

City of Grosse Pointe Park

Financial Statements

June 30, 2024



YEO & YEO

**BUSINESS SUCCESS
PARTNERS**

Table of Contents

Section	Page
1 Independent Auditors' Report	1 – 1
2 Management's Discussion and Analysis	2 – 1
3 Basic Financial Statements	
Government-wide Financial Statements	
Statement of Net Position	3 – 1
Statement of Activities	3 – 2
Fund Financial Statements	
Governmental Funds	
Balance Sheet	3 – 3
Reconciliation of Fund Balances of Governmental Funds to Net Position of Governmental Activities	3 – 4
Statement of Revenues, Expenditures and Changes in Fund Balances	3 – 5
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	3 – 6
Proprietary Funds	
Statement of Net Position	3 – 7
Statement of Revenues, Expenses and Changes in Fund Net Position	3 – 8
Statement of Cash Flows	3 – 9
Fiduciary Funds	
Statement of Fiduciary Net Position	3 – 10
Statement of Changes in Fiduciary Net Position	3 – 11
Component Units	
Combining Statement of Net Position	3 – 12
Combining Statement of Activities	3 – 13
Notes to the Financial Statements	3 – 14

Section	Page	
4	Required Supplementary Information	
	Budgetary Comparison Schedules	
	General Fund	4 – 1
	Pension Plan	
	Schedule of Changes in Net Pension Liability and Related Ratios	4 – 2
	Schedule of Employer Contributions	4 – 4
	Other Postemployment Benefits	
	Schedule of Changes in Net OPEB Liability and Related Ratios	4 – 5
	Schedule of Employer Contributions	4 – 7
	Schedule of Investment Returns	4 – 8
	Notes to the Required Supplementary Information	4 – 9
5	Other Supplementary Information	
	Nonmajor Governmental Funds	
	Combining Balance Sheet	5 – 1
	Combining Statement of Revenue, Expenditures and Changes in Fund Balance	5 – 4
	Nonmajor Enterprise Funds	
	Combining Statement of Net Position	5 – 7
	Combining Statement of Revenue, Expenses and Changes in Fund Net Position	5 – 8
	Combining Statement of Cash Flows	5 – 9

Independent Auditors' Report

City Council and Management
City of Grosse Pointe Park
Grosse Pointe Park, Michigan

Report on the Audit of the Financial Statements

Opinions

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 Grosse Pointe Park, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the 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 Grosse Pointe Park as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Emphasis of Matter

As described in Note 14 to the financial statements, the City recorded prior period adjustments. Our opinions are not modified with respect to this matter.

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

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

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

Required Supplementary Information

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

Supplementary Information

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

Yeo & Yeo, P.C.

Auburn Hills, Michigan
December 11, 2024

City of Grosse Pointe Park Management's Discussion and Analysis

As management of the City of Grosse Pointe Park (the "City"), we offer readers this narrative overview and analysis of the financial activities for the year ended June 30, 2024.

Business Highlights

- In November 2022, voters approved a water & sewer infrastructure millage of 2.5 mills for a period of 10 years generating just over \$1.8 million in revenue in FY2024 with the purposes of maintaining, repairing, and enhancing the city's aged water and sewer system.
- Major projects included the engineering and construction cost of \$2.6 million in fiscal year 2024 on the Extreme Emergency Release Valve (EERV) project started in fiscal year 2023 with the project coming to operational completion in fiscal year 2025. The city has televised 26.1 miles and has worked to clean 1.3 miles of the city's 41 miles of sanitary sewer mains, committing just over \$225 thousand dollars to these efforts in fiscal year 2024.
- The construction that began on the city's Mack Avenue and St Clare water main projects in fiscal year 2023 were both completed in fiscal year 2024. Between fiscal 2023 and fiscal year 2024, the total infrastructure project cost for both water mains was just over \$760 thousand with approximately \$120 thousand of those dollars spent in fiscal year 2024.
- A \$1.6 million dollar water main and lead line replacement project on Beaconsfield between Vernor and Mack and on Maumee Avenues between Bishop and Harvard, began in fiscal year 2024 with an initial infrastructure investment of \$100 thousand dollars for preliminary work in fiscal year 2024. The project is to be completed in fiscal year 2025.
- Major Road improvements included the repaving of 1,900 linear feet of Kercheval Avenue between Balfour and Bedford with a total project cost of \$831 thousand, with \$774 thousand of the construction cost taking place in fiscal year 2024.
- Preliminary resurfacing street project work began on local road Middlesex Rd and major road Charlevoix St in fiscal year 2024 of \$47 thousand to be completed in fiscal year 2025.
- Municipal street fund projects in 2024 included the city hall parking lot and alleyway rehabilitations of just over \$521 thousand.
- Marina investments were underway in fiscal year 2024 of just over \$104 thousand dollars to repair the docks and seawall in fiscal year 2024.

Financial Highlights

- At the end of the 2023 fiscal year, the city's total assets of \$83.1 million exceeded its total liabilities of \$46.8 million by approximately \$36.3 million. When viewed separately, the governmental activities total assets of \$66.0 million in assets exceeded the \$42.5 million in liabilities by \$23.5 million, and the business-type activities had assets of \$23.1 million exceeded liabilities of \$4.3 million by \$18.8 million.
- The total primary government revenues of \$21.6 million were up by approximately \$3.9 million reflecting an increase of 3.3 million in grant funding primarily due to the recognition of the State of Michigan pension grant of \$2.9 million, and increase in proper tax collections of \$768 thousand, and investment income of \$314 thousand in fiscal year 2024.
- The total primary government expenditures in FY2024 of \$15.8 million increased \$3.0 million over FY2023. This was primarily due to the city's recognition of a State of Michigan pension grant of \$2.9 million dedicated to the city's public safety pension division.

City of Grosse Pointe Park Management's Discussion and Analysis

- Business-type revenues in FY2024 of \$9.2 million were up by approximately \$773 thousand reflecting an operating grants (local contributions) increase of \$448 thousand over FY2023 primarily made up of the Cotton Family donation of \$900 thousand and the Grosse Pointe Park Foundation donation \$130 thousand for the construction of the EERV, the collection of user fees of \$209 thousand, an increase in W&S infrastructure tax collection revenue of \$115 thousand,
- Business-type expenditures in FY2024 of \$6.8 million were up \$685 thousand over fiscal year 2023 includes costs of \$351 of active and legacy costs associated with pension and retiree healthcare with \$340 thousand representing new business-type activities in 2024 due to a reclassification of the Recycling Collection activity in 2024.
- 2023 restatement of \$340 thousand dollars reclassifying the city's recycling services user fee activity was the result of a function reclassified during fiscal year 2024. The revenues and expenditures for this activity were reclassified from the governmental activities.
- In FY2024 the General Fund's fund balance of \$2.5 million reflects the restricted balance of \$137 thousand of PEG fees and \$49 thousand for pre-paid, that make up the remaining fund balance leaving the unassigned fund balance at roughly \$2.3 million increasing over fiscal year 2023's unassigned fund balance of \$2.1 million, reflecting 13.7 percent of the funds FY2024 expenditures.
- The City's financial rating with Standard & Poor's rating service remains at AA-.

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, as well as 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.

Government-wide Overall Financial Analysis

As noted earlier, net position over time may serve as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows by approximately \$45.6 million at the close of the most recent fiscal year.

The analysis below presents separate tables for the governmental activities and the business-type activities. The governmental activities include most of the City's basic services, such as public safety and dispatch services, the municipal court, the city's private parks and recreational facilities, for building code enforcement, for rubbish pickup and disposal, to maintain our municipal roads, provide for community development, and the city's general administration.

Most of the governmental funding sources are provided from the city's operating and extra voted property taxes, state-shared revenues, charges for service, and interlocal governmental agreements.

City of Grosse Pointe Park Management's Discussion and Analysis

The business-type activities consist of the Water and Sewer Fund, Water and Sewer Infrastructure Fund, Marina Fund and Recycling Collection Fund.

- The City's Water & Sewer fund provides water and the treatment of our sewer services to residents from the Great Lakes Water Authority (GLWA).
- The Water & Sewer Infrastructure fund is the result of a millage in which the tax collections provide funding for the city's water and sewer main reconstruction of 35.3 miles of water mains and 41 miles of sanitary sewer mains.
- The Recycling fund was created to account for the business-type revenues and expenditures related to the general operation of collecting the city's recycling activity.
- The Marina fund was created to account for the operational revenue and business expenditure for the daily operation and long-term public infrastructure needs, essential to support its purpose.

In November of 2020, the State of Michigan, Department of Treasury communicated its final release of the updated Michigan Uniform Chart of Accounts. Under Public Act 71 the Michigan State Treasurer is tasked with establishing and maintaining a uniform system of accounting and reporting requirements in compliance with the Governmental Accounting Standards Board (GASB). The City of Grosse Pointe Park has not yet implemented the State of Michigan's new Uniform Chart of Accounts.

The City's Net Position

	<u>Governmental Activities</u>			
	<u>2023</u>	<u>2024</u>	<u>Change</u>	<u>Percent Change</u>
Assets				
Current and other assets				
Cash and investments	\$ 4,314,793	\$ 4,741,441	\$ 426,648	9.9%
Receivables	1,932,825	1,810,923	(121,902)	-6.3%
Other assets	208,819	236,629	27,810	13.3%
Capital assets	<u>57,809,536</u>	<u>59,251,925</u>	<u>1,442,389</u>	2.5%
Total assets	<u>64,265,973</u>	<u>66,040,918</u>	<u>1,774,945</u>	2.8%
Deferred Outflows of Resources	<u>5,062,077</u>	<u>3,540,691</u>	<u>(1,521,386)</u>	-30.1%
Liabilities				
Current liabilities	1,192,706	1,273,473	80,767	6.8%
Noncurrent liabilities				
Due within one year	1,209,651	1,297,146	87,495	7.2%
Due in more than one year	<u>44,500,233</u>	<u>39,939,163</u>	<u>(4,561,070)</u>	-10.2%
Total liabilities	<u>46,902,590</u>	<u>42,509,782</u>	<u>(4,392,808)</u>	-9.4%
Deferred Inflows of Resources	<u>1,649,193</u>	<u>494,534</u>	<u>(1,154,659)</u>	-70.0%
Net Position				
Net investment in capital assets	52,987,871	54,978,245	1,990,374	3.8%
Restricted	2,038,698	2,159,215	120,517	5.9%
Unrestricted (deficit)	<u>(34,250,302)</u>	<u>(30,560,167)</u>	<u>3,690,135</u>	-10.8%
Total net position	<u>\$ 20,776,267</u>	<u>\$ 26,577,293</u>	<u>\$ 5,801,026</u>	27.9%

City of Grosse Pointe Park Management's Discussion and Analysis

The governmental activities assets and deferred outflows of \$69.6 million exceeded its liabilities and deferred inflows of \$43.0 million by \$26.6 million. Total assets increased by 2.8% primarily due to the change in capital assets while liabilities decreased 9.4% primarily due to pension and OPEB liabilities.

	Business-type Activities			
	2023	2024	Change	Percent Change
Assets				
Current and other assets				
Cash and investments	\$ 2,371,621	\$ 2,559,112	\$ 187,491	7.9%
Receivables	1,999,214	2,062,525	63,311	3.2%
Other assets	26,138	(10,000)	(36,138)	-138.3%
Capital assets	15,853,228	18,491,746	2,638,518	16.6%
Total assets	<u>20,250,201</u>	<u>23,103,383</u>	<u>2,853,182</u>	14.1%
Deferred Outflows of Resources	<u>415,326</u>	<u>292,849</u>	<u>(122,477)</u>	-29.5%
Liabilities				
Current liabilities	656,191	895,314	239,123	36.4%
Noncurrent liabilities				
Due within one year	33,544	44,591	11,047	32.9%
Due in more than one year	3,191,753	3,357,604	165,851	5.2%
Total liabilities	<u>3,881,488</u>	<u>4,297,509</u>	<u>416,021</u>	10.7%
Deferred Inflows of Resources	<u>43,935</u>	<u>50,086</u>	<u>6,151</u>	14.0%
Net Position				
Net investment in capital assets	15,853,228	18,267,285	2,414,057	15.2%
Unrestricted (deficit)	886,876	781,352	(105,524)	-11.9%
Total net position	<u>\$ 16,740,104</u>	<u>\$ 19,048,637</u>	<u>\$ 2,308,533</u>	13.8%

The net position of the City's business-type activities totals \$19.0 million. This is an increase of approximately \$2.3 million over the 2023's balance of \$16.7 million.

The increase in cash and investments is primarily attributable to Public Act 20 investments of business-type funds generating an increase in interest income of \$112 thousand dollars.

The change in total liabilities resulted in an increase in accrued and other liabilities consisting of accounts payables, payroll liabilities, unearned revenue, and compensated absences.

City of Grosse Pointe Park
Management's Discussion and Analysis

The City's Changes in Net Position

The city recorded prior period adjustments to restate balances for the year ending June 30, 2022. However, the effect of the restatements was not applied to the amounts in the statement of activities. The amounts presented below for 2023 are as originally reported.

Due to this, evaluating changes between fiscal years is more complicated.

	Governmental Activities			
	<u>2023</u>	<u>2024</u>	<u>Change</u>	<u>Percent Change</u>
Revenue				
Program revenue				
Charges for services	\$ 3,005,226	\$ 2,337,714	\$ (667,512)	-22.2%
Operating grants	434,992	3,690,305	3,255,313	748.4%
Capital grants	-	104,800	104,800	100.0%
General revenue				
Taxes	11,450,676	12,218,546	767,870	6.7%
Intergovernmental	2,717,426	2,770,236	52,810	1.9%
Investment earnings	16,420	330,007	313,587	1909.8%
Other revenue	45,279	115,770	70,491	155.7%
Total revenue	<u>17,670,019</u>	<u>21,567,378</u>	<u>3,897,359</u>	22.1%
Expenses				
General government	(649,606)	1,136,393	1,785,999	-274.9%
Public safety	7,910,466	8,734,607	824,141	10.4%
Public works	3,562,206	3,757,237	195,031	5.5%
Community and economic development	20,000	(80,244)	(100,244)	-501.2%
Recreation and culture	1,765,988	2,069,811	303,823	17.2%
Debt services	175,473	148,548	(26,925)	-15.3%
Total expenses	<u>12,784,527</u>	<u>15,766,352</u>	<u>2,981,825</u>	23.3%
Change in Net Position	<u>\$ 4,885,492</u>	<u>\$ 5,801,026</u>	<u>\$ 915,534</u>	18.7%

The City's total governmental activities 2024 revenue was \$21.6 million, which reflects an increase from 2023 of approximately \$3.9 million while expenditures increased \$3.0 million in 2024.

FY2024 revenue and expenditure increased \$2.9 million as the result of a State of Michigan Protecting MI Pension Grant Program award to the City of Grosse Pointe Park. The additional 1.0 million in FY2024 revenue increases were the due to property tax collection increase of \$768 thousand over 2023 and Public Act 20 investment income of \$314 thousand.

Governmental activities include the overall increase and decrease of the income statement activities for all funds from 101 General Fund to 499 Capital Improvement funds.

City of Grosse Pointe Park
Management's Discussion and Analysis

	Business-type Activities			
	2023	2024	Change	Percent Change
Revenue				
Program revenue				
Charges for services	\$ 5,984,252	\$ 6,193,534	\$ 209,282	3.5%
Operating grants	581,550	1,030,000	448,450	77.1%
General revenue				
Property taxes	1,757,078	1,872,474	115,396	6.6%
Investment earnings	54,836	111,537	56,701	103.4%
Miscellaneous	-	(56,604)	(56,604)	100.0%
Total revenue	<u>8,377,716</u>	<u>9,150,941</u>	<u>773,225</u>	9.2%
Expenses				
Water and sewer	6,039,772	6,390,935	351,163	5.8%
Marina	117,182	111,890	(5,292)	-4.5%
Recycling collection	-	<u>339,583</u>	<u>339,583</u>	100.0%
Total expenses	<u>6,156,954</u>	<u>6,842,408</u>	<u>685,454</u>	11.1%
Change in Net Position	<u>\$ 2,220,762</u>	<u>\$ 2,308,533</u>	<u>\$ 87,771</u>	4.0%

In 2024, business-type activities revenue totaled \$9.1 million, an increase over 2023 of approximately \$773 thousand. This was primarily due to two donations for the EERV construction project, an increase of \$115 thousand in property tax collections for the Water & Sewer Infrastructure fund, and Public Act 20 interest income.

Expenses for business-type activities totaled \$6.8 million, an increase of approximately \$685 thousand over FY2023 is primarily reflective of the reclassification from governmental to business-type for the Recycling Fund activity of \$340 thousand, water truck purchases of \$240 thousand, and an increase in water main breaks of \$152 thousand, during fiscal year 2024.

General Fund

The 2024 budgetary comparison schedule found in the city's Required Supplementary Information reflects the City's actual revenues and other financing sources of \$17.2 million over the FY2024 final expenditures and other financing uses of \$17.0 million with a positive change in fund balance of \$112 thousand. Revenues and expenditures exceeded budgeted amounts due to the receipt of \$2.9 million under the Protecting Michigan Pension Grant Program.

Capital Assets and Debt Administration

As of year-end, the City had \$122.8 million invested in a variety of capital assets, including buildings, fire and police equipment, local and major roads, and water and sewer lines. This figure represents an increase from 2023 of \$5.8 million. A summary of capital assets is presented in Note 5 to the financial statements.

At the end of the current fiscal year, the City of Grosse Pointe Park had a total outstanding debt of approximately \$4.3 million. A summary of long-term debt is presented in Note 7 to the financial statements.

City of Grosse Pointe Park

Management's Discussion and Analysis

Economic Factors and Next Year's Budgets and Rates

The State of Michigan relies on various taxes and fees to provide governmental activities to its citizens. Local governments rely primarily on property taxes and state-shared revenue to provide governmental activities to their citizens.

For business-type activities which include recycling collection, water and sewer (charges) and the marina (boat well fees) and certain governmental activities (including permitting and development), the user pays a related fee or charge associated with the service.

In 2024, State Shared Revenue provided by the State of Michigan was \$2.8 million in fiscal year 2024 over \$2.7 million or \$42 thousand more than the FY2023 revenues received by the city. The city's collection of Public Act 51 local and major road funds from the State of Michigan in FY2024 of \$1.4 million, remained stable.

The City Council remains diligent in its quest to continuously improve the quality of service and quality of life within the community while efficiently managing current expenses and addressing long-term legacy costs.

Requests for Further Information

This financial report is intended to provide a general overview of the City's finances and demonstrate the City's accountability for the money it receives. If you have questions about this report or need additional information, please contact the office of the City Clerk at 15115 E. Jefferson Avenue, Grosse Pointe Park, MI 48230. This report, City budgets, and other financial information are available on the City's website at www.grossepointepark.org.

City of Grosse Pointe Park
Statement of Net Position
June 30, 2024

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash and cash equivalents	\$ 4,741,441	\$ 2,559,112	\$ 7,300,553	\$ 1,080,845
Receivables				
Accounts	290,827	6,346	297,173	-
Taxes	17,379	-	17,379	-
Utility bills	-	1,940,207	1,940,207	-
Due from other units of government	1,502,717	115,972	1,618,689	-
Due from employees	12,786	-	12,786	-
Internal balances	10,000	(10,000)	-	-
Prepaid items	213,843	-	213,843	-
Capital assets not being depreciated	12,696,838	2,996,678	15,693,516	2,679,894
Capital assets, net of accumulated depreciation	46,555,087	15,495,068	62,050,155	6,607,779
Total assets	<u>66,040,918</u>	<u>23,103,383</u>	<u>89,144,301</u>	<u>10,368,518</u>
Deferred Outflows of Resources				
Pension related	3,434,401	282,080	3,716,481	-
OPEB related	106,290	10,769	117,059	-
Total deferred outflows of resources	<u>3,540,691</u>	<u>292,849</u>	<u>3,833,540</u>	<u>-</u>
Liabilities				
Checks written against future deposits	164,577	-	164,577	-
Accounts payable	570,481	853,384	1,423,865	38,499
Contracts payable - retainage	-	10,000	10,000	-
Due to other units of government	23,007	-	23,007	-
Payroll and other liabilities	337,032	31,930	368,962	-
Interest payable	33,831	-	33,831	16,126
Customer deposits	89,550	-	89,550	-
Unearned revenue	54,995	-	54,995	-
Noncurrent liabilities				
Debt due within one year	1,297,146	44,591	1,341,737	240,000
Debt due in more than one year	4,114,788	171,799	4,286,587	3,085,000
Net pension liability	23,138,720	1,900,474	25,039,194	-
Net OPEB liability	12,685,655	1,285,331	13,970,986	-
Total liabilities	<u>42,509,782</u>	<u>4,297,509</u>	<u>46,807,291</u>	<u>3,379,625</u>
Deferred Inflows of Resources				
Pension related	1,066	87	1,153	-
OPEB related	493,468	49,999	543,467	-
Total deferred inflows of resources	<u>494,534</u>	<u>50,086</u>	<u>544,620</u>	<u>-</u>
Net Position				
Net investment in capital assets	54,978,245	18,267,285	73,245,530	5,962,673
Restricted for				
PEG fees	137,211	-	137,211	-
Street maintenance	915,331	-	915,331	-
Rubbish collection	525,787	-	525,787	-
Building inspections	329,266	-	329,266	-
Indigent defense	26,369	-	26,369	-
Drug law enforcement	23,189	-	23,189	-
Community development	16,283	-	16,283	-
Opioid remediation	158,475	-	158,475	-
Debt service	27,304	-	27,304	-
Unrestricted (deficit)	<u>(30,560,167)</u>	<u>781,352</u>	<u>(29,778,815)</u>	<u>1,026,220</u>
Total net position	<u>\$ 26,577,293</u>	<u>\$ 19,048,637</u>	<u>\$ 45,625,930</u>	<u>\$ 6,988,893</u>

See Accompanying Notes to the Financial Statements

City of Grosse Pointe Park
Statement of Activities
For the Year Ended June 30, 2024

	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Component Units
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total	
					Governmental Activities	Business-type Activities		
Functions/Programs								
Primary government								
Governmental activities								
General government	\$ 1,136,393	\$ 666,167	\$ 710,779	\$ -	\$ 240,553	\$ -	\$ 240,553	\$ -
Public safety	8,734,607	558,081	2,979,526	-	(5,197,000)	-	(5,197,000)	-
Public works	3,757,237	402,306	-	-	(3,354,931)	-	(3,354,931)	-
Community and economic development	(80,244)	-	-	104,800	185,044	-	185,044	-
Recreation and culture	2,069,811	711,160	-	-	(1,358,651)	-	(1,358,651)	-
Interest and fiscal charges on long-term debt	148,548	-	-	-	(148,548)	-	(148,548)	-
Total governmental activities	15,766,352	2,337,714	3,690,305	104,800	(9,633,533)	-	(9,633,533)	-
Business-type activities								
Water & Sewer	6,390,935	5,465,805	1,030,000	-	-	104,870	104,870	-
Marina	111,890	377,568	-	-	-	265,678	265,678	-
Recycling Collection	339,583	350,161	-	-	-	10,578	10,578	-
Total business-type activities	6,842,408	6,193,534	1,030,000	-	-	381,126	381,126	-
Total primary government	\$ 22,608,760	\$ 8,531,248	\$ 4,720,305	\$ 104,800	(9,633,533)	381,126	(9,252,407)	-
Component units								
Tax Increment Finance Authority	\$ 842,450	\$ -	\$ 79,124	\$ -	-	-	-	(763,326)
Downtown Development Authority	74,332	-	-	-	-	-	-	(74,332)
Total component units	\$ 916,782	\$ -	\$ 79,124	\$ -				(837,658)
General revenues								
Property taxes					12,218,546	1,872,474	14,091,020	1,331,588
Unrestricted state-shared revenue					2,770,236	-	2,770,236	-
Unrestricted investment earnings					330,007	111,537	441,544	45,009
Miscellaneous					59,166	-	59,166	785
Transfers					56,604	(56,604)	-	-
Total general revenues					15,434,559	1,927,407	17,361,966	1,377,382
Change in net position					5,801,026	2,308,533	8,109,559	539,724
Net position - beginning of year, as previously stated					20,846,143	16,670,228	37,516,371	6,449,169
Prior period adjustment					(69,876)	69,876	-	-
Net position - beginning of year, as restated					20,776,267	16,740,104	37,516,371	6,449,169
Net position - end of year					\$ 26,577,293	\$ 19,048,637	\$ 45,625,930	\$ 6,988,893

See Accompanying Notes to the Financial Statements

City of Grosse Pointe Park
Governmental Funds
Balance Sheet
June 30, 2024

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets			
Cash and cash equivalents	\$ 2,940,185	\$ 1,801,256	\$ 4,741,441
Receivables			
Accounts	35,532	255,295	290,827
Taxes	7,418	9,961	17,379
Due from other units of government	1,266,695	236,022	1,502,717
Due from employees	12,786	-	12,786
Due from other funds	-	10,000	10,000
Prepaid items	<u>48,827</u>	<u>265</u>	<u>49,092</u>
 Total assets	 <u>\$ 4,311,443</u>	 <u>\$ 2,312,799</u>	 <u>\$ 6,624,242</u>
Liabilities			
Accounts payable	\$ 455,350	\$ 115,131	\$ 570,481
Due to other units of government	23,007	-	23,007
Payroll and other liabilities	311,253	25,779	337,032
Customer deposits	15,256	74,294	89,550
Unearned revenue	<u>13,500</u>	<u>41,495</u>	<u>54,995</u>
 Total liabilities	 <u>818,366</u>	 <u>256,699</u>	 <u>1,075,065</u>
Deferred Inflows of Resources			
Unavailable revenue - receivables	<u>976,741</u>	<u>119,562</u>	<u>1,096,303</u>
Fund Balances			
Non-spendable			
Prepaid items	48,827	265	49,092
Restricted for			
PEG fees	137,211	-	137,211
Street maintenance	-	915,331	915,331
Rubbish collection	-	525,787	525,787
Building inspections	-	329,266	329,266
Indigent defense	-	26,369	26,369
Drug law enforcement	-	23,189	23,189
Community development	-	16,283	16,283
Opioid remediation	-	38,913	38,913
Debt service	-	61,135	61,135
Unassigned	<u>2,330,298</u>	<u>-</u>	<u>2,330,298</u>
 Total fund balances	 <u>2,516,336</u>	 <u>1,936,538</u>	 <u>4,452,874</u>
 Total liabilities, deferred inflows of resources, and fund balances	 <u>\$ 4,311,443</u>	 <u>\$ 2,312,799</u>	 <u>\$ 6,624,242</u>

See Accompanying Notes to the Financial Statements

City of Grosse Pointe Park
Governmental Funds
Reconciliation of Fund Balances of Governmental Funds
to Net Position of Governmental Activities
June 30, 2024

Total fund balances for governmental funds	\$ 4,452,874
Total net position for governmental activities in the statement of net position is different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	
Capital assets not being depreciated	12,696,838
Capital assets, net of accumulated depreciation	46,555,087
Certain receivables are not available to pay for current period expenditures and, therefore are deferred in the funds.	1,096,303
Deferred outflows (inflows) of resources.	
Deferred outflows of resources resulting from net pension liability	3,434,401
Deferred outflows of resources resulting from net OPEB liability	106,290
Deferred inflows of resources resulting from net pension liability	(1,066)
Deferred inflows of resources resulting from net OPEB liability	(493,468)
Long-term liabilities that are not due and payable in the current period, and therefore, are not reported in the funds.	
Accrued interest	(33,831)
Compensated absences	(879,276)
Claims and judgments	(258,978)
Bonds, notes, premiums and discounts	(4,273,680)
Net pension liability	(23,138,720)
Net OPEB liability	<u>(12,685,655)</u>
Net position of governmental activities	<u>\$ 26,577,293</u>

City of Grosse Pointe Park
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2024

	General	Special Revenue Fund		Total Governmental Funds
		Formerly Major Fund Major Street	Nonmajor Governmental Funds	
Revenues				
Taxes	\$ 9,790,430		\$ 2,428,116	\$ 12,218,546
Licenses and permits	220,381		370,778	591,159
Federal grants	93,994		455,692	549,686
State grants	4,407,386		1,376,603	5,783,989
Local contributions	104,800		-	104,800
Charges for services	937,403		25,045	962,448
Fines and forfeitures	263,592		-	263,592
Rental income	391,723		-	391,723
Investment income	245,660		84,358	330,018
Other revenue	201,715		28,080	229,795
Total revenues	<u>16,657,084</u>		<u>4,768,672</u>	<u>21,425,756</u>
Expenditures				
Current				
General government	2,154,628		18,685	2,173,313
Judicial	393,413		-	393,413
Public safety	11,128,949		365,804	11,494,753
Public works	1,021,027		2,730,351	3,751,378
Community and economic development	-		20,000	20,000
Recreation and culture	2,104,193		-	2,104,193
Capital outlay	-		718,550	718,550
Debt service				
Principal retirement	169,063		500,000	669,063
Interest and fiscal charges	59,391		95,779	155,170
Total expenditures	<u>17,030,664</u>		<u>4,449,169</u>	<u>21,479,833</u>
Excess (deficiency) of revenues over expenditures	<u>(373,580)</u>		<u>319,503</u>	<u>(54,077)</u>
Other financing sources (uses)				
Transfers in	325,441		216,065	541,506
Transfers out	(10,265)		(474,637)	(484,902)
Issuance of debt	133,592		-	133,592
Sale of capital assets	36,421		-	36,421
Total other financing sources (uses)	<u>485,189</u>		<u>(258,572)</u>	<u>226,617</u>
Net change in fund balances	<u>111,609</u>		<u>60,931</u>	<u>172,540</u>
Fund balances - beginning of year, as previously presented	2,404,727	495,812	1,449,671	4,350,210
Prior period adjustment	-	-	(69,876)	(69,876)
Change within financial reporting entity (major to nonmajor fund)	-	(495,812)	495,812	-
Fund balances - beginning of year (restated)	<u>2,404,727</u>		<u>1,875,607</u>	<u>4,280,334</u>
Fund balances - end of year	<u>\$ 2,516,336</u>		<u>\$ 1,936,538</u>	<u>\$ 4,452,874</u>

See Accompanying Notes to the Financial Statements

City of Grosse Pointe Park
Governmental Funds
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2024

Net change in fund balances - total governmental funds	\$ 172,540
Total change in net position reported for governmental activities in the statement of activities is different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation and amortization expense.	
Depreciation and amortization expense	(1,361,459)
Capital outlay	2,856,219
Sale of capital assets (net book value)	(52,371)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.	72,453
Expenses are recorded when incurred in the statement of activities.	
Accrued interest	6,622
Compensated absences	337,487
Claims and judgments	(38,805)
The statement of net position reports the net pension liability and deferred outflows of resources and deferred inflows related to the net pension liability and pension expense. However, the amount recorded on the governmental funds equals actual pension contributions.	
Net change in the net pension liability	3,401,525
Net change in the deferred outflow of resources related to the net pension liability	(1,321,358)
Net change in the deferred inflow of resources related to the net pension liability	1,070
The statement of net position reports the net OPEB liability and deferred outflows of resources and deferred inflows related to the net OPEB liability and pension expense. However, the amount recorded on the governmental funds equals actual OPEB contributions.	
Net change in the net OPEB liability	225,383
Net change in the deferred outflow of resources related to the net OPEB liability	(200,028)
Net change in the deferred inflow of resources related to the net OPEB liability	1,153,589
Long-term liabilities and related transactions applicable to governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities.	
Debt issued	(133,592)
Repayments of long-term debt	681,577
Internal service funds are also included as governmental activities	174
Change in net position of governmental activities	\$ 5,801,026

City of Grosse Pointe Park
Proprietary Funds
Statement of Net Position
June 30, 2024

	Water & Sewer	Water & Sewer Infrastructure	Nonmajor Enterprise Funds	Total	Internal Service Fund
Assets					
Current assets					
Cash and cash equivalents	\$ 535,750	\$ 1,161,629	\$ 861,733	\$ 2,559,112	\$ -
Receivables					
Accounts	-	-	6,346	6,346	-
Utility bills	1,940,207	-	-	1,940,207	-
Due from other units of government	115,972	-	-	115,972	-
Prepaid items	-	-	-	-	164,751
Total current assets	2,591,929	1,161,629	868,079	4,621,637	164,751
Noncurrent assets					
Capital assets not being depreciated	358,115	2,624,178	14,385	2,996,678	-
Capital assets, net of accumulated depreciation	14,496,966	772,445	225,657	15,495,068	-
Total noncurrent assets	14,855,081	3,396,623	240,042	18,491,746	-
Total assets	17,447,010	4,558,252	1,108,121	23,113,383	164,751
Deferred Outflows of Resources					
Pension related	282,080	-	-	282,080	-
OPEB related	10,769	-	-	10,769	-
Total deferred outflows of resources	292,849	-	-	292,849	-
Liabilities					
Current liabilities					
Checks written against future deposits	-	-	-	-	164,577
Accounts payable	638,595	214,461	328	853,384	-
Contracts payable - retainage	-	10,000	-	10,000	-
Due to other funds	10,000	-	-	10,000	-
Payroll and other liabilities	27,791	-	4,139	31,930	-
Compensated absences	44,591	-	-	44,591	-
Total current liabilities	720,977	224,461	4,467	949,905	164,577
Noncurrent liabilities					
Compensated absences	171,739	-	60	171,799	-
Net pension liability	1,900,474	-	-	1,900,474	-
Net OPEB liability	1,285,331	-	-	1,285,331	-
Total noncurrent liabilities	3,357,544	-	60	3,357,604	-
Total liabilities	4,078,521	224,461	4,527	4,307,509	164,577
Deferred Inflows of Resources					
Pension related	87	-	-	87	-
OPEB related	49,999	-	-	49,999	-
Total deferred inflows of resources	50,086	-	-	50,086	-
Net Position					
Net investment in capital assets	14,855,081	3,172,162	240,042	18,267,285	-
Unrestricted (deficit)	(1,243,829)	1,161,629	863,552	781,352	174
Total net position	\$ 13,611,252	\$ 4,333,791	\$ 1,103,594	\$ 19,048,637	\$ 174

See Accompanying Notes to the Financial Statements

City of Grosse Pointe Park
Proprietary Funds
Statement of Revenues, Expenses and Changes in Fund Net Position
For the Year Ended June 30, 2024

	Water & Sewer	Water & Sewer Infrastructure	Nonmajor Enterprise Funds	Total	Internal Service Fund
Operating revenue					
Customer fees	\$ 5,457,351	\$ -	\$ 727,699	\$ 6,185,050	\$ -
Billings to other funds	-	-	-	-	2,355,513
Other revenue	8,454	-	30	8,484	-
Total operating revenue	<u>5,465,805</u>	<u>-</u>	<u>727,729</u>	<u>6,193,534</u>	<u>2,355,513</u>
Operating expenses					
Personnel services	1,451,874	-	40,676	1,492,550	2,349,595
Supplies	197,767	-	11,659	209,426	-
Contractual services	3,500,240	258,194	331,095	4,089,529	5,795
Utilities	67,482	-	18,400	85,882	-
Repairs and maintenance	244,270	-	4,767	249,037	-
Other expenses	56,326	(2,330)	22,599	76,595	-
Depreciation	599,940	17,172	22,277	639,389	-
Total operating expenses	<u>6,117,899</u>	<u>273,036</u>	<u>451,473</u>	<u>6,842,408</u>	<u>2,355,390</u>
Operating income (loss)	<u>(652,094)</u>	<u>(273,036)</u>	<u>276,256</u>	<u>(648,874)</u>	<u>123</u>
Nonoperating revenue (expenses)					
Property taxes	-	1,871,652	822	1,872,474	-
Local contributions	-	1,030,000	-	1,030,000	-
Investment income	60,597	14,238	36,702	111,537	51
Total nonoperating revenues (expenses)	<u>60,597</u>	<u>2,915,890</u>	<u>37,524</u>	<u>3,014,011</u>	<u>51</u>
Income before transfers	(591,497)	2,642,854	313,780	2,365,137	174
Transfers in	27,600	-	-	27,600	-
Transfers out	(45,457)	-	(38,747)	(84,204)	-
Change in net position	<u>(609,354)</u>	<u>2,642,854</u>	<u>275,033</u>	<u>2,308,533</u>	<u>174</u>
Net position - beginning of year, as previously stated	15,911,543	-	758,685	16,670,228	-
Prior period adjustment	(1,690,937)	1,690,937	69,876	69,876	-
Net position - beginning of year as restated	<u>14,220,606</u>	<u>1,690,937</u>	<u>828,561</u>	<u>16,740,104</u>	<u>-</u>
Net position - end of year	<u>\$ 13,611,252</u>	<u>\$ 4,333,791</u>	<u>\$ 1,103,594</u>	<u>\$ 19,048,637</u>	<u>\$ 174</u>

See Accompanying Notes to the Financial Statements

City of Grosse Pointe Park
Proprietary Funds
Statement of Cash Flows
For the Year Ended June 30, 2024

	Water & Sewer	Water & Sewer Infrastructure	Nonmajor Enterprise Funds	Total	Internal Service Fund
Cash flows from operating activities					
Receipts from customers	\$ 5,408,840	\$ -	\$ 721,383	\$ 6,130,223	\$ -
Receipts from interfund users	-	-	-	-	2,355,513
Receipts from other funds	10,000	-	-	10,000	-
Payments to suppliers	(3,714,591)	(31,403)	(392,393)	(4,138,387)	(5,969)
Payments to employees	(1,359,235)	-	(40,616)	(1,399,851)	(2,349,595)
Net cash provided by operating activities	<u>345,014</u>	<u>(31,403)</u>	<u>288,374</u>	<u>601,985</u>	<u>(51)</u>
Cash flows from noncapital financing activities					
Transfer from other funds	27,600	-	-	27,600	-
Transfers to other funds	(45,457)	-	(38,747)	(84,204)	-
Property taxes	-	1,871,652	822	1,872,474	-
Local contributions	-	1,030,000	-	1,030,000	-
Net cash provided (used) by noncapital financing activities	<u>(17,857)</u>	<u>2,901,652</u>	<u>(37,925)</u>	<u>2,845,870</u>	<u>-</u>
Cash flows from capital and related financing activities					
Purchases/construction of capital assets	(413,925)	(2,833,204)	(124,772)	(3,371,901)	-
Cash flows from investing activities					
Interest received	60,597	14,238	36,702	111,537	51
Net change in cash and cash equivalents	(26,171)	51,283	162,379	187,491	-
Cash and cash equivalents - beginning of year (restated)	561,921	1,110,346	699,354	2,371,621	-
Cash and cash equivalents - end of year	<u>\$ 535,750</u>	<u>\$ 1,161,629</u>	<u>\$ 861,733</u>	<u>\$ 2,559,112</u>	<u>\$ -</u>
Reconciliation of operating income (loss) to net cash provided by operating activities					
Operating income (loss)	\$ (652,094)	\$ (273,036)	\$ 276,256	\$ (648,874)	\$ 123
Adjustments to reconcile operating income (loss) to net cash from operating activities					
Depreciation and amortization expense	599,940	17,172	22,277	639,389	-
Changes in assets and liabilities					
Receivables (net)	59,007	-	(6,346)	52,661	-
Due from other units of government	(115,972)	-	-	(115,972)	-
Prepaid items	26,138	-	-	26,138	-
Net pension asset	-	-	-	-	(164,751)
Pension related deferred outflows of resources	97,969	-	-	97,969	-
OPEB related deferred outflows of resources	24,508	-	-	24,508	-
Checks written against future deposits	-	-	-	-	164,577
Accounts payable	102,825	214,461	(6,538)	310,748	-
Accrued and other liabilities	9,704	10,000	2,665	22,369	-
Due to other funds	10,000	-	-	10,000	-
Compensated absences	92,639	-	60	92,699	-
Net pension liability	(220,452)	-	-	(220,452)	-
Net OPEB liability	304,651	-	-	304,651	-
Pension related deferred inflows of resources	(83)	-	-	(83)	-
OPEB related deferred inflows of resources	6,234	-	-	6,234	-
Net cash provided by operating activities	<u>\$ 345,014</u>	<u>\$ (31,403)</u>	<u>\$ 288,374</u>	<u>\$ 601,985</u>	<u>\$ (51)</u>

See Accompanying Notes to the Financial Statements

City of Grosse Pointe Park
Fiduciary Funds
Statement of Fiduciary Net Position
June 30, 2024

	<u>Other Employee Benefit Trust Funds</u>	<u>Custodial Fund Current Tax Collection</u>
Assets		
Investments	\$ 286,766	\$ -
Net Position		
Restricted for:		
Postemployment benefits other than pension	<u>\$ 286,766</u>	<u>\$ -</u>

City of Grosse Pointe Park
Fiduciary Funds
Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2024

	Other Employee Benefit Trust Funds	Custodial Fund Current Tax Collection
Additions		
Contributions		
Employer	\$ 955,084	\$ -
Members	9,805	-
Total contributions	<u>964,889</u>	<u>-</u>
Investment earnings		
Net increase in fair value of investments	26,749	-
Less investment costs		
Investment activity costs	571	-
Net investment earnings	<u>26,178</u>	<u>-</u>
Property tax collections for other governments	<u>-</u>	<u>15,444,352</u>
Total additions	<u>991,067</u>	<u>15,444,352</u>
Deductions		
Benefits paid to participants or beneficiaries	964,889	-
Payments of property tax to other governments	<u>-</u>	<u>15,444,352</u>
Total deductions	<u>964,889</u>	<u>15,444,352</u>
Change in net position	26,178	-
Net position - beginning of year	<u>260,588</u>	<u>-</u>
Net position - end of year	<u>\$ 286,766</u>	<u>\$ -</u>

See Accompanying Notes to the Financial Statements

City of Grosse Pointe Park
Component Units
Combining Statement of Net Position
June 30, 2024

	Tax Increment Finance Authority	Downtown Development Authority	Total
Assets			
Current assets			
Cash and cash equivalents	\$ 803,337	\$ 277,508	\$ 1,080,845
Noncurrent assets			
Capital assets not being depreciated	2,099,249	580,645	2,679,894
Capital assets, net of accumulated depreciation	<u>6,556,437</u>	<u>51,342</u>	<u>6,607,779</u>
Total noncurrent assets	<u>8,655,686</u>	<u>631,987</u>	<u>9,287,673</u>
Total assets	<u>9,459,023</u>	<u>909,495</u>	<u>10,368,518</u>
Liabilities			
Current liabilities			
Accounts payable	28,536	9,963	38,499
Interest payable	16,126	-	16,126
Current portion of long-term liabilities	<u>240,000</u>	<u>-</u>	<u>240,000</u>
Total current liabilities	284,662	9,963	294,625
Noncurrent liabilities			
Long-term liabilities	<u>3,085,000</u>	<u>-</u>	<u>3,085,000</u>
Total liabilities	<u>3,369,662</u>	<u>9,963</u>	<u>3,379,625</u>
Net Position			
Net investment in capital assets	5,330,686	631,987	5,962,673
Unrestricted	<u>758,675</u>	<u>267,545</u>	<u>1,026,220</u>
Total net position	<u>\$ 6,089,361</u>	<u>\$ 899,532</u>	<u>\$ 6,988,893</u>

See Accompanying Notes to the Financial Statements

City of Grosse Pointe Park
Component Units
Combining Statement of Activities
For the Year Ended June 30, 2024

	Tax Increment Finance Authority	Downtown Development Authority	Total
Expenses			
Community and economic development	\$ 842,450	\$ 74,332	\$ 916,782
Program revenues			
Operating grants and contributions	<u>79,124</u>	<u>-</u>	<u>79,124</u>
Net program expense	<u>(763,326)</u>	<u>(74,332)</u>	<u>(837,658)</u>
General revenues			
Property taxes	1,214,248	117,340	1,331,588
Unrestricted investment earnings	35,020	9,989	45,009
Miscellaneous	<u>785</u>	<u>-</u>	<u>785</u>
Total general revenues	<u>1,250,053</u>	<u>127,329</u>	<u>1,377,382</u>
Change in net position	486,727	52,997	539,724
Net position - beginning of year	<u>5,602,634</u>	<u>846,535</u>	<u>6,449,169</u>
Net position - end of year	<u>\$ 6,089,361</u>	<u>\$ 899,532</u>	<u>\$ 6,988,893</u>

See Accompanying Notes to the Financial Statements

City of Grosse Pointe Park
Notes to the Financial Statements
June 30, 2024

Note 1 - Summary of Significant Accounting Policies

Basis of Presentation

The accounting policies of the City of Grosse Pointe Park (the City) conform to accounting principles generally accepted in the United state of America (GAAP), as applicable to governmental units. The following is a summary of the significant accounting policies used by the City.

Reporting Entity

The City of Grosse Pointe Park (the City) is governed by an elected seven-member Board. The accompanying financial statements present the City and its component units, entities for which the government is considered to be financially accountable. The discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government (see discussion below for description).

Discretely Presented Component Units

Downtown Development Authority

The Downtown Development authority (DDA) was created to correct and prevent deterioration in the downtown district, encourage historical preservation, and promote economic growth within the downtown district. The DDA collects property taxes in accordance with state law and budgets expenditures within the DDA district boundaries. The DDA's governing body is appointed by the City Council. The DDA does not issue any other form of financial statements except as contained in the City's annual financial statements.

Tax Increment Finance Authority

The Tax Increment Finance Authority (TIFA) was created to encourage economic activity within the TIFA district boundaries. The TIFA collects captured property taxes in accordance with state law and budgets expenditures within the TIFA district boundaries. The TIFA's governing body is appointed by the City Council. The TIFA does not issue any other form of financial statements except as contained in the City's annual financial statements.

Joint Venture

The City is a member of the Grosse Pointes-Clinton Refuse Disposal Authority (the "Authority") joint venture, which provides refuse disposal services to participating municipalities in the counties of Wayne and Macomb, Michigan. Other members include the cities of Grosse Pointe Farms, Grosse Pointe, Grosse Pointe Woods, Harper Woods, and the village of Grosse Pointe Shores. The City Council appoints one member to the Authority's governing board, which then approves its annual budget. The Authority currently contracts with a commercial refuse disposal company and bills members for their proportionate share of costs. The City has no equity interest in the Authority. Complete financial statements for the Authority can be obtained from the Village of Grosse Pointe Shores upon request.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that

City of Grosse Pointe Park
Notes to the Financial Statements
June 30, 2024

are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

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 are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

The General Fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The City reports the following major proprietary funds:

The Water & Sewer Fund accounts for the operating activities of the water distribution and sewage collection systems.

The Water & Sewer Infrastructure Fund accounts for infrastructure related activities to provide water and sewer services to the City.

Additionally, the City reports the following:

The Nonmajor Special Revenue Funds account for the proceeds of specific revenue sources requiring separate accounting because of legal or regulatory provisions or administrative requirements.

The Debt Service Funds account for the accumulation of resources for, and payment of governmental activities principal, interest and related costs.

City of Grosse Pointe Park
Notes to the Financial Statements
June 30, 2024

The Capital Projects Fund accounts for the accumulation of resources for, and payment of significant capital expenditures and improvement projects.

The Marina Fund accounts for the charges for services and related costs for activities at the Windmill Pointe Park Marina facilities.

The Recycling Collection Fund accounts for environmentally friendly waste removal services.

The Internal Service Fund accounts for health benefits charged to other departments of the government on a cost reimbursement basis.

The Other Postemployment Employee Benefit Trust Funds account for the accumulation of resources to be used for retirement payments to eligible employees and certain healthcare costs.

Custodial Funds account for property tax and other deposits collected on behalf of other units and individuals.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary funds are charges to customers for sales and services. The City also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for the sewer and water funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Assets, Liabilities, and Net Position or Fund Balance

Deposits and investments – Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value based on quoted market price. Certificate of deposits are stated at cost which approximates fair value.

Receivables and payables – In general, outstanding balances between funds are reported as “due to/from other funds.” Activity between funds that is representative of a lending/borrowing arrangement outstanding at the end of the fiscal year is referred to as “advances to/from other funds.” Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as “internal balances.”

All trade and property tax receivables are shown as net of allowance for uncollectible amounts. The City considers all accounts receivable to be fully collectible; accordingly, no allowance for uncollectible amounts is recorded. Property taxes are levied on each December 1st on the taxable valuation of property as of the preceding December 31st. Taxes are considered delinquent on March 1st of the following year, at which time penalties and interest are assessed.

City of Grosse Pointe Park
Notes to the Financial Statements
June 30, 2024

The taxable valuation of the City totaled approximately \$750 million, on which ad valorem taxes consisted of the following mills, and resulted in the following revenue, exclusive of any Michigan Tax Tribunal or Board of Review adjustments:

Purpose	Mills Levied	Ad Valorem Taxes Levied Raised (in millions)
General operating	10.5917	\$ 7.35
Rubbish	1.5679	1.11
Public relations	0.0710	0.05
Roads	0.9571	0.72
Debt	0.7910	0.60
Public safety	2.5696	1.92
Water & sewer	2.5000	1.87

Inventories and prepaid items – Inventories are valued at cost, on a first-in, first-out basis. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future fiscal years. For such payments in governmental funds the City follows the consumption method, and they therefore are capitalized as prepaid items in both government-wide and fund financial statements.

Capital assets – Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the City as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost, if purchased or constructed.

The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or extend its useful life beyond the original estimate. In the case of donations, the City values these capital assets at the acquisition value of the item at the date of its donation.

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

Land improvements	5 to 50 years
Roads and sidewalks	18 to 25 years
Buildings and improvements	7 to 50 years
Machinery and equipment	3 to 50 years
Vehicles	7 to 30 years
Water system infrastructure	5 to 50 years
Sewer system infrastructure	15 to 60 years

Deferred outflows of resources – A deferred outflow of resources is a consumption of net assets by the City that is applicable to a future reporting period. The City reports deferred outflows of resources as a result of pension earnings. This amount is the result of a difference between what the plan expected to earn from plan investments and what is actually earned. This amount will be amortized over the next four years and included in pension and OPEB expense. Changes in assumptions and experience differences relating to the net pension and OPEB liability are deferred and amortized over the expected remaining services lives of the employees and retirees in the plan. The City also reported deferred outflows of resources for pension contributions made after the measurement date. This amount will reduce net pension liability in the following year.

City of Grosse Pointe Park
Notes to the Financial Statements
June 30, 2024

Compensated absences – It is the City’s policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Long-term obligations – In the government-wide financial statements, and 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.

Pensions – For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position the Municipal Employees Retirement System (MERS) of Michigan and additions to/deductions from MERS’ fiduciary net position have been determined on the same basis as they are reported to MERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Postemployment Benefits (OPEB) – For purposes 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 City of Grosse Pointe Park Retiree Health Care Plan (the Health Care Plan) and additions to/deductions from the Health Care Plan’s fiduciary net position have been determined on the same basis as they are reported by the Health Care Plan. For this purpose, the Health Care Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

Deferred inflows of resources – A deferred inflow of resources is an acquisition of net assets by the City that is applicable to a future reporting period. For governmental funds this includes unavailable revenue in connection with receivables for revenues that are not considered available to liquidate liabilities of the current period. The City reports deferred inflows of resources as a result of pension and OPEB earnings. This amount is the result of a difference between what the plan expected to earn from the plan investments and what the plan actually earned. This amount will be amortized over the next four years and included in pension and OPEB expense. Changes in assumptions and experience differences relating to the net pension liability and net OPEB liability are deferred and amortized over the expected remaining services lives of the employees and retirees in the plan.

Fund Balances – In the fund financial statements, governmental funds report fund balances in the following categories:

Non-spendable – assets that are not available in a spendable form.

Restricted – amounts that are legally imposed or otherwise required by external parties to be used for a specific purpose.

Committed – amounts constrained on use imposed by the government’s highest level of decision-making, its City Council. A fund balance commitment may be established, modified, or rescinded by a resolution of the City Council.

Assigned – amounts intended to be used for specific purposes, as determined by the City Council. Residual amounts in governmental funds other than the general fund are automatically assigned by their nature.

Unassigned – all other resources; the remaining fund balances after non-spendable, restrictions, commitments and assignments.

City of Grosse Pointe Park
Notes to the Financial Statements
June 30, 2024

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City's policy is to consider restricted funds spent first.

When an expenditure is incurred for purposes for which committed, assigned, or unassigned amounts could be used, the City's policy is to consider the funds to be spent in the following order: (1) committed, (2) assigned, (3) unassigned.

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, deferred outflows, liabilities, deferred inflows 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.

Adoption of New Accounting Standards

Statement No. 100, *Accounting Changes and Error Corrections*, improves the clarity of the accounting and financial reporting requirements for accounting changes and error corrections, which will result in greater consistency in application in practice. More understandable, reliable, relevant, consistent and comparable information will be provided to financial statement users for making decisions or assessing accountability. Additionally, the display and note disclosure requirements will result in more consistent, decision useful, understandable and comprehensive information for users about accounting changes and error corrections.

Upcoming Accounting and Reporting Changes

Statement No. 101, *Compensated Absences*, updates the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This statement is effective for the year ending June 30, 2025.

Statement No. 102, *Certain Risk Disclosures*, requires organizations to provide users of the financial statements with essential information about risks related to the organization's vulnerabilities due to certain concentrations or constraints. This statement is effective for the year ending June 30, 2025.

Statement No. 103, *Financial Reporting Model Improvements*, improves key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing an organization's accountability while also addressing certain application issues. This statement includes changes to management's discussion and analysis, unusual or infrequent items, presentation of the proprietary fund statements of revenues, expenses, and changes in fund net position, major component unit information, and budgetary comparison information. This statement is effective for the year ending June 30, 2026.

The City is evaluating the impact that the above GASB statements will have on its financial reporting.

City of Grosse Pointe Park
Notes to the Financial Statements
June 30, 2024

Note 2 - Stewardship, Compliance, and Accountability

Material Budget Overage

The City reported a material budget overage in the General Fund for Public Safety expenditures as follows:

	Appropriations	Actual	Budget Variance
General Fund			
Public safety	\$ 8,353,600	\$ 11,128,949	\$ 2,775,349

The City received \$2.9 million under the Protecting Michigan Pension Grant Program. The public safety division of the pension ultimately benefited from this grant and the General Fund recorded the expenditures in the public safety function. The General Fund budget was not amended to include the activity related to this grant.

Construction Code Fees

The City oversees building construction, in accordance with the State's Construction Code Act, including inspection of building construction and renovation to ensure compliance with the building codes. The City charges fees for these services. The law requires that collection of these fees be used only for construction code costs, including an allocation of estimated overhead costs.

A summary of the current year activity and the cumulative surplus or shortfall generated since July 1, 2009 is as follows:

Current year permit revenue		\$ 397,086
Related expenses:		
Direct costs	\$ (401,651)	
Estimated indirect costs	(60,216)	(461,867)
Current year shortfall		(64,781)
Cumulative surplus - beginning of year		394,312
Cumulative surplus - end of year		\$ 329,531

City of Grosse Pointe Park
Notes to the Financial Statements
June 30, 2024

Note 3 - Deposits and Investments

At year end the City's deposits and investments were reported in the financial statements in the following categories:

	<u>Cash and Cash Equivalents</u>	<u>Investments</u>	<u>Total</u>
Governmental activities	\$ 4,741,441	\$ -	\$ 4,741,441
Business-type activities	<u>2,559,112</u>	<u>-</u>	<u>2,559,112</u>
Total	7,300,553	-	7,300,553
Fiduciary funds	-	286,766	286,766
Component units	<u>1,080,845</u>	<u>-</u>	<u>1,080,845</u>
Total	<u>\$ 8,381,398</u>	<u>\$ 286,766</u>	<u>\$ 8,668,164</u>

The breakdown between deposits and investments is as follows:

	<u>Primary Government</u>	<u>Fiduciary Funds</u>	<u>Component Units</u>	<u>Total</u>
Bank deposits (checking and savings accounts, money markets and certificates of deposit)	\$ 4,721,984	\$ -	\$ 569,950	\$ 5,291,934
Investments in securities, mutual funds and similar vehicles	2,576,963	286,766	510,895	3,374,624
Petty cash and cash on hand	<u>1,606</u>	<u>-</u>	<u>-</u>	<u>1,606</u>
	<u>\$ 7,300,553</u>	<u>\$ 286,766</u>	<u>\$ 1,080,845</u>	<u>\$ 8,668,164</u>

Interest rate risk – In accordance with its investment policy, the City manages its exposure to declines in fair values by limiting the purchase of commercial paper which can only be purchased with a 270-day maturity. The City's investment policy does not restrict other investment maturities.

Credit risk – State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations. The City's investment policy doesn't not further limit its investment choices. As of year end, the City did not hold any investments in commercial paper.

Concentration of credit risk – The City has no policy that would limit the amount that may be issued in any one issuer. The entire balance of the City's investments is held in the MERS Total Market Portfolio.

Custodial credit risk - deposits – In the case of deposits, this is the risk that in the event of bank failure, the City's deposits may not be returned to it. The City does not have a policy for custodial credit risk. As of year end, \$5,063,166 was exposed to custodial credit risk because it was uninsured and uncollateralized.

City of Grosse Pointe Park
Notes to the Financial Statements
June 30, 2024

Note 4 - 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 the net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy.

The City has the following recurring fair value measurements as of year end:

Investments carried at net asset value

Michigan CLASS government investment pool	\$ 3,087,858
MERS retiree health funding vehicle	
Total market portfolio	<u>286,766</u>
Total investments	<u>\$ 3,374,624</u>

Investments in Entities that Calculate Net Asset Value per Share

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

At year end, the net asset value of the City's investment in Michigan CLASS was \$3,087,858. The investment pool had no unfunded commitments, specific redemption frequency or redemption notice period required. The Michigan CLASS investment pool invests in U.S. treasury obligations, federal agency obligations of the U.S. government, high-grade commercial paper (rated 'A-1' or better) collateralized bank deposits, repurchase agreements (collateralized at 102% by Treasuries and agencies), and approved money-market funds. The program seeks to provide safety, liquidity, convenience, and competitive rates of return, and is designed to meet the needs of Michigan public sector investors. It purchases securities that are legally permissible under state statutes and are available for investment by Michigan counties, cities, townships, school districts, authorities and other public agencies. It has a rating of AAA from Standard and Poor's with a weighted average maturity of 30 days.

At year end, the net asset value of the City's investment in the MERS Retiree Health Funding Vehicle Total Market Portfolio Fund ("the Fund") was \$286,766. The Fund is a fully diversified portfolio combining traditional stocks and bonds with alternative asset classes, including real estate, private equity and commodities and is carried at net asset value. The objective is to provide current income and capital appreciation while minimizing the volatility of the capital markets. MERS manages the asset allocation and monitors the underlying investment managers. There is no redemption period and no unfunded commitments.

City of Grosse Pointe Park
Notes to the Financial Statements
June 30, 2024

Note 5 - Capital Assets

Capital assets activity of the primary government for the current year is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities				
Capital assets not being depreciated				
Land	\$ 12,169,477	\$ 31,211	\$ -	\$ 12,200,688
Construction-in-progress	<u>86,279</u>	<u>496,150</u>	<u>86,279</u>	<u>496,150</u>
Total capital assets not being depreciated	<u>12,255,756</u>	<u>527,361</u>	<u>86,279</u>	<u>12,696,838</u>
Capital assets being depreciated				
Land improvements	4,161,024	847,753	-	5,008,777
Roads and sidewalks	49,428,065	900,044	-	50,328,109
Buildings and improvements	14,343,196	208,367	-	14,551,563
Machinery and equipment	<u>5,266,071</u>	<u>458,973</u>	<u>304,336</u>	<u>5,420,708</u>
Total capital assets being depreciated	<u>73,198,356</u>	<u>2,415,137</u>	<u>304,336</u>	<u>75,309,157</u>
Less accumulated depreciation for				
Land improvements	2,896,838	137,081	-	3,033,919
Roads and sidewalks	15,320,586	737,268	-	16,057,854
Buildings and improvements	5,706,411	235,539	-	5,941,950
Machinery and equipment	<u>3,720,741</u>	<u>251,571</u>	<u>251,965</u>	<u>3,720,347</u>
Total accumulated depreciation	<u>27,644,576</u>	<u>1,361,459</u>	<u>251,965</u>	<u>28,754,070</u>
Net capital assets being depreciated	<u>45,553,780</u>	<u>1,053,678</u>	<u>52,371</u>	<u>46,555,087</u>
Governmental activities net capital assets	<u>\$ 57,809,536</u>	<u>\$ 1,581,039</u>	<u>\$ 138,650</u>	<u>\$ 59,251,925</u>

City of Grosse Pointe Park
Notes to the Financial Statements
June 30, 2024

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities				
Capital assets not being depreciated				
Land	\$ 285,000	\$ -	\$ -	\$ 285,000
Construction-in-progress	624,272	2,622,432	535,026	2,711,678
Total capital assets not being depreciated	909,272	2,622,432	535,026	2,996,678
Capital assets being depreciated				
Water system infrastructure	749,710	777,305	-	1,527,015
Sewer system infrastructure	26,105,327	-	-	26,105,327
Land improvements	739,287	110,387	-	849,674
Building and improvements	1,184,960	115,412	-	1,300,372
Vehicles	528,004	170,150	-	698,154
Machinery and equipment	1,247,150	17,247	-	1,264,397
Total capital assets being depreciated	30,554,438	1,190,501	-	31,744,939
Less accumulated depreciation for				
Water system infrastructure	269,629	29,821	-	299,450
Sewer system infrastructure	13,598,067	449,313	-	14,047,380
Land improvements	467,235	20,228	-	487,463
Building and improvements	390,610	39,790	-	430,400
Vehicles	307,612	34,139	-	341,751
Machinery and equipment	577,329	66,098	-	643,427
Total accumulated depreciation	15,610,482	639,389	-	16,249,871
Net capital assets being depreciated	14,943,956	551,112	-	15,495,068
Business-type capital assets, net	\$ 15,853,228	\$ 3,173,544	\$ 535,026	\$ 18,491,746

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

Governmental activities

General government	\$ 887,807
Public safety	196,689
Public works	32,583
Recreation and culture	244,380
Total governmental activities	1,361,459

Business-type activities

Water & Sewer	617,112
Marina	22,277
Total business-type activities	639,389

Total primary government \$ 2,000,848

City of Grosse Pointe Park
Notes to the Financial Statements
June 30, 2024

Capital assets activity of the component units for the current year is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Component Units				
Capital assets not being depreciated				
Land	\$ 2,405,001	\$ 102,284	\$ 59,989	\$ 2,447,296
Construction-in-progress	<u>100,000</u>	<u>132,598</u>	<u>-</u>	<u>232,598</u>
Total capital assets not being depreciated	<u>2,505,001</u>	<u>234,882</u>	<u>59,989</u>	<u>2,679,894</u>
Capital assets being depreciated				
Land improvements	2,347,008	21,580	-	2,368,588
Roads and sidewalks	480,139	-	-	480,139
Buildings and improvements	4,219,772	24,933	-	4,244,705
Machinery and equipment	<u>188,122</u>	<u>35,059</u>	<u>-</u>	<u>223,181</u>
Total capital assets being depreciated	<u>7,235,041</u>	<u>81,572</u>	<u>-</u>	<u>7,316,613</u>
Less accumulated depreciation for				
Land improvements	204,657	205,736	-	410,393
Roads and sidewalks	31,868	25,606	-	57,474
Buildings and improvements	84,395	84,905	-	169,300
Machinery and equipment	<u>54,022</u>	<u>17,645</u>	<u>-</u>	<u>71,667</u>
Total accumulated depreciation	<u>374,942</u>	<u>333,892</u>	<u>-</u>	<u>708,834</u>
Net capital assets being depreciated	<u>6,860,099</u>	<u>(252,320)</u>	<u>-</u>	<u>6,607,779</u>
Component units capital assets, net	<u>\$ 9,365,100</u>	<u>\$ (17,438)</u>	<u>\$ 59,989</u>	<u>\$ 9,287,673</u>

Construction Commitments

The City committed approximately \$4.1 million to infrastructure improvements for local and major roads and water and sewer infrastructure projects of which \$3.3 million was completed and \$800 thousand was remaining at fiscal year end.

City of Grosse Pointe Park
Notes to the Financial Statements
June 30, 2024

Note 6 - Interfund Receivables, Payables and Transfers

The composition of interfund balances is as follows:

Receivable Fund	Payable Fund	Amount
Nonmajor Governmental Fund	Water and Sewer Fund	<u>\$ 10,000</u>

The outstanding balances between funds result mainly from the time lag between the dates that 1) interfund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system, and 3) payments between funds are made.

The details for interfund transfers are as follows:

Funds Transferred From	Funds Transferred To	Amount
General Fund	Nonmajor Governmental Funds	(1) \$ 10,265
Nonmajor Governmental Funds	Nonmajor Governmental Funds	(2) 205,800
Nonmajor Governmental Funds	General Fund	(3) 241,237
Nonmajor Governmental Funds	Water and Sewer Fund	(4) 27,600
Water and Sewer Fund	General Fund	(5) 45,457
Nonmajor Enterprise Fund	General Fund	(5) <u>38,747</u>
		<u>\$ 569,106</u>

- (1) Transfer related to support of legal services
- (2) Transfer to support local and major street operations as allowed under Act 51
- (3) Transfer related to governmental indirect costs of the operating function
- (4) Transfer related to capital improvements
- (5) Transfer related to governmental indirect costs of the building function

City of Grosse Pointe Park
Notes to the Financial Statements
June 30, 2024

Note 7 - Long-Term Debt

The City issues bonds to provide for the acquisition and construction of major capital projects. General obligation bonds are direct obligations and pledge the full faith and credit of the City. Installment purchase agreements are also general obligations of the City. Other long-term obligations include compensated absences. Compensated absences are typically liquidated with funds from the general fund and the water and sewer fund.

Long-term obligation activity is summarized as follows:

	Amount of Issue	Maturity Date	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities									
Bonds and notes payable									
General obligation bonds									
General Obligation Unlimited Tax Bond Series 2007	\$ 7,000,000	10/1/2026	4.300% - 4.350%	\$600,000 - \$700,000	\$ 2,400,000	\$ -	\$ 500,000	\$ 1,900,000	\$ 600,000
Capital Improvement Bond Series 2019	\$ 2,635,000	10/1/2039	2.000% - 3.000%	\$110,000 - \$175,000	<u>2,345,000</u>	<u>-</u>	<u>105,000</u>	<u>2,240,000</u>	<u>110,000</u>
Total general obligation bonds					<u>4,745,000</u>	<u>-</u>	<u>605,000</u>	<u>4,140,000</u>	<u>710,000</u>
Installment purchase agreements									
Note Payable - Fitness Gym Equipment	\$ 69,599	6/10/2025	0.00%	\$32,074	50,735	-	18,661	32,074	32,074
Note Payable - 2024 Motorola Solutions	\$ 133,592	1/25/2024	0.00%	\$25,402	-	133,592	31,986	101,606	25,402
Note Payable - Ford Motor	\$ 77,220	6/10/2024	5.99%	\$25,930	<u>25,930</u>	<u>-</u>	<u>25,930</u>	<u>-</u>	<u>-</u>
Total installment purchase agreements					<u>76,665</u>	<u>133,592</u>	<u>76,577</u>	<u>133,680</u>	<u>57,476</u>
Total bonds and notes payable					4,821,665	133,592	681,577	4,273,680	767,476
Claims and judgments									
Compensated absences					220,173	38,805	-	258,978	258,978
					<u>1,216,763</u>	<u>96,039</u>	<u>433,526</u>	<u>879,276</u>	<u>270,692</u>
Total governmental activities					<u>\$ 6,258,601</u>	<u>\$ 268,436</u>	<u>\$ 1,115,103</u>	<u>\$ 5,411,934</u>	<u>\$ 1,297,146</u>
Business-type activities									
Compensated absences					\$ 123,691	\$ 174,141	\$ 81,442	\$ 216,390	\$ 44,591
Component units									
General obligation bonds									
Tax Increment Finance Authority Bond Series 2020	\$ 4,000,000	10/1/2035	1.940%	\$240,000 - \$315,000	\$ 3,560,000	\$ -	\$ 235,000	\$ 3,325,000	\$ 240,000

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

Year Ending June 30,	Governmental Activities				Component Units	
	Bonds		Notes from Direct Borrowings and Direct Placements		Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 710,000	\$ 121,519	\$ 57,476	\$ 1,537	\$ 240,000	\$ 62,177
2026	715,000	92,194	25,402	-	245,000	57,473
2027	815,000	60,469	25,402	-	255,000	52,623
2028	120,000	41,719	25,400	-	260,000	47,627
2029	125,000	38,044	-	-	265,000	42,535
2030-2034	680,000	147,553	-	-	1,435,000	131,484
2035-2039	800,000	68,491	-	-	625,000	12,172
2040-2044	175,000	2,078	-	-	-	-
	<u>\$ 4,140,000</u>	<u>\$ 572,067</u>	<u>\$ 133,680</u>	<u>\$ 1,537</u>	<u>\$ 3,325,000</u>	<u>\$ 406,091</u>

City of Grosse Pointe Park
Notes to the Financial Statements
June 30, 2024

Note 8 - Net Investment in Capital Assets

The composition of net investment in capital assets as of year end, was as follows:

	Governmental Activities	Business-type Activities	Component Unit
Capital assets			
Capital assets not being depreciated	\$ 12,696,838	\$ 2,996,678	\$ 2,679,894
Capital assets, net of accumulated depreciation	46,555,087	15,495,068	6,607,779
Total capital assets	59,251,925	18,491,746	9,287,673
Related debt			
General obligation bonds	(4,140,000)	-	(3,325,000)
Installment purchase agreements	(133,680)	-	-
Contracts payable - retainage	-	(224,461)	-
Total related debt	(4,273,680)	(224,461)	(3,325,000)
Net investment in capital assets	\$ 54,978,245	\$ 18,267,285	\$ 5,962,673

Note 9 - 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 property loss, torts, and errors and omissions. For workers' compensation claims, the City participates in the Michigan Municipal League Risk Pool. For medical benefits, the City previously purchased commercial insurance. As described below, the City is partially self-insured for medical claims. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

The Michigan Municipal League risk pool program for workers' compensation claims operates as a common risk-sharing management program for local units of governments in Michigan; member premiums are used to purchase commercial excess insurance coverage and to pay member claims in excess of deductible amounts.

The City is self-funding medical benefits up to a retention amount, at which time the City's reinsurance coverage begins. The self-funding program is done in conjunction with the cities of Grosse Pointe, Grosse Pointe Farms, Grosse Pointe Woods, and the City of Grosse Pointe Shores. The village of Grosse Pointe Woods serves as the administrative agent for the program; however, each municipality is responsible for its individual claims.

The City made no deposits to the claims administrator for payment of future claims. The City estimated the liability for medical benefits claims that have been incurred through the end of the fiscal year, including both those claims that have been reported as well as those that have not yet been reported. The City's liability is based on individual claims and management's evaluation of experience with respect to the probable number and nature of claims. The entire liability is current and is recorded in the General Fund and government-wide statement of net position.

City of Grosse Pointe Park
Notes to the Financial Statements
June 30, 2024

The change in the estimated liability for the fiscal years ended June 30 is as follows:

	2024	2023
Estimated liability - beginning of year	\$ 220,173	\$ 145,672
Estimated claims incurred	2,394,195	1,650,137
Claim payments	<u>(2,355,390)</u>	<u>(1,575,636)</u>
Estimated liability - end of year	<u>\$ 258,978</u>	<u>\$ 220,173</u>

Note 10 - Employee Retirement and Benefit Systems

Defined Benefit Pension Plan

Plan description – The City participates in the Michigan Municipal Employees’ Retirement System (MERS), an agent multiple-employer, statewide public employee defined benefit pension plan that covers all employees of the government. The plan was established by the Michigan Legislature under Public Act 135 of 1945 and administered by a nine-member Retirement Board. The system provides retirement, disability and death benefits to plan members and their beneficiaries. MERS issues a publicly available financial report that includes financial statements and required supplementary information for the system. That report may be obtained by writing to MERS at 1134 Municipal Way, Lansing, Michigan 48917 or on the web at <http://www.mersofmich.com>.

Benefits provided – Benefits provided include plans with multipliers ranging from 2.0% to 2.5%. The vesting period is 10 years. Normal retirement age is 60 with early retirement at 55 with 15 years of service (reduced) or 50 with 25 years of service (unreduced). Final average compensation is calculated based on 3 to 5 years. Member contributions range from 3.0% to 5.5%.

Employees covered by benefit terms – At the December 31, 2023 valuation date, the following employees were covered by benefit terms:

Inactive employees or beneficiaries currently receiving benefits	105
Inactive employees entitled to, but not yet receiving benefits	20
Active employees	<u>59</u>
	<u>184</u>

Contributions – The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by MERS Retirement Board. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer may establish contribution rates to be paid by its covered employees. Employer contributions range from 7.88% to 7.98% based on annual payroll for open divisions.

Net pension liability – The employer’s net pension liability was measured as of December 31, 2023, and the total pension liability used to calculate the net pension liability was determined by an annual actuarial valuation as of that date.

Actuarial assumptions – The total pension liability in the December 31, 2023 annual actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement include: 1) Inflation 2.50%; 2) Salary increases 3.00% in the long-term; 3) Investment rate of return of 6.93 %, net of investment expense, including inflation.

Although no specific price inflation assumptions are needed for the valuation, the 3.00% long-term wage inflation assumption would be consistent with a price inflation of 2.5%.

City of Grosse Pointe Park
Notes to the Financial Statements
June 30, 2024

Mortality rates used were based on the Pub-2010 Mortality Tables. For disabled retirees, the regular mortality table is used with a 10-year set forward in ages to reflect the higher expected mortality rates of disabled members.

The actuarial assumptions used in valuation were based on the results of the most recent actuarial experience study.

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

Asset Class	Target Allocation	Target Allocation Gross Rate Of Return	Long-Term Expected Gross Rate of Return	Inflation Assumption	Long-term Expected Real Rate of Return
Global equity	60.00%	7.00%	4.20%	2.50%	2.70%
Global fixed income	20.00%	4.50%	0.90%	2.50%	0.40%
Private investments	20.00%	9.50%	1.90%	2.50%	1.40%
	<u>100.00%</u>		<u>7.00%</u>		<u>4.50%</u>

Discount rate – The discount rate used to measure the total pension liability is 7.18%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plans fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances as of December 31, 2022	\$ 55,863,785	\$ 27,202,614	\$ 28,661,171
Changes for the year			
Service cost	588,272	-	588,272
Interest on total pension liability	3,927,963	-	3,927,963
Experience differences	79,849	-	79,849
Change in assumptions	408,957	-	408,957
Employer contributions	-	5,245,464	(5,245,464)
Employee contributions	-	241,758	(241,758)
Net investment income	-	3,204,920	(3,204,920)
Benefit payments and refunds	(3,958,248)	(3,958,248)	-
Administrative expense	-	(65,124)	65,124
Net changes	<u>1,046,793</u>	<u>4,668,770</u>	<u>(3,621,977)</u>
Balances as of December 31, 2023	<u>\$ 56,910,578</u>	<u>\$ 31,871,384</u>	<u>\$ 25,039,194</u>

The total employer contributions of \$5,245,464 includes \$2,917,309 from the Protecting MI Pension Grant Program.

City of Grosse Pointe Park
Notes to the Financial Statements
June 30, 2024

Sensitivity of the net pension liability to changes in the discount rate – The following presents the net pension liability of the employer, calculated using the discount rate of 7.18%, as well as what the employer’s net pension liability would be using a discount rate that is 1% point lower (6.18%) or 1% higher (8.18%) than the current rate.

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Total pension liability	\$ 63,349,527	\$ 56,910,578	\$ 51,513,730
Fiduciary net position	<u>31,871,384</u>	<u>31,871,384</u>	<u>31,871,384</u>
Net pension liability	<u>\$ 31,478,143</u>	<u>\$ 25,039,194</u>	<u>\$ 19,642,346</u>

Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions – For the year ended June 30, 2024 the employer recognized pension expense of \$(1,883,162). The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Total to Amortize</u>
Differences in experience	\$ 229,540	\$ -	\$ 229,540
Differences in assumptions	756,397	(1,153)	755,244
Net difference between projected and actual earning on plan investments	1,516,375	-	1,516,375
Contributions subsequent to the measurement date*	<u>1,214,169</u>	<u>-</u>	<u>-</u>
 Total	 <u>\$ 3,716,481</u>	 <u>\$ (1,153)</u>	 <u>\$ 2,501,159</u>

*The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability in subsequent years.

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

<u>Year ended June 30,</u>	
2025	\$ 1,074,059
2026	744,920
2027	918,114
2028	<u>(235,934)</u>
	<u>\$ 2,501,159</u>

City of Grosse Pointe Park
Notes to the Financial Statements
June 30, 2024

Note 11 - Other Postemployment Benefits

Plan description – The City administers the City of Grosse Pointe Park Retiree Health Care Plan – a single employer defined benefit plan that is used to provide postemployment benefits other than pensions (OPEB) for eligible employees and dependents of the City.

Benefits provided – The Plan provides healthcare for retirees and their dependents. If hired after March 1, 2014, no post-employment health care is provided to non-spouse dependents. The healthcare costs are paid by the City on a “pay-as-you-go” basis.

Employees covered by benefit terms – At December 31, 2022, the plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefits	56
Active employees	<u>24</u>
	<u><u>80</u></u>

The Plan is closed to new members.

Contributions – The City has the authority to establish and amend the contribution requirements of the City and plan members. The City establishes rates based on an actuarially determined rate. For the year ended June 30, 2024, the City contributed based on the actuarially determined contribution. Plan members are not required to contribute to the plan.

Investment policy – The investment policy of the City is determined based on the goals and objectives of the Plan and the risk tolerance of the City. The City’s objective in selecting the expected long-term rate of return on assets is to estimate the single rate of return that reflects the historical returns, future expectations for each asset class, and the asset mix of the plan assets.

Concentrations – The City adopted the MERS Retiree Health Funding Vehicle (RHFV) in 2021. The RHFV is designed as an IRC section 115 and PA 149 compliant Trust. The purpose of the trust is to provide a qualified account to make retiree health contributions for unfunded OPEB liabilities.

Rate of return – For the year ended June 30, 2024, the annual money-weighted rate of return on investments, net of investment expense, was 11.21%. The money-weighted rate of return expresses investment performance, net of investment expenses, adjusted for the changing amounts actually invested.

Net OPEB liability – The net OPEB liability was measured as of June 30, 2024 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2022. The components of the net OPEB liability as of June 30, 2024 were as follows:

Total OPEB liability	\$ 14,257,752
Plan fiduciary net position	<u>286,766</u>
Net OPEB liability	<u><u>\$ 13,970,986</u></u>

Plan fiduciary net position as a percentage of the total OPEB liability is 2.01%.

Actuarial assumptions – The total OPEB liability was determined by an actuarial valuation as of December 31, 2022, using the following actuarial assumptions, applied to all periods included in the measurement.

City of Grosse Pointe Park
Notes to the Financial Statements
June 30, 2024

Inflation	2.50%
Salary increases	3.00% to 9.70%, including 3.00% wage inflation
Investment rate of return	7.00%, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates	Non-Medicare (Pre-65): Initial trend of 7.50%, gradually decreasing to 3.50% in year 12. Medicare (Post-65): Initial trend of 6.25%, gradually decreasing to 3.50% in year 12.

Mortality rates were based on the sex distinct Pub-2010 tables, as published by the Society of Actuaries, and include a margin for future mortality improvements projected using a fully generational improvement scale.

The actuarial assumptions used in the December 31, 2022 valuation were based on the results of an actuarial experience study for the period January 1, 2014 – December 31, 2018.

Discount rate – The discount rate used to measure the total OPEB liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

The City is 100% invested in MERS Retiree Health Funding Vehicle’s MERS Total Market Portfolio. The fund is a fully diversified portfolio combining traditional stocks and bonds with alternative asset classes, including real estate, private equity and commodities. The objective is to provide current income and appreciation while minimizing the volatility of the capital markets.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Global equity	47.7%	2.70%
Global bonds	26.4%	0.40%
Private investments	25.9%	<u>1.40%</u>
Expected real rate of return		4.50%
Inflation rate		<u>2.50%</u>
Total investment rate of return		<u><u>7.00%</u></u>

City of Grosse Pointe Park
Notes to the Financial Statements
June 30, 2024

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances as of June 30, 2023	\$ 14,152,306	\$ 260,588	\$ 13,891,718
Changes for the year			
Service cost	107,936	-	107,936
Interest on total OPEB liability	960,668	-	960,668
Experience differences	19,463	-	19,463
Change in assumptions	(17,732)	-	(17,732)
Employer contributions	-	955,084	(955,084)
Employee contributions	-	9,805	(9,805)
Net investment income	-	26,178	(26,178)
Benefit payments and refunds	(964,889)	(964,889)	-
Net changes	105,446	26,178	79,268
Balances as of June 30, 2024	\$ 14,257,752	\$ 286,766	\$ 13,970,986

Sensitivity of the net OPEB liability to changes in the discount rate – The following presents the net OPEB liability of the City, as well as what the City’s net OPEB liability would be if it were calculated using a discount rate that is 1% lower (6.00%) or 1% higher (8.00%) than the current discount rate.

	1% Decrease	Current Discount Rate	1% Increase
Net OPEB liability	\$ 15,449,373	\$ 13,970,986	\$ 12,721,644

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates – The following presents the net OPEB liability of the City, as well as what the City’s net OPEB liability would be if were calculated using healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Net OPEB liability	\$ 12,499,538	\$ 13,970,986	\$ 15,720,539

City of Grosse Pointe Park
Notes to the Financial Statements
June 30, 2024

OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB – For the year ended June 30, 2024 the employer recognized OPEB expense of \$111,533. The employer reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Total to Amortize
Differences in experience	\$ -	\$ (541,429)	\$ (541,429)
Differences in assumptions	117,059	-	117,059
Net difference between projected and actual earning on plan investments	-	(2,038)	(2,038)
Total	\$ 117,059	\$ (543,467)	\$ (426,408)

*The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the OPEB liability in subsequent years.

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

Year ended June 30,	
2025	\$ (421,283)
2026	(1,342)
2027	(2,194)
2028	(1,589)
	\$ (426,408)

Note 12 - Defined Contribution Plan

Beginning with the year ending June 30, 2024, the City closed the MERS Defined Benefit (DB) pension plan to all new hires by providing a 401a defined contribution (DC) plan to its general employees requiring a 3% contribution with an employer contribution of 15%.

The City’s public safety employees are required to contribute 5% and receive an employer contribution of 15%. In addition, public safety employees may elect to make an additional 5% contribution to the city’s deferred compensation plan to receive an additional employer contribution of 5% to the City’s 401a DC plan.

All City employees participating in the 401a defined contribution (DC) plan receive one-third vesting per year of service, each year of service, until the employee is vested at 100% in the employer’s contribution.

Both employee and employer contributions are portable, thus in the event an employee terminates employment with the City, the Plan benefits travel with the employee. Upon retirement, an eligible employee receives the tax-deferred contributions plus interest earnings on the contributions. The employer contributions for the Plan year ended June 30, 2024, were \$15,931. At June 30, 2024, there were 3 employees participating in the plan.

City of Grosse Pointe Park
Notes to the Financial Statements
June 30, 2024

Note 13 - Contingent Liabilities

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

There are potential legal actions pending against the City. Due to the inconclusive nature of many of the actions, it is not possible for counsel to determine the probable outcome or a reasonable estimate of the potential liability, if any. These actions, for which a reasonable estimate can be determined of the potential liability, if any, are considered by City management and legal counsel to be immaterial.

Note 14 - Prior Period Adjustment and Changes Within the Financial Reporting Entity

Prior Period Adjustment

The Water & Sewer Construction Fund and Recycling Collection Funds were created during the year ended June 30, 2024. Previous activity was included in the Water & Sewer Fund and Rubbish Collection Fund, respectively. The new funds were established to improve financial reporting by presenting certain activities within separate funds. This will allow both management and other users of the financial statements to better understand the financial performance within these activities.

Changes Within the Financial Reporting Entity

The Major Street Fund (“the Fund”) was previously reported as a major fund within the governmental funds, however the Fund no longer meets the quantitative threshold for presentation as a major fund. As a result, the following presentation change was necessary to be made in the financial statements:

	Major Streets	Nonmajor Governmental Funds	Water & Sewer	Infrastructure	Nonmajor Proprietary Funds
Fund balance at June 30, 2023, as previously reported	\$ 495,812	\$ 1,449,671	\$ 15,911,543	\$ -	\$ 758,685
Adjustments					
Creation of a new fund to separate water & sewer construction	-	-	(1,690,937)	1,690,937	-
Creation of a new fund to separate recycling collection	-	(69,876)	-	-	69,876
Change from major to nonmajor fund	(495,812)	495,812	-	-	-
Adjusted fund balance at June 30, 2023	<u>\$ -</u>	<u>\$ 1,875,607</u>	<u>\$ 14,220,606</u>	<u>\$ 1,690,937</u>	<u>\$ 828,561</u>

City of Grosse Pointe Park
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual	Actual Over (Under)
	Original	Final		Final Budget
Revenues				
Taxes				
Property taxes	\$ 9,303,600	\$ 9,318,600	\$ 9,348,302	\$ 29,702
Penalties and interest	13,000	51,300	28,098	(23,202)
Administration fee	400,000	414,600	414,030	(570)
Licenses and permits	250,000	250,000	220,381	(29,619)
Federal grants	-	-	93,994	93,994
State-shared revenue	1,413,900	1,413,900	1,403,032	(10,868)
State grants	9,700	13,700	3,004,354	2,990,654
Local contributions	-	104,800	104,800	-
Charges for services	831,700	786,700	937,403	150,703
Fines and forfeitures	220,300	220,300	263,592	43,292
Rental income	312,000	312,000	391,723	79,723
Investment income	-	230,000	245,660	15,660
Other revenue	9,100	184,986	201,715	16,729
	<u>12,763,300</u>	<u>13,300,886</u>	<u>16,657,084</u>	<u>3,356,198</u>
Total revenues				
Expenditures				
Current				
General government	1,548,500	2,277,400	2,154,628	(122,772)
Judicial	403,000	409,100	393,413	(15,687)
Public safety	7,733,900	8,353,600	11,128,949	2,775,349
Public works	668,900	1,059,700	1,021,027	(38,673)
Recreation and culture	2,109,500	2,258,400	2,104,193	(154,207)
Debt service				
Principal retirement	105,000	193,800	169,063	(24,737)
Interest and fiscal charges	55,400	59,100	59,391	291
	<u>12,624,200</u>	<u>14,611,100</u>	<u>17,030,664</u>	<u>2,419,564</u>
Total expenditures				
Excess (deficiency) of revenues over expenditures	<u>139,100</u>	<u>(1,310,214)</u>	<u>(373,580)</u>	<u>936,634</u>
Other financing sources (uses)				
Transfers in	-	605,300	325,441	(279,859)
Transfers out	(293,600)	(10,300)	(10,265)	35
Issuance of debt	-	-	133,592	133,592
Sale of capital assets	296,000	327,200	36,421	(290,779)
	<u>2,400</u>	<u>922,200</u>	<u>485,189</u>	<u>(437,011)</u>
Total other financing sources (uses)				
Net change in fund balance	141,500	(388,014)	111,609	499,623
Fund balance - beginning of year	<u>2,404,727</u>	<u>2,404,727</u>	<u>2,404,727</u>	<u>-</u>
Fund balance - end of year	<u>\$ 2,546,227</u>	<u>\$ 2,016,713</u>	<u>\$ 2,516,336</u>	<u>\$ 499,623</u>

City of Grosse Pointe Park
Required Supplementary Information
Municipal Employees Retirement System of Michigan
Schedule of Changes in Net Pension Liability and Related Ratios
For the Year Ended June 30, 2024

Fiscal year ended June 30,	2024	2023	2022	2021	2020
Total Pension Liability					
Service cost	\$ 588,272	\$ 548,970	\$ 574,967	\$ 518,321	\$ 460,210
Interest	3,927,963	3,865,950	2,811,560	3,943,179	3,831,245
Changes of benefit terms	-	-	-	-	-
Experience differences	79,849	258,675	360,334	417,053	166,313
Changes in assumptions	408,957	(3,459)	1,935,042	1,344,330	1,548,893
Benefit payments and refunds	(3,958,248)	(3,710,618)	(3,594,756)	(3,460,122)	(3,252,815)
Other	-	-	-	-	-
Net change in total pension liability	1,046,793	959,518	2,087,147	2,762,761	2,753,846
Total pension liability - beginning	55,863,785	54,904,267	52,817,120	50,054,359	47,300,513
Total pension liability - ending (a)	<u>\$ 56,910,578</u>	<u>\$ 55,863,785</u>	<u>\$ 54,904,267</u>	<u>\$ 52,817,120</u>	<u>\$ 50,054,359</u>
Plan Fiduciary Net Position					
Employer contributions	\$ 5,245,464	\$ 2,251,245	\$ 2,337,001	\$ 2,392,384	\$ 1,881,524
Employee contributions	241,758	271,764	268,117	250,450	250,750
Net investment income (loss)	3,204,920	(3,499,223)	4,209,389	3,266,047	3,282,826
Benefit payments and refunds	(3,958,248)	(3,710,618)	(3,594,756)	(3,460,122)	(3,252,815)
Administrative expense	(65,124)	(57,546)	(45,722)	(52,197)	(55,770)
Net change in plan fiduciary net position	4,668,770	(4,744,378)	3,174,029	2,396,562	2,106,515
Plan fiduciary net position - beginning	27,202,614	31,946,992	28,772,963	26,376,401	24,269,886
Plan fiduciary net position - ending (b)	<u>\$ 31,871,384</u>	<u>\$ 27,202,614</u>	<u>\$ 31,946,992</u>	<u>\$ 28,772,963</u>	<u>\$ 26,376,401</u>
Net pension liability (a-b)	<u>\$ 25,039,194</u>	<u>\$ 28,661,171</u>	<u>\$ 22,957,275</u>	<u>\$ 24,044,157</u>	<u>\$ 23,677,958</u>
Plan fiduciary net position as a percentage of total pension liability	56.00%	48.69%	58.19%	54.48%	52.70%
Covered payroll	\$ 5,027,457	\$ 4,660,133	\$ 5,148,223	\$ 4,901,635	\$ 4,719,411
Net pension liability as a percentage of covered employee payroll	498.05%	615.03%	445.93%	490.53%	501.71%

City of Grosse Pointe Park
Required Supplementary Information
Municipal Employees Retirement System of Michigan
Schedule of Changes in Net Pension Liability and Related Ratios
For the Year Ended June 30, 2024

Fiscal year ended June 30,	2019	2018	2017	2016	2015
Total Pension Liability					
Service cost	\$ 492,669	\$ 540,353	\$ 542,894	\$ 535,569	\$ 567,736
Interest	3,638,348	3,740,897	3,626,384	3,188,738	3,191,216
Changes of benefit terms	(19,149)	(302,393)	-	-	-
Experience differences	150,668	(248,181)	(169,614)	(496,426)	-
Changes in assumptions	-	-	-	2,115,513	-
Benefit payments and refunds	(2,992,128)	(2,804,171)	(2,642,787)	(2,595,050)	(2,535,049)
Other	-	9,766	-	99,648	-
Net change in total pension liability	1,270,408	936,271	1,356,877	2,847,992	1,223,903
Total pension liability - beginning	46,030,105	45,093,834	43,736,957	40,888,965	39,665,062
Total pension liability - ending (a)	<u>\$ 47,300,513</u>	<u>\$ 46,030,105</u>	<u>\$ 45,093,834</u>	<u>\$ 43,736,957</u>	<u>\$ 40,888,965</u>
Plan Fiduciary Net Position					
Employer contributions	\$ 1,914,805	\$ 1,582,773	\$ 1,452,821	\$ 1,324,490	\$ 1,094,750
Employee contributions	250,331	247,154	248,209	243,136	255,055
Net investment income (loss)	(1,001,032)	3,119,794	2,511,003	(348,714)	1,474,175
Benefit payments and refunds	(2,992,128)	(2,804,171)	(2,642,787)	(2,595,050)	(2,535,049)
Administrative expense	(49,987)	(49,476)	(49,617)	(51,582)	(53,913)
Net change in plan fiduciary net position	(1,878,011)	2,096,074	1,519,629	(1,427,720)	235,018
Plan fiduciary net position - beginning	26,147,897	24,051,823	22,532,194	23,959,914	23,724,896
Plan fiduciary net position - ending (b)	<u>\$ 24,269,886</u>	<u>\$ 26,147,897</u>	<u>\$ 24,051,823</u>	<u>\$ 22,532,194</u>	<u>\$ 23,959,914</u>
Net pension liability (a-b)	<u>\$ 23,030,627</u>	<u>\$ 19,882,208</u>	<u>\$ 21,042,011</u>	<u>\$ 21,204,763</u>	<u>\$ 16,929,051</u>
Plan fiduciary net position as a percentage of total pension liability	51.31%	56.81%	53.34%	51.52%	58.60%
Covered payroll	\$ 4,891,136	\$ 4,801,140	\$ 4,810,060	\$ 4,745,956	\$ 5,008,631
Net pension liability as a percentage of covered employee payroll	470.86%	414.11%	437.46%	446.80%	338.00%

City of Grosse Pointe Park
Required Supplementary Information
Municipal Employees Retirement System of Michigan
Schedule of Employer Contributions
For the Year Ended June 30, 2024

Fiscal Year Ended	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
6/30/2015	\$ 1,094,750	\$ 1,094,750	\$ -	\$ 5,008,631	21.86%
6/30/2016	1,324,490	1,324,490	-	4,745,956	27.91%
6/30/2017	1,378,416	1,526,671	(148,255)	4,810,060	31.74%
6/30/2018	1,446,796	1,699,100	(252,304)	4,801,140	35.39%
6/30/2019	1,543,039	1,943,000	(399,961)	4,891,136	39.72%
6/30/2020	1,646,724	2,277,000	(630,276)	4,719,411	48.25%
6/30/2021	1,851,072	2,333,746	(482,674)	4,901,635	47.61%
6/30/2022	2,093,220	2,206,178	(112,958)	5,148,223	42.85%
6/30/2023	2,264,587	2,264,587	-	4,823,263	46.95%
6/30/2024	3,138,828	2,328,155	810,673	5,027,457	46.31%

City of Grosse Pointe Park
Required Supplementary Information
Other Postemployment Benefits
Schedule of Changes in Net OPEB Liability and Related Ratios
For the Year Ended June 30, 2024

Fiscal year ended June 30,	2024	2023
Total OPEB Liability		
Service cost	\$ 107,936	\$ 101,959
Interest	960,668	1,074,354
Changes of benefit terms	19,463	-
Experience differences	(17,732)	(2,523,134)
Changes in assumptions	-	556,553
Benefit payments and refunds	(964,889)	(708,734)
Net change in total OPEB liability	105,446	(1,499,002)
Total OPEB liability - beginning	14,152,306	15,651,308
Total OPEB liability - ending (a)	\$ 14,257,752	\$ 14,152,306
Plan Fiduciary Net Position		
Employer contributions	\$ 955,084	\$ 740,957
Employee contributions	9,805	27,777
Net investment income (loss)	26,178	17,914
Benefit payments and refunds	(964,889)	(708,734)
Net change in plan fiduciary net position	26,178	77,914
Plan fiduciary net position - beginning	260,588	182,674
Plan fiduciary net position - ending (b)	\$ 286,766	\$ 260,588
Net OPEB liability (a-b)	\$ 13,970,986	\$ 13,891,718
Plan fiduciary net position as a percentage of total OPEB liability	2.01%	1.84%
Covered payroll	\$ 2,313,651	\$ 2,716,251
Net OPEB liability as a percentage of covered employee payroll	603.85%	511.43%

Note: GASB Statement No. 74 was implemented for the fiscal year ended June 30, 2017 and GASB Statement No. 75 was implemented for the fiscal year ended June 30, 2018 and does not require retroactive implementation.

Data will be added as information is available until 10 years of such data is available.

City of Grosse Pointe Park
Required Supplementary Information
Other Postemployment Benefits
Schedule of Changes in Net OPEB Liability and Related Ratios
For the Year Ended June 30, 2024

Fiscal year ended June 30,	2022	2021	2020	2019	2018
Total OPEB Liability					
Service cost	\$ 121,872	\$ 140,117	\$ 486,727	\$ 325,334	\$ 396,186
Interest	1,060,113	1,294,456	946,218	942,916	917,288
Changes of benefit terms	-	-	-	-	-
Experience differences	(301,192)	(3,163,081)	(215,302)	(3,068,356)	(157,033)
Changes in assumptions	-	(997,706)	(12,165,464)	6,512,566	(229,413)
Benefit payments and refunds	<u>(626,036)</u>	<u>(598,821)</u>	<u>(635,685)</u>	<u>(584,231)</u>	<u>(637,176)</u>
Net change in total OPEB liability	254,757	(3,325,035)	(11,583,506)	4,128,229	289,852
Total OPEB liability - beginning	<u>15,396,551</u>	<u>18,721,586</u>	<u>30,305,092</u>	<u>26,176,863</u>	<u>25,887,011</u>
Total OPEB liability - ending (a)	<u>\$ 15,651,308</u>	<u>\$ 15,396,551</u>	<u>\$ 18,721,586</u>	<u>\$ 30,305,092</u>	<u>\$ 26,176,863</u>
Plan Fiduciary Net Position					
Employer contributions	\$ 657,593	\$ 629,838	\$ 655,585	\$ 545,269	\$ 598,538
Employee contributions	28,443	28,983	30,100	38,962	38,638
Net investment income (loss)	(11,406)	20,956	3,124	-	-
Benefit payments and refunds	<u>(626,036)</u>	<u>(598,821)</u>	<u>(635,685)</u>	<u>(584,231)</u>	<u>(637,176)</u>
Net change in plan fiduciary net position	48,594	80,956	53,124	-	-
Plan fiduciary net position - beginning	<u>134,080</u>	<u>53,124</u>	<u>-</u>	<u>-</u>	<u>-</u>
Plan fiduciary net position - ending (b)	<u>\$ 182,674</u>	<u>\$ 134,080</u>	<u>\$ 53,124</u>	<u>\$ -</u>	<u>\$ -</u>
Net OPEB liability (a-b)	<u>\$ 15,468,634</u>	<u>\$ 15,262,471</u>	<u>\$ 18,668,462</u>	<u>\$ 30,305,092</u>	<u>\$ 26,176,863</u>
Plan fiduciary net position as a percentage of total OPEB liability	1.17%	0.87%	0.28%	-	-
Covered payroll	\$ 3,021,979	\$ 2,973,885	\$ 3,193,731	\$ 3,991,753	\$ 3,731,451
Net OPEB liability as a percentage of covered employee payroll	511.87%	513.22%	584.53%	759.19%	701.52%

Note: GASB Statement No. 74 was implemented for the fiscal year ended June 30, 2017 and GASB Statement No. 75 was implemented for the fiscal year ended June 30, 2018 and does not require retroactive implementation.

Data will be added as information is available until 10 years of such data is available.

**City of Grosse Pointe Park
Required Supplementary Information
Other Postemployment Benefits
Schedule of Employer Contributions
For the Year Ended June 30, 2024**

Fiscal Year Ending June 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2018	\$ 2,052,693	\$ 598,538	\$ 1,454,155	\$ 3,731,451	16.04%
2019	2,064,055	545,269	1,518,786	3,991,753	13.66%
2020	2,054,055	655,585	1,398,470	3,193,731	20.53%
2021	2,351,831	629,838	1,721,993	2,973,885	21.18%
2022	2,335,083	657,593	1,677,490	3,021,979	21.76%
2023	1,645,875	740,957	904,918	2,716,251	27.28%
2024	1,638,881	955,084	683,797	2,313,651	41.28%

City of Grosse Pointe Park
Required Supplementary Information
Other Postemployment Benefits
Schedule of Investment Returns

Fiscal Year Ended June 30,	Annual Return % *
2018	Not applicable
2019	Not applicable
2020	6.82%
2021	20.34%
2022	-6.39%
2023	8.28%
2024	11.21%

* Annual money-weighted rate of return, net of investment expenses

GASB Statement No. 74 was implemented for the fiscal year ended June 30, 2018 and does not require retroactive implementation.

Data will be added as information is available until 10 years of such data is available.

City of Grosse Pointe Park
Notes to the Required Supplementary Information
June 30, 2024

Budgetary Information

The City is subject to the budgetary control requirements of the Uniform Budgeting Act (P.A. 2 of 1968, as amended). Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the General Fund and all Special Revenue Funds. All annual appropriations lapse at fiscal year end.

Prior to May 1, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1. Public hearings are held to obtain taxpayer comments and the budget is legally enacted through passage of an ordinance prior to June 1.

The budget document presents information by fund, activity, department, and line items. The legal level of budgetary control adopted by the City Council is the activity level. The City Manager is authorized to transfer budgeted amounts between line items within an activity; however, any revisions that alter the total expenditures of an activity must be approved by the City Council.

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

Expenditures in Excess of Appropriations

	Appropriations	Actual	Budget Variance
General Fund			
Public safety	\$ 8,353,600	\$ 11,128,949	\$ 2,775,349

Pension Information

Notes to the Schedule of Changes in Net Pension Liability and Related Ratios – Municipal Employees Retirement System of Michigan

The June 30, 2024, changes in assumptions are due to the following:

- Investment rate of return was lowered from 7.00% to 6.93%
- Discount rate lowered from 7.25 to 7.18

Notes to the Schedule of Employer Contributions – Municipal Employees Retirement System of Michigan

- Valuation date: December 31, 2023
- Actuarially determined contribution rates are calculated as of December 31 that is 6 months prior to the beginning of the fiscal year for which the contributions are presented.

Methods and assumptions used to determine contribution rates:

- Actuarial cost method: Entry age normal
- Amortization method: Level dollar, open
- Remaining amortization period: 15 years
- Asset valuation method: Level percent of payroll
- Inflation: 2.5 percent

City of Grosse Pointe Park
Notes to the Required Supplementary Information
June 30, 2024

- Salary increase: 3.0 percent
- Investment rate of return: 6.93 percent net of pension plan investment expense, including inflation
- Mortality rates: Pub-2010 Healthy Annuitant Mortality Tables – 50% male and 50% female blend

OPEB Information

Notes to the Schedule of Changes in Net OPEB and Related Ratios – Other Postemployment Benefits

The June 30, 2024, changes in assumptions are due to the following:

- No changes from the previous year

Notes to the Schedule of Employer Contributions – Other Postemployment Benefits

- Valuation date: December 31, 2022
- Actuarially determined contribution rates are calculated as of June 30 that is 12 months prior to the beginning of the fiscal year for which the contributions are presented.

Methods and assumptions used to determine contribution rates:

- Actuarial cost method: Entry age normal
- Amortization method: Level dollar
- Remaining amortization period: 19 years, closed
- Asset valuation method: Market value of assets
- Healthcare inflation rate: Non-Medicare (Pre-65): Initial trend of 7.50%, gradually decreasing to 3.50% in year 12. Medicare (Post-65): Initial trend of 6.25%, gradually decreasing to 3.50% in year 12.
- Inflation: 2.5 percent
- Salary increase: 3.00% to 9.70%, including 3.00% wage inflation
- Investment rate of return: 7 percent net of OPEB plan investment expense, including inflation
- Mortality rates: Pub-2010 Healthy Annuitant Mortality Tables

City of Grosse Pointe Park
Other Supplementary Information
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2024

	Special Revenue Funds				
	Major Street	Local Street	Rubbish Collection	Building Inspection	Indigent Defense
Assets					
Cash and cash equivalents	\$ 273,547	\$ 501,802	\$ 385,371	\$ 433,969	\$ 28,522
Receivables					
Accounts	-	-	132,049	3,400	-
Taxes	-	-	-	-	-
Due from other units of government	159,308	58,572	18,142	-	-
Due from other funds	-	-	-	10,000	-
Prepaid items	-	-	-	265	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 432,855</u>	<u>\$ 560,374</u>	<u>\$ 535,562</u>	<u>\$ 447,634</u>	<u>\$ 28,522</u>
Liabilities					
Accounts payable	\$ 33,508	\$ 26,313	\$ 9,664	\$ 36,218	\$ 2,153
Payroll and other liabilities	14,532	3,545	111	7,591	-
Customer deposits	-	-	-	74,294	-
Unearned revenue	-	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>48,040</u>	<u>29,858</u>	<u>9,775</u>	<u>118,103</u>	<u>2,153</u>
Deferred inflows of resources					
Unavailable revenue - receivables	-	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Fund Balances					
Non-spendable					
Prepaid items	-	-	-	265	-
Restricted for					
Street maintenance	384,815	530,516	-	-	-
Rubbish collection	-	-	525,787	-	-
Building inspections	-	-	-	329,266	-
Indigent defense	-	-	-	-	26,369
Drug law enforcement	-	-	-	-	-
Community development	-	-	-	-	-
Opioid remediation	-	-	-	-	-
Debt service	-	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>384,815</u>	<u>530,516</u>	<u>525,787</u>	<u>329,531</u>	<u>26,369</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 432,855</u>	<u>\$ 560,374</u>	<u>\$ 535,562</u>	<u>\$ 447,634</u>	<u>\$ 28,522</u>

City of Grosse Pointe Park
Other Supplementary Information
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2024

	Special Revenue Funds			Debt Service Funds	
	Drug Law Enforcement	Community Development Block Grant	Opioid Settlement	2007 General Obligation Debt Millage	Municipal Roads
Assets					
Cash and cash equivalents	\$ 22,905	\$ 57,778	\$ 38,913	\$ 3,259	\$ 55,190
Receivables					
Accounts	284	-	119,562	-	-
Taxes	-	-	-	9,961	-
Due from other units of government	-	-	-	-	-
Due from other funds	-	-	-	-	-
Prepaid items	-	-	-	-	-
Total assets	<u>\$ 23,189</u>	<u>\$ 57,778</u>	<u>\$ 158,475</u>	<u>\$ 13,220</u>	<u>\$ 55,190</u>
Liabilities					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 7,275
Payroll and other liabilities	-	-	-	-	-
Customer deposits	-	-	-	-	-
Unearned revenue	-	41,495	-	-	-
Total liabilities	<u>-</u>	<u>41,495</u>	<u>-</u>	<u>-</u>	<u>7,275</u>
Deferred inflows of resources					
Unavailable revenue - receivables	-	-	119,562	-	-
Fund Balances					
Non-spendable					
Prepaid items	-	-	-	-	-
Restricted for					
Street maintenance	-	-	-	-	-
Rubbish collection	-	-	-	-	-
Building inspections	-	-	-	-	-
Indigent defense	-	-	-	-	-
Drug law enforcement	23,189	-	-	-	-
Community development	-	16,283	-	-	-
Opioid remediation	-	-	38,913	-	-
Debt service	-	-	-	13,220	47,915
Total fund balances	<u>23,189</u>	<u>16,283</u>	<u>38,913</u>	<u>13,220</u>	<u>47,915</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 23,189</u>	<u>\$ 57,778</u>	<u>\$ 158,475</u>	<u>\$ 13,220</u>	<u>\$ 55,190</u>

City of Grosse Pointe Park
Other Supplementary Information
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2024

	<u>Capital Projects Fund</u>	Total Nonmajor Governmental Funds
	<u>Capital Projects</u>	<u>Funds</u>
Assets		
Cash and cash equivalents	\$ -	\$ 1,801,256
Receivables		
Accounts	-	255,295
Taxes	-	9,961
Due from other units of government	-	236,022
Due from other funds	-	10,000
Prepaid items	-	265
	<u>-</u>	<u>265</u>
Total assets	<u>\$ -</u>	<u>\$ 2,312,799</u>
Liabilities		
Accounts payable	\$ -	\$ 115,131
Payroll and other liabilities	-	25,779
Customer deposits	-	74,294
Unearned revenue	-	41,495
	<u>-</u>	<u>41,495</u>
Total liabilities	<u>-</u>	<u>256,699</u>
Deferred inflows of resources		
Unavailable revenue - receivables	<u>-</u>	<u>119,562</u>
Fund Balances		
Non-spendable		
Prepaid items	-	265
Restricted for		
Street maintenance	-	915,331
Rubbish collection	-	525,787
Building inspections	-	329,266
Indigent defense	-	26,369
Drug law enforcement	-	23,189
Community development	-	16,283
Opioid remediation	-	38,913
Debt service	-	61,135
	<u>-</u>	<u>61,135</u>
Total fund balances	<u>-</u>	<u>1,936,538</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ -</u>	<u>\$ 2,312,799</u>

City of Grosse Pointe Park
Other Supplementary Information
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2024

	Special Revenue Funds				
	Formerly Major Fund		Rubbish Collection	Building Inspection	Indigent Defense
	Major Street	Local Street			
Revenues					
Taxes	\$ -	\$ -	\$ 1,108,750	\$ 352	\$ -
Licenses and permits	-	-	-	370,778	-
Federal grants	415,692	-	-	-	-
State grants	993,646	365,318	-	-	17,639
Charges for services	-	-	24,539	506	-
Investment income	15,153	15,870	29,142	19,937	-
Other revenue	-	-	13	5,513	-
Total revenues	<u>1,424,491</u>	<u>381,188</u>	<u>1,162,444</u>	<u>397,086</u>	<u>17,639</u>
Expenditures					
Current					
General government	-	-	-	-	18,685
Public safety	-	-	-	365,804	-
Public works	1,385,654	460,337	881,930	-	-
Community and economic development	-	-	-	-	-
Capital outlay	-	-	162,726	29,661	-
Debt service					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	<u>1,385,654</u>	<u>460,337</u>	<u>1,044,656</u>	<u>395,465</u>	<u>18,685</u>
Excess (deficiency) of revenues over expenditures	<u>38,837</u>	<u>(79,149)</u>	<u>117,788</u>	<u>1,621</u>	<u>(1,046)</u>
Other financing sources (uses)					
Transfers in	21,300	184,500	-	-	10,265
Transfers out	(171,134)	(30,675)	(4,186)	(66,402)	-
Total other financing sources (uses)	<u>(149,834)</u>	<u>153,825</u>	<u>(4,186)</u>	<u>(66,402)</u>	<u>10,265</u>
Net change in fund balances	<u>(110,997)</u>	<u>74,676</u>	<u>113,602</u>	<u>(64,781)</u>	<u>9,219</u>
Fund balances (deficit) - beginning, as previously presented	-	455,840	482,061	394,312	17,150
Change within financial reporting entity (major to nonmajor fund)	495,812	-	-	-	-
Prior period adjustment	-	-	(69,876)	-	-
Fund balances - beginning, as adjusted	<u>495,812</u>	<u>455,840</u>	<u>412,185</u>	<u>394,312</u>	<u>17,150</u>
Fund balances - end of year	<u>\$ 384,815</u>	<u>\$ 530,516</u>	<u>\$ 525,787</u>	<u>\$ 329,531</u>	<u>\$ 26,369</u>

City of Grosse Pointe Park
Other Supplementary Information
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2024

	Special Revenue Funds			Debt Service Funds	
	Drug Law Enforcement	Community Development Block Grant	Opioid Settlement	2007 General Obligation Debt Millage	Municipal Roads
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ 602,579	\$ 716,435
Licenses and permits	-	-	-	-	-
Federal grants	-	40,000	-	-	-
State grants	-	-	-	-	-
Charges for services	-	-	-	-	-
Investment income	-	217	-	454	3,585
Other revenue	-	-	22,554	-	-
Total revenues	<u>-</u>	<u>40,217</u>	<u>22,554</u>	<u>603,033</u>	<u>720,020</u>
Expenditures					
Current					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Public works	-	-	-	-	2,430
Community and economic development	-	20,000	-	-	-
Capital outlay	-	-	-	-	526,163
Debt service					
Principal retirement	-	-	-	500,000	-
Interest and fiscal charges	-	-	-	95,779	-
Total expenditures	<u>-</u>	<u>20,000</u>	<u>-</u>	<u>595,779</u>	<u>528,593</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>20,217</u>	<u>22,554</u>	<u>7,254</u>	<u>191,427</u>
Other financing sources (uses)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	(145,700)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(145,700)</u>
Net change in fund balances	<u>-</u>	<u>20,217</u>	<u>22,554</u>	<u>7,254</u>	<u>45,727</u>
Fund balances (deficit) - beginning, as previously presented	23,189	(3,934)	16,359	5,966	2,188
Change within financial reporting entity (major to nonmajor fund)	-	-	-	-	-
Prior period adjustment	-	-	-	-	-
Fund balances - beginning, as adjusted	<u>23,189</u>	<u>(3,934)</u>	<u>16,359</u>	<u>5,966</u>	<u>2,188</u>
Fund balances - end of year	<u>\$ 23,189</u>	<u>\$ 16,283</u>	<u>\$ 38,913</u>	<u>\$ 13,220</u>	<u>\$ 47,915</u>

City of Grosse Pointe Park
Other Supplementary Information
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2024

	<u>Capital Projects Fund</u>	<u>Total Nonmajor Governmental Funds</u>
	<u>Capital Projects</u>	<u>Funds</u>
Revenues		
Taxes	\$ -	\$ 2,428,116
Licenses and permits	-	370,778
Federal grants	-	455,692
State grants	-	1,376,603
Charges for services	-	25,045
Investment income	-	84,358
Other revenue	-	28,080
	<u>-</u>	<u>2,673,672</u>
Total revenues	<u>-</u>	<u>4,768,672</u>
Expenditures		
Current		
General government	-	18,685
Public safety	-	365,804
Public works	-	2,730,351
Community and economic development	-	20,000
Capital outlay	-	718,550
Debt service		
Principal retirement	-	500,000
Interest and fiscal charges	-	95,779
	<u>-</u>	<u>1,658,169</u>
Total expenditures	<u>-</u>	<u>4,449,169</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>319,503</u>
Other financing sources (uses)		
Transfers in	-	216,065
Transfers out	(56,540)	(474,637)
	<u>(56,540)</u>	<u>(258,572)</u>
Total other financing sources (uses)	<u>(56,540)</u>	<u>(258,572)</u>
Net change in fund balances	<u>(56,540)</u>	<u>60,931</u>
Fund balances (deficit) - beginning, as previously presented	56,540	1,449,671
Change within financial reporting entity (major to nonmajor fund)	-	495,812
Prior period adjustment	-	(69,876)
Fund balances - beginning, as adjusted	<u>56,540</u>	<u>1,875,607</u>
Fund balances - end of year	<u>\$ -</u>	<u>\$ 1,936,538</u>

City of Grosse Pointe Park
Other Supplementary Information
Combining Statement of Net Position
Nonmajor Enterprise Funds
June 30, 2024

	Marina Fund	Recycling Collection Fund	Total
Assets			
Current assets			
Cash and cash equivalents	\$ 780,050	\$ 81,683	\$ 861,733
Receivables			
Accounts	<u>-</u>	<u>6,346</u>	<u>6,346</u>
Total current assets	<u>780,050</u>	<u>88,029</u>	<u>868,079</u>
Noncurrent assets			
Capital assets not being depreciated	14,385	-	14,385
Capital assets, net of accumulated depreciation	<u>225,657</u>	<u>-</u>	<u>225,657</u>
Total noncurrent assets	<u>240,042</u>	<u>-</u>	<u>240,042</u>
Total assets	<u>1,020,092</u>	<u>88,029</u>	<u>1,108,121</u>
Liabilities			
Current liabilities			
Accounts payable	328	-	328
Payroll and other liabilities	<u>4,139</u>	<u>-</u>	<u>4,139</u>
Total current liabilities	4,467	-	4,467
Noncurrent liabilities			
Compensated absences	<u>60</u>	<u>-</u>	<u>60</u>
Total liabilities	<u>4,527</u>	<u>-</u>	<u>4,527</u>
Net Position			
Net investment in capital assets	240,042	-	240,042
Unrestricted	<u>775,523</u>	<u>88,029</u>	<u>863,552</u>
Total net position	<u>\$ 1,015,565</u>	<u>\$ 88,029</u>	<u>\$ 1,103,594</u>

City of Grosse Pointe Park
Other Supplementary Information
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Nonmajor Enterprise Funds
For the Year Ended June 30, 2024

	Marina Fund	Recycling Collection Fund	Total
Operating revenue			
Customer fees	\$ 377,568	\$ 350,131	\$ 727,699
Other revenue	-	30	30
	<u>377,568</u>	<u>350,161</u>	<u>727,729</u>
Total operating revenue			
Operating expenses			
Personnel services	40,676	-	40,676
Supplies	2,852	8,807	11,659
Contractual services	380	330,715	331,095
Utilities	18,400	-	18,400
Repairs and maintenance	4,767	-	4,767
Other expenses	22,538	61	22,599
Depreciation	22,277	-	22,277
	<u>111,890</u>	<u>339,583</u>	<u>451,473</u>
Total operating expenses			
Operating income (loss)	<u>265,678</u>	<u>10,578</u>	<u>276,256</u>
Nonoperating revenue (expenses)			
Property taxes	-	822	822
Investment income	29,949	6,753	36,702
	<u>29,949</u>	<u>7,575</u>	<u>37,524</u>
Total nonoperating revenues (expenses)			
Income (loss) before transfers out	295,627	18,153	313,780
Transfers out	<u>(38,747)</u>	<u>-</u>	<u>(38,747)</u>
Change in net position	<u>256,880</u>	<u>18,153</u>	<u>275,033</u>
Net position - beginning of year	758,685	-	758,685
Prior period adjustment	<u>-</u>	<u>69,876</u>	<u>69,876</u>
Net position - beginning of year (restated)	<u>758,685</u>	<u>69,876</u>	<u>828,561</u>
Net position - end of year	<u>\$ 1,015,565</u>	<u>\$ 88,029</u>	<u>\$ 1,103,594</u>

City of Grosse Pointe Park
Other Supplementary Information
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended June 30, 2024

	Marina Fund	Recycling Collection Fund	Total
Cash flows from operating activities			
Receipts from customers	\$ 377,568	\$ 343,815	\$ 721,383
Payments to suppliers	(52,810)	(339,583)	(392,393)
Payments to employees	(40,616)	-	(40,616)
Net cash provided (used) by operating activities	<u>284,142</u>	<u>4,232</u>	<u>288,374</u>
Cash flows from noncapital financing activities			
Transfers to other funds	(38,747)	-	(38,747)
Property taxes	-	822	822
Net cash provided (used) by noncapital financing activities	<u>(38,747)</u>	<u>822</u>	<u>(37,925)</u>
Cash flows from capital and related financing activities			
Purchases/construction of capital assets	(124,772)	-	(124,772)
Cash flows from investing activities			
Interest received	29,949	6,753	36,702
Net increase (decrease) in cash and cash equivalents	150,572	11,807	162,379
Cash and cash equivalents - beginning of year (restated)	629,478	69,876	699,354
Cash and cash equivalents - end of year	<u>\$ 780,050</u>	<u>\$ 81,683</u>	<u>\$ 861,733</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities			
Operating income (loss)	\$ 265,678	\$ 10,578	\$ 276,256
Adjustments to reconcile operating income to net cash from operating activities			
Depreciation and amortization expense	22,277	-	22,277
Changes in assets and liabilities			
Receivables (net)	-	(6,346)	(6,346)
Accounts payable	(6,538)	-	(6,538)
Accrued and other liabilities	2,665	-	2,665
Compensated absences	60	-	60
Net cash provided (used) by operating activities	<u>\$ 284,142</u>	<u>\$ 4,232</u>	<u>\$ 288,374</u>