was adjusted based on updated information related to the plan.

Required Supplemental Information
Schedule of OPEB Contributions

Last Ten Fiscal Years
Years Ended September 30

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Actuarially determined contribution	\$ 6,859,037	\$ 6,146,931	\$ 6,146,931	\$ 8,303,941	\$ 8,304,191	\$ 8,096,761	\$ 8,096,830	\$ 8,124,395	\$ 7,124,448	\$ 615,283
Contributions in relation to the actuarially determined contribution	3,904,110	3,887,143	3,689,633	3,679,182	3,985,588	3,802,670	3,924,476	3,601,657	3,262,725	3,185,453
Contribution (Deficiency) Excess	\$ (2,954,927)	\$ (2,259,788)	\$ (2,457,298)	\$ (4,624,759)	\$ (4,318,603)	\$ (4,294,091)	\$ (4,172,354)	\$ (4,522,738)	\$ (3,861,723)	\$ 2,570,170

Notes to Schedule of Contributions

Actuarial valuation information relative to the determination of contributions:

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level dollar, closed
Remaining amortization period	20 years
Asset valuation method	Market value of assets
Inflation	2.75 percent
Health care cost trend rates	8.0 percent trend, gradually decreasing to 3.50 percent in year 12
Salary increase	3.0 percent to 8.1 percent, including inflation
Investment rate of return	6.0 percent, net of OPEB plan investment expense, including inflation
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition
Mortality	The RP-2014 Mortality Table projected 7 years with Scale MP-2014

Required Supplemental Information
Schedule of OPEB Investment Returns

**Last Five Fiscal Years
Years Ended September 30**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Annual money-weighted rate of return - Net of investment expense	17.60 %	5.38 %	3.69 %	5.47 %	8.30 %

*GASB Statement No. 74 was implemented for the fiscal year ended September 30, 2017 and does not require retroactive implementation for this schedule. Data will be added as information is available until 10 years of such information is available.

Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund and all special revenue funds, except that operating transfers and reimbursements have been included in the revenue and expenditures categories, rather than as other financing sources (uses). All annual appropriations lapse at fiscal year end. The annual budget is prepared by the City's management and adopted by the City Council; subsequent amendments are approved by the City Council.

The budget process is initiated in March when the departments are given information and guidelines to assist them in formulating their budget requests. The department heads summarize departmental appropriation requests and submit them to the mayor on or before June 1. During the month of June, the mayor reviews the appropriation requests, meets with the departments, and puts together the budget. The budget is submitted to the City Council in early July. During the next month, the City Council reviews the budget and considers any changes. After a public hearing, the final budget is adopted by resolution no later than September 30.

The budget document presents information by fund, function, department, and line items. The legal level of budgetary control adopted by the governing body is the department level.

Amounts encumbered for purchase orders, contracts, etc. are not tracked during the year. Budget appropriations are considered to be spent once the goods are delivered or the services rendered.

A reconciliation of the budgetary comparison schedule to the fund-based statement of revenue, expenditures, and changes in fund balance is as follows:

	<u>Total Revenue</u>	<u>Total Expenditures</u>	<u>Other Financing Uses</u>
Amounts per operating statement	\$ 20,804,295	\$ 18,773,304	\$ (1,191,494)
Reimbursing transfers from other funds	2,164,964	2,164,964	-
Operating transfers	<u>(1,191,494)</u>	<u>-</u>	<u>1,191,494</u>
Amounts per budget statement	<u><u>\$ 21,777,765</u></u>	<u><u>\$ 20,938,268</u></u>	<u><u>\$ -</u></u>

Pension Information

Benefit Changes

In 2016, the Department of Municipal Services group offered an Early Retirement Incentive Program (ERIP) of five additional years of service in exchange for retiring immediately to 18 employees with more than 20 years of service. Of those, 11 retired under the provisions of the program.

In 2018, the benefit multiplier for Department of Municipal Services hourly employees was decreased from 1.70 percent to 1.50 percent for service after January 1, 2019.

In 2020, the City reopened the plan to certain police and command members.

Changes in Assumptions

In 2015, mortality rates were updated from the 1984 Group Annuity Mortality Table to the RP-2014 Mortality Table, investment return was lowered from 7.5 percent to 7.0 percent, and wage inflation was lowered from 4.5 percent to 3.0 percent.

OPEB Information

Benefit Changes

There were no changes of benefit terms in 2021.

Changes in Assumptions

In 2017, the beginning of year total OPEB liability was based on a single discount rate of 3.08 percent, and the end of year total OPEB liability was based on a single discount rate of 3.50 percent.

In 2018, the beginning of year total OPEB liability was based on a single discount rate of 3.50 percent, and the end of year total OPEB liability was based on a single discount rate of 3.83 percent.

In 2019, the beginning of year total OPEB liability was based on a single discount rate of 3.83 percent, and the end of year total OPEB liability was based on a single discount rate of 2.75 percent.

In 2020, the beginning of year total OPEB liability was based on a single discount rate of 2.75 percent, and the end of year total OPEB liability was based on a single discount rate of 2.41 percent. Also, the health care cost trend rate was changed to 8 percent for 2020, decreasing 0.50 to 0.75 percent per year to an ultimate rate of 3.5 percent for 2031 and later years.

In 2021, the beginning of year total OPEB liability was based on a single discount rate of 2.41 percent, and the end of year total OPEB liability was based on a single discount rate of 2.19 percent.

Other Supplemental Information

City of Wyandotte, Michigan

	Special Revenue Funds						
	Major Streets	Local Streets	Solid Waste Disposal	Drug Law Enforcement	Urban Development Action Grant	Michigan Indigent Defense Commission	Grants
Assets							
Cash and investments	\$ 2,635,611	\$ 949,638	\$ 2,096,924	\$ 250,415	\$ 799,160	\$ 73,044	\$ 128,390
Receivables:							
Property taxes receivable	-	-	124,953	-	-	-	-
Special assessments receivable	-	-	-	-	-	-	-
Accrued interest receivable	-	-	5	-	1	-	-
Other receivables	-	-	5,427	-	126,880	-	-
Due from other governments	192,336	71,018	-	-	-	-	98,007
Due from other funds	-	72,721	61,282	-	-	-	-
Land held for resale	-	-	-	-	107,040	-	-
Advance to component unit	-	-	-	-	176,568	-	-
Total assets	\$ 2,827,947	\$ 1,093,377	\$ 2,288,591	\$ 250,415	\$ 1,209,649	\$ 73,044	\$ 226,397
Liabilities							
Accounts payable	\$ 328,861	\$ 100,170	\$ 145,207	\$ 1,831	\$ -	\$ 5,550	\$ 33,202
Due to other funds	105,721	-	48	526	166	7,463	20,364
Advances from other funds	-	-	-	-	-	-	-
Accrued liabilities and other	-	-	-	-	77,390	-	-
Total liabilities	434,582	100,170	145,255	2,357	77,556	13,013	53,566
Deferred Inflows of Resources							
Unavailable revenue	-	-	2,227	-	-	60,031	246,198
Property taxes levied for the following year	-	-	1,396,654	-	-	-	-
Total deferred inflows of resources	-	-	1,398,881	-	-	60,031	246,198
Total liabilities and deferred inflows of resources	434,582	100,170	1,544,136	2,357	77,556	73,044	299,764
Fund Balances (Deficit)							
Nonspendable:							
Inventory/Assets held for resale	-	-	-	-	107,040	-	-
Long-term receivable	-	-	-	-	176,568	-	-
Restricted:							
Roads	2,393,365	993,207	-	-	-	-	-
Police	-	-	-	248,058	-	-	-
Grants	-	-	-	-	848,485	-	-
Rubbish	-	-	744,455	-	-	-	-
Sidewalk and alley paving	-	-	-	-	-	-	-
Drains	-	-	-	-	-	-	-
Committed - Special events	-	-	-	-	-	-	-
Assigned:							
Capital projects	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	(73,367)
Total fund balances (deficit)	2,393,365	993,207	744,455	248,058	1,132,093	-	(73,367)
Total liabilities, deferred inflows of resources, and fund balances (deficit)	\$ 2,827,947	\$ 1,093,377	\$ 2,288,591	\$ 250,415	\$ 1,209,649	\$ 73,044	\$ 226,397

Other Supplemental Information
Combining Balance Sheet
Nonmajor Governmental Funds

September 30, 2021

Special Revenue Funds				Debt Service Fund	Capital Project Funds				Total
Southgate-Wyandotte Drain O&M	Sidewalk and Alley Paving	Special Events	EPA Cooperative Agreement	DPS Building Bonds and Police and Court Bonds	Construction	Equipment and Replacement	Public Improvement	Building Authority Improvement	
\$ 5,473,354	\$ 971,718	\$ 791,265	\$ 1,241,770	\$ 408,151	\$ 480,478	\$ 486,383	\$ 506,499	\$ 830,103	\$ 18,122,903
154,562	-	-	-	1,053	417	403	-	355	281,743
-	96,103	-	-	-	-	-	-	-	96,103
6	3	-	-	-	-	-	-	-	15
-	14,368	-	-	-	-	-	-	-	146,675
-	-	-	-	-	-	-	-	-	361,361
77,534	13,728	-	-	-	-	-	-	-	225,265
-	-	-	-	-	-	-	44,237	-	151,277
-	-	-	138,959	-	-	-	-	-	315,527
\$ 5,705,456	\$ 1,095,920	\$ 791,265	\$ 1,380,729	\$ 409,204	\$ 480,895	\$ 486,786	\$ 550,736	\$ 830,458	\$ 19,700,869
\$ -	\$ 120,339	\$ 32,207	\$ -	\$ -	\$ 56,574	\$ 67,185	\$ -	\$ -	\$ 891,126
-	-	-	-	-	-	-	-	-	134,288
-	-	-	-	-	2,763,115	562,203	-	-	3,325,318
-	-	-	-	-	-	-	-	-	77,390
-	120,339	32,207	-	-	2,819,689	629,388	-	-	4,428,122
2,466	91,547	-	-	1,053	417	403	-	355	404,697
1,324,178	4,800	-	-	-	-	-	-	-	2,725,632
1,326,644	96,347	-	-	1,053	417	403	-	355	3,130,329
1,326,644	216,686	32,207	-	1,053	2,820,106	629,791	-	355	7,558,451
-	-	-	-	-	-	-	44,237	-	151,277
-	-	-	138,959	-	-	-	-	-	315,527
-	-	-	-	-	-	-	-	-	3,386,572
-	-	-	-	-	-	-	-	-	248,058
-	-	-	1,241,770	-	-	-	-	-	2,090,255
-	-	-	-	-	-	-	-	-	744,455
-	879,234	-	-	-	-	-	-	-	879,234
4,378,812	-	-	-	-	-	-	-	-	4,378,812
-	-	759,058	-	-	-	-	-	-	759,058
-	-	-	-	-	-	-	506,499	830,103	1,336,602
-	-	-	-	408,151	-	-	-	-	408,151
-	-	-	-	-	(2,339,211)	(143,005)	-	-	(2,555,583)
4,378,812	879,234	759,058	1,380,729	408,151	(2,339,211)	(143,005)	550,736	830,103	12,142,418
\$ 5,705,456	\$ 1,095,920	\$ 791,265	\$ 1,380,729	\$ 409,204	\$ 480,895	\$ 486,786	\$ 550,736	\$ 830,458	\$ 19,700,869

City of Wyandotte, Michigan

	Special Revenue Funds						
	Major Streets	Local Streets	Solid Waste Disposal	Drug Law Enforcement	Urban Development Action Grant	Michigan Indigent Defense Commission	Grants
Revenue							
Taxes	\$ -	\$ -	\$ 1,363,424	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-
Intergovernmental:							
Federal grants	-	-	-	2,746	-	-	-
State sources	2,212,108	781,526	-	29,354	-	182,214	-
Charges for services	-	-	681,173	-	-	-	-
Investment income	-	206	2,865	-	12,691	-	-
Other revenue	175,668	1,109,791	-	-	2,940	-	-
Total revenue	2,387,776	1,891,523	2,047,462	32,100	15,631	182,214	-
Expenditures							
Current services:							
General government	-	-	-	-	20,500	-	-
District court	-	-	-	-	-	183,675	-
Public safety	-	-	-	38,107	-	-	-
Public works	1,125,424	2,264,533	2,053,210	-	-	-	-
Community and economic development	-	-	-	-	-	-	41,732
Recreation and culture	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Total expenditures	1,125,424	2,264,533	2,053,210	38,107	20,500	183,675	41,732
Excess of Revenue Over (Under) Expenditures	1,262,352	(373,010)	(5,748)	(6,007)	(4,869)	(1,461)	(41,732)
Other Financing Sources (Uses)							
Transfers in	-	529,121	-	-	-	1,461	-
Transfers out	(529,121)	-	-	-	-	-	-
Total other financing (uses) sources	(529,121)	529,121	-	-	-	1,461	-
Net Change in Fund Balances	733,231	156,111	(5,748)	(6,007)	(4,869)	-	(41,732)
Fund Balances (Deficit) - Beginning of year	1,660,134	837,096	750,203	254,065	1,136,962	-	(31,635)
Fund Balances (Deficit) - End of year	\$ 2,393,365	\$ 993,207	\$ 744,455	\$ 248,058	\$ 1,132,093	\$ -	\$ (73,367)

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

Year Ended September 30, 2021

Special Revenue Funds				Debt Service Fund	Capital Project Funds					Total
Southgate-Wyandotte Drain O&M	Sidewalk and Alley Paving	Special Events	EPA Cooperative Agreement	DPS Building Bonds and Police and Court Bonds	Construction	Equipment and Replacement	Public Improvement	Building Authority Improvement		
\$ 1,202,784	\$ -	\$ -	\$ -	\$ 24	\$ 14	\$ 9	\$ -	\$ 15	\$ 2,566,270	
-	100,305	-	-	-	-	-	-	-	100,305	
-	-	-	-	-	-	-	-	-	2,746	
-	-	-	-	-	-	-	-	-	3,205,202	
-	-	-	-	-	-	-	-	-	681,173	
3,157	8,966	-	3,605	-	-	101	40	2,105	33,736	
-	-	167,645	-	-	-	-	-	-	1,456,044	
<u>1,205,941</u>	<u>109,271</u>	<u>167,645</u>	<u>3,605</u>	<u>24</u>	<u>14</u>	<u>110</u>	<u>40</u>	<u>2,120</u>	<u>8,045,476</u>	
-	-	-	-	-	-	-	-	20,000	40,500	
-	-	-	-	-	-	-	-	-	183,675	
-	-	-	-	-	-	-	-	-	38,107	
640,344	261,371	-	-	-	-	467,933	-	-	6,812,815	
-	-	-	-	-	-	-	-	-	41,732	
-	-	125,305	-	-	-	-	-	-	125,305	
41,253	-	-	-	488,600	73,336	15,428	-	-	618,617	
<u>681,597</u>	<u>261,371</u>	<u>125,305</u>	<u>-</u>	<u>488,600</u>	<u>73,336</u>	<u>483,361</u>	<u>-</u>	<u>20,000</u>	<u>7,860,751</u>	
524,344	(152,100)	42,340	3,605	(488,576)	(73,322)	(483,251)	40	(17,880)	184,725	
-	-	-	-	1,190,033	300,000	384,824	-	-	2,405,439	
-	-	-	-	(684,824)	-	-	-	-	(1,213,945)	
-	-	-	-	505,209	300,000	384,824	-	-	1,191,494	
524,344	(152,100)	42,340	3,605	16,633	226,678	(98,427)	40	(17,880)	1,376,219	
3,854,468	1,031,334	716,718	1,377,124	391,518	(2,565,889)	(44,578)	550,696	847,983	10,766,199	
<u>\$ 4,378,812</u>	<u>\$ 879,234</u>	<u>\$ 759,058</u>	<u>\$ 1,380,729</u>	<u>\$ 408,151</u>	<u>\$ (2,339,211)</u>	<u>\$ (143,005)</u>	<u>\$ 550,736</u>	<u>\$ 830,103</u>	<u>\$ 12,142,418</u>	

**Other Supplemental Information
Combining Statement of Net Position
Nonmajor Enterprise Funds**

September 30, 2021

	<u>Golf Course</u>	<u>Building Rental</u>	<u>Total Nonmajor Enterprise Funds</u>
Assets			
Current assets - Cash and cash equivalents	\$ 371,700	\$ 366,314	\$ 738,014
Noncurrent assets - Capital assets - Net	<u>1,986,597</u>	<u>566,577</u>	<u>2,553,174</u>
Total assets	2,358,297	932,891	3,291,188
Liabilities			
Current liabilities:			
Accounts payable	43,627	45,441	89,068
Accrued liabilities and other	<u>1,878</u>	<u>31,572</u>	<u>33,450</u>
Total liabilities	<u>45,505</u>	<u>77,013</u>	<u>122,518</u>
Net Position			
Net investment in capital assets	1,986,597	566,577	2,553,174
Unrestricted	<u>326,195</u>	<u>289,301</u>	<u>615,496</u>
Total net position	<u><u>\$ 2,312,792</u></u>	<u><u>\$ 855,878</u></u>	<u><u>\$ 3,168,670</u></u>

Other Supplemental Information
Combining Statement of Revenue, Expenses, and Changes in Net Position
Nonmajor Enterprise Funds

Year Ended September 30, 2021

	<u>Golf Course</u>	<u>Building Rental</u>	<u>Total Nonmajor Enterprise Funds</u>
Operating Revenue			
Income from customers and rent from tenants	\$ 512,902	\$ 96,088	\$ 608,990
Other miscellaneous revenue	-	71,259	71,259
Total operating revenue	512,902	167,347	680,249
Operating Expenses			
Other operating and maintenance costs	344,608	233,708	578,316
Depreciation	94,014	40,184	134,198
Total operating expenses	438,622	273,892	712,514
Income (Loss) - Before donated assets	74,280	(106,545)	(32,265)
Donated Assets - Other capital contributions	101,970	-	101,970
Change in Net Position - Operating income (loss)	176,250	(106,545)	69,705
Net Position - Beginning of year	2,136,542	962,423	3,098,965
Net Position - End of year	\$ 2,312,792	\$ 855,878	\$ 3,168,670

Other Supplemental Information
Combining Statement of Cash Flows
Nonmajor Enterprise Funds

Year Ended September 30, 2021

	Golf Course	Building Rental	Total Nonmajor Enterprise Funds
Cash Flows from Operating Activities			
Receipts from customers	\$ 512,902	\$ 119,347	\$ 632,249
Receipts from interfund services and reimbursements	-	48,000	48,000
Payments to suppliers	(250,676)	(216,919)	(467,595)
Payments to employees and fringes	(69,572)	-	(69,572)
	<u>192,654</u>	<u>(49,572)</u>	<u>143,082</u>
Net cash and cash equivalents provided by (used in) operating activities			
Cash Flows Used in Financing Activities - Purchase of capital assets	<u>(25,340)</u>	<u>(127,255)</u>	<u>(152,595)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	167,314	(176,827)	(9,513)
Cash and Cash Equivalents - Beginning of year	<u>204,386</u>	<u>543,141</u>	<u>747,527</u>
Cash and Cash Equivalents - End of year	<u>\$ 371,700</u>	<u>\$ 366,314</u>	<u>\$ 738,014</u>
Classification of Cash and Cash Equivalents - Cash and investments	<u>\$ 371,700</u>	<u>\$ 366,314</u>	<u>\$ 738,014</u>
Reconciliation of Operating Income (Loss) to Net Cash from Operating Activities			
Operating income (loss)	\$ 74,280	\$ (106,545)	\$ (32,265)
Adjustments to reconcile operating income (loss) to net cash from operating activities:			
Depreciation	94,014	40,184	134,198
Changes in assets and liabilities - Accounts payable and other liabilities	24,360	16,789	41,149
	<u>118,374</u>	<u>56,973</u>	<u>175,347</u>
Total adjustments			
Net cash and cash equivalents provided by (used in) operating activities	<u>\$ 192,654</u>	<u>\$ (49,572)</u>	<u>\$ 143,082</u>
Significant Noncash Transactions - Donor assets	\$ 101,970	\$ -	\$ 101,970

Other Supplemental Information
Statement of Fiduciary Net Position
Fiduciary Funds

September 30, 2021

	Pension and Other Employee Benefit Trust Funds			Custodial Funds		Total
	Pension Trust	Retiree Health Care	Total Pension and Other Employee Benefit Trust Funds	Tax Collection Fund	Other Custodial Fund	
Assets						
Cash and cash equivalents	\$ 1,060,157	\$ 274,913	\$ 1,335,070	\$ 257,333	\$ 151,524	\$ 408,857
Investments:						
U.S. government securities	-	129,657	129,657	-	-	-
Common trust funds/Mutual funds	80,207,342	3,048,023	83,255,365	-	-	-
Global fixed income	-	138,684	138,684	-	-	-
Receivables - Net:						
Accrued interest receivable	4	-	4	-	-	-
Due from other governments	-	-	-	-	8,070	8,070
Due from primary government	-	1,075	1,075	-	-	-
Total assets	81,267,503	3,592,352	84,859,855	257,333	159,594	416,927
Liabilities						
Due to other governmental units	-	-	-	58,205	-	58,205
Due to retiree health care fund	-	413,912	413,912	-	-	-
Accrued liabilities and other	-	183,759	183,759	199,128	-	199,128
Total liabilities	-	597,671	597,671	257,333	-	257,333
Net Position						
Restricted:						
Pension	81,267,503	-	81,267,503	-	-	-
Postemployment benefits other than pension	-	2,994,681	2,994,681	-	-	-
Individuals, organizations, and other governments	-	-	-	-	159,594	159,594
Total net position	\$ 81,267,503	\$ 2,994,681	\$ 84,262,184	\$ -	\$ 159,594	\$ 159,594

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

Year Ended September 30, 2021

	Pension and Other Employee Benefit Trust Funds			Custodial Funds		Total
	Pension Trust	Retiree Health Care	Total Pension and Other Employee Benefit Trust Funds	Tax Collection Fund	Other Custodial Fund	
Additions						
Investment income (loss):						
Interest and dividends	\$ 1,381,662	\$ 57,369	\$ 1,439,031	\$ -	\$ -	\$ -
Net increase in fair value of investments	11,820,286	461,087	12,281,373	-	-	-
Investment-related expenses	(154,474)	(25,665)	(180,139)	-	-	-
Net investment income	13,047,474	492,791	13,540,265	-	-	-
Contributions:						
Employer contributions	4,504,250	3,904,109	8,408,359	-	-	-
Employee contributions	91,552	-	91,552	-	-	-
Total contributions	4,595,802	3,904,109	8,499,911	-	-	-
Property tax collections	-	-	-	21,117,224	-	21,117,224
Total additions	17,643,276	4,396,900	22,040,176	21,117,224	-	21,117,224
Deductions						
Pension benefit payments	7,384,761	-	7,384,761	-	-	-
Health benefits	-	3,603,642	3,603,642	-	-	-
Property tax distributions to other governments	-	-	-	21,117,224	-	21,117,224
Total deductions	7,384,761	3,603,642	10,988,403	21,117,224	-	21,117,224
Net Increase in Fiduciary Net Position	10,258,515	793,258	11,051,773	-	-	-
Net Position - Beginning of year, as restated	71,008,988	2,201,423	73,210,411	-	159,594	159,594
Net Position - End of year	\$ 81,267,503	\$ 2,994,681	\$ 84,262,184	\$ -	\$ 159,594	\$ 159,594