

**City of Fenton, Michigan**  
**Comprehensive Annual Financial Report**  
**For the Fiscal Year Ended June 30, 2020**

Prepared by:  
Treasurer's Department

Jon Satkowiak Jr  
City Treasurer

# Table of Contents

<u>Section</u>		<u>Page</u>
1	<b>Introductory Section</b>	
	Letters of Transmittal	1 – 1
	GFOA Certificate of Achievement	1 – 9
	List of City Officials	1 – 10
	Organizational Chart	1 – 11
	<b>Financial Section</b>	
2	<b>Independent Auditors' Report</b>	2 – 1
3	<b>Management's Discussion and Analysis</b>	3 – 1
4	<b>Basic Financial Statements</b>	
	Government-wide Financial Statements	
	Statement of Net Position	4 – 1
	Statement of Activities	4 – 3
	Fund Financial Statements	
	Governmental Funds	
	Balance Sheet	4 – 4
	Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	4 – 5
	Statement of Revenues, Expenditures and Changes in Fund Balances	4 – 6
	Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	4 – 7
	Proprietary Funds	
	Statement of Net Position	4 – 8
	Statement of Revenues, Expenses and Changes in Net Position	4 – 10
	Statement of Cash Flows	4 – 12
	Fiduciary Funds	
	Statement of Fiduciary Net Position	4 – 14
	Statement of Changes in Fiduciary Net Position	4 – 15

## Table of Contents

<u>Section</u>	<u>Page</u>
4	Component Unit Financial Statements
	Combining Statement of Net Position – Component Units
	Combining Statement of Activities – Component Units
	Notes to the Financial Statements
5	<b>Required Supplementary Information</b>
	Budgetary Comparison Schedules
	General Fund
	Major Street Fund
	Municipal Employees Retirement System
	Schedule of Changes in Net Pension Liability and Related Ratios
	Schedule of Employer Contributions
	City of Fenton Retiree Health Care Plan
	Schedule of Changes in Total OPEB Liability and Related Ratios
	Schedule of Employer Contributions
	Note to Required Supplementary Information
6	<b>Other Supplementary Information</b>
	Nonmajor Governmental Funds
	Combining Balance Sheet
	Combining Statement of Revenue, Expenditures and Changes in Fund Balances
	Schedules of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
	Internal Service Funds
	Combining Statement of Net Position
	Combining Statement of Revenues, Expenses, and Changes in Net Position
	Combining Statement of Cash Flows
	Fiduciary Funds
	Combining Statement of Fiduciary Net Position
	Statement of Changes in Fiduciary Net Position

## Table of Contents

<u>Section</u>	<u>Page</u>
6	
Downtown Development Authority	
Combining Balance Sheet	6 – 30
Reconciliation of the Combining Balance Sheet to the Statement of Net Position	6 – 31
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	6 – 32
Reconciliation of the Combining Statement of Revenues, Expenditures, and Changes in Fund Balances of the Governmental Funds to the Statement of Activities	6 – 33
Local Development Finance Authority	
Combining Balance Sheet	6 – 34
Reconciliation of the Combining Balance Sheet to the Statement of Net Position	6 – 35
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	6 – 36
Reconciliation of the Combining Statement of Revenues, Expenditures, and Changes in Fund Balances of the Governmental Funds to the Statement of Activities	6 – 37
Brownfield Redevelopment Authority	
Balance Sheet	6 – 38
Statement of Revenues, Expenditures, and Changes in Fund Balances	6 – 39
7	
<b>Statistical Section (Unaudited)</b>	
Multi-Year and Other Financial and Demographic Information	
Statistical Section	7 – 1
Financial Trend Information	
Net Position By Component	7 – 2
Changes in Governmental Net Position	7 – 3
Changes in Business -Type Net Position	7 – 4
Fund Balances - Governmental Funds	7 – 5
Changes in Fund Balances - Governmental Funds	7 – 6

## Table of Contents

<u>Section</u>	<u>Page</u>
7	
Revenue Capacity Information	
Taxable Value and Actual Value of Taxable Property	7 – 7
Direct and Overlapping Property Tax Rates	7 – 8
Principal Property Tax Payers	7 – 9
Property Tax Levies and Collections	7 – 10
Debt Capacity Information	
Ratios of Outstanding Debt	7 – 11
Ratios of General Bonded Debt Outstanding	7 – 12
Direct and Overlapping Governmental Activities Debt	7 – 13
Legal Debt Margin	7 – 14
Pledged-Revenue Coverage	7 – 15
Demographic and Economic Information	
Demographic and Economic Statistics	7 – 16
Principal Employment Industries	7 – 17
Operating Information	
Full-Time Equivalent Government Employees	7 – 18
Operating Indicators	7 – 19
Capital Asset Statistics	7 – 20



# City of Fenton

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301 South Leroy Street · Fenton, Michigan 48430-2196 • (810) 629-2261 • FAX (810) 629-2004

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December 16, 2020

Honorable Mayor Osborn and Fenton City Council:

In accordance with State statute and provisions of the City Charter, it is my pleasure to submit to you and the citizens of Fenton, the comprehensive annual financial report of the City of Fenton for the fiscal year ending June 30, 2020 (FY 2020). Responsibility for the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rests with the City. The administration believes, and has made its best efforts to insure, that the data, as presented, is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the City as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain the maximum understanding of the City's financial status have been included.

In developing and monitoring the City's accounting system, significant consideration is given to the adequacy of our systems of fiscal checks and balances. Our Internal accounting controls are regularly reviewed, not just by our auditors in the preparations of our annual audit, but also by the City Treasurer and the City administration throughout the year as we examine current and propose future practices and procedures. Based upon these regular reviews, I believe the internal accounting controls currently in place adequately safeguard assets and provide reasonable assurance of the proper recording of the City's financial transactions.

This report has been formulated following the guidelines recommended by the Government Finance Officers Association (GFOA) of the United States and Canada. The GFOA annually awards certificates of Achievement to those governments whose financial reports are judged to meet the high standards of public financial reporting and generally accepted accounting principles. We can point with some pride that for thirty-two consecutive years, beginning with Fiscal Year 1988, we have been the recipients of the GFOA's Certificate of Achievement. Congratulations to the City Treasurer and his team for this accomplishment.

Public Act 2 of 1968 of the State of Michigan, as amended, requires that the financial statements of the City of Fenton be audited by a certified public accounting firm. This requirement has been met by retaining the services of Yeo & Yeo, P.C. as our independent auditors. The opinion letter of our auditors is included in the financial section of their report.

Fiscal Year 2020 began as a typical year with hopes and expectations of another busy and productive year. However, in January 2020 news began circulating about a novel virus in China and was beginning to spread into the United States and other Countries. The COVID-19 Coronavirus became more contagious, potentially deadly and spread across the globe, quickly developing into a pandemic. In March 2020, the spread of the virus created a medical emergency causing governments to issue executive orders to shut down businesses and issue stay at home orders/advisories.

In addition to a global health crisis, we were quickly sliding into a recession. The recession impacted many businesses and industries. Locally, restaurants were forced into providing take-out service only. Retail establishments were restricted to curbside sales. As summer came the restrictions were eased and the city worked with local restaurants to create more outdoor dining. In response to the pandemic the city has worked hard to create a safe work environment for visitors to public buildings and city employees. We also began purchasing additional Personal Protective Equipment (PPE). These issues caused unforeseen expenditures for the city's General Fund.

The City of Fenton has ended the fiscal year in a stable financial condition. However, in the FY 2020 budget the city had a slight deficit of \$141,005. This was due, in part, to unexpected expenditures because of the COVID-19 Coronavirus pandemic. The city did receive some reimbursement from the State of Michigan through the CARES Act funds. The reimbursement of \$168,410 (50% of our requested reimbursement) was received after the end of the fiscal year. The reimbursement funds will be included in the revenue for FY 2021. In addition, an \$81,331 adjustment was made in the General Fund due to a change in the accounting method of our Fire Cost Recovery revenue. In the 2020 fiscal year we contracted with Universal Credit Service to collect our Cost Recovery Revenue. The uncollected revenue is no longer recorded as a receivable, we not only include the funds as revenue when it is received. An accounting adjustment was made to our deferred revenue to account for this change and that resulted in an \$81,331 reduction to the fund balance.

Although the fiscal year ended in a deficit, this did not make a significant change to the city's overall fund balance. The city has a General Fund Balance of about 77% of annual expenditures.

The Sewer Fund shows a net decrease in cash of \$221,182. Much of this was offset by a SAW Grant reimbursement in the about of \$192,614 that was requested in July 2020 and received from the State the next month. These expenses were recorded in FY 2020, but GAAP require the reimbursement to be recorded when the reimbursement was requested in FY 2021. In FY 2020, the Sewer Fund purchased a sewer vactor truck at a cost of \$437,583. Overall, the fund ended the fiscal year in good shape.

During the fiscal year the City of Fenton Downtown Development Authority (DDA) continued to be very active. The ReJuv Ave. building on Mill Street was completed. ReJuv Ave. began construction of a two-story building on Mill Street during fiscal year 2019. The 111 Leroy Place project is currently under construction. This is a four-story building with the first-floor restaurant and retail. The second floor is planned for office with the third and fourth floor having a total of fourteen apartments. A construction/development company from Macomb County purchased the old Kmart building in FY 2019 and continued the renovation in FY 2020 for several new tenants that include Old Navy, Oshkosh-Carter's, TJ Maxx, Skechers, and Five Below (these store are now open). Several other commercial properties made improvements as well as residential construction that continued. The real estate values and home ownership have continued to improve in the city. New home construction has continued to improve. The number of new home being build continued to increase in FY 2020. Reported total construction value exceeded \$18.5 million.

The 2010 decennial census count showed a population gain of 11% in the previous 10 years. The current population of the City of Fenton is 11,746. The City of Fenton's population growth is an unusual trend in the State of Michigan. Population growth continued during the recession and projections by Genesee County indicate that growth in the City of Fenton will continue through at least 2035. With all of the businesses in the city, the daytime population is estimated at 50,000. There is a high level of interest for developing in Fenton, as reflected by interest from business and residential developers. The city's location near several major metropolitan markets and our relatively new position as the commercial hub for southern Genesee, northern Livingston, and western Oakland counties, quality education systems, abundant natural resources, downtown development, commercial redevelopment and the overall quality of life improvements will continue to make Fenton an attractive community.

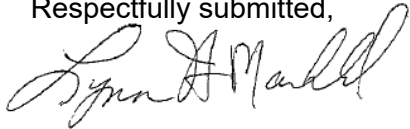
We have continued to implement some cost reductions to address the economic challenges we face. Wherever possible the City has made use of grants, or low interest funds to help meet the needs of the community. Examples of grants benefiting the City include road improvements and homeland security grants.

It should be noted that the preparation of this comprehensive annual financial report could not have been accomplished without the efforts of our City Treasurer, Jon Satkowiak. His continued efforts to upgrade the City's accounting, financial reporting and information management systems have contributed significantly to the quality of the information being reported to the City Council and the citizens of Fenton

In closing, let me express my hope that you will find this document to be a useful tool in evaluating the City's financial health. Helping you and the public obtain a thorough understanding of the City's financial condition is important to us all. Should you have any questions, comments, concerns, or suggestions regarding this document or the information it contains, Jon and I are available to respond.

My staff and I look forward to reviewing this information with you.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Lynn Markland".

Lynn Markland  
City Manager





# City of Fenton

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301 South Leroy Street · Fenton, Michigan 48430-2196 • (810) 629-2261 • FAX (810) 629-2004

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December 16, 2020

To the Citizens of the City of Fenton:

The comprehensive annual financial report of the **City of Fenton** for the fiscal year ended June 30, 2020 is hereby submitted. Responsibility for both the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rests with the City. The administration believes that the data, as presented, is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the City as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain the maximum understanding of the City's financial status have been included.

Generally accepted accounting principles (GAAP) require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Fenton's MD&A can be found immediately following the report of the independent auditor.

## **THE REPORTING ENTITY AND SERVICES PROVIDED**

The City of Fenton has defined its financial reporting entity in accordance with the pronouncements of the Governmental Accounting Standards Board (GASB). The City includes all the funds, boards, commissions, and authorities that are controlled by or dependent upon the Mayor and City Council. Based upon these criteria, the Downtown Development Authority, Local Development Finance Authority and Brownfield Redevelopment Authority have been included in this report.

The City provides various municipal services to its citizens. Among these are fire and police protection, garbage collection, parks maintenance and activities, street construction and maintenance, planning and zoning, and general administrative services. The City operates its own water system and sanitary sewer system.

## **GOVERNMENTAL STRUCTURE AND LOCAL ECONOMY**

The City operates under the Council-Manager form of government. The City Council is comprised of the Mayor and six members. The members are elected on a staggered four-year term basis. The Mayor is elected every two years. The City Manager and City Attorney are appointed by and serve at the pleasure of the Council.

Fenton is located conveniently near the many terrific amenities of the Mid-Michigan area. The Genesee County city borders both Livingston and Oakland Counties, and its proximity to US-23 makes Fenton just a short drive from the major metropolitan areas of Ann Arbor, Lansing, Flint, Detroit, and more.

The City is a stable community with many assets – quality residential neighborhoods, good schools, beautiful view of the Shiawassee River, and historic downtown and residential neighborhoods, a solid industrial base and convenient freeway access. Periodic events and festivals, such as the 4<sup>th</sup> of July Freedom Festival, Concerts in the Park, Back to the Bricks, Applefest, and Jinglefest contribute to Fenton’s “small town” sense of community.

Many choices of housing are available in Fenton, whether it is single-family homes in beautiful neighborhoods, apartment communities in convenient locations, or condominiums tucked away in lovely wooded areas. For those whose careers take them outside of the city, they do not have far to travel since all major metropolitan areas such as Ann Arbor, Lansing, Flint, and the Detroit Area are located within an hour’s drive. New construction of homes are occurring in unfinished subdivisions left from the 2007 recession.

The City’s Industrial Park has almost no vacant buildings and there is interest in the vacant properties. The Local Development Finance Authority (LDFA) raised the visibility of the Industrial Park by rebranding the name to the City of Fenton Business and Technology Park. The LDFA has installed new signage and landscaping in the park. The signs accentuate the entrance to the park and increases visibility from US-23 expressway.

The City is the heart of a beautiful recreation area. There are 58 lakes within a 10-mile radius of the City, which are used for fishing, boating, swimming, and other water sports. The City is fortunate to have an abundance of park facilities scattered throughout the city ranging in size from 40 acres to less than 1 acre. The spatial distribution of parks within the City is such that the majority of residents are located within a 10-minute walk from a park or school facility. Silver Lake Park in Fenton is 35.4 acres, features a municipal beach and picnic areas. Lake Fenton, with more than 11 miles of shoreline, is the largest lake in the area, encompassing 845 acres and with a maximum depth of 92 feet. The area around the City provides facilities for downhill and cross-county skiing, snowmobiling and ice fishing.

The Michigan Nature Association has a sanctuary located in the city limits. Visitors can walk down 4.5 miles of marked trails while gazing at hundreds of colorful wildflowers, indulging in bird watching and seeing plentiful deer. The sanctuary is 155 acres of land. The Michigan Nature Association is a non-profit statewide land conservation organization with a network of more than 170 nature sanctuaries across Michigan.

The Shiawassee River Heritage Trail is a major accomplishment of the Headwaters Trails, a non-profit group whose mission is to facilitate and promote the cooperation of local governments in Southeast Michigan to create new recreational opportunities including a creation of a network of trails for the area residents and visitors. The trail starts in Holly and goes to Byron, passing through Fenton. The Shiawassee River is now open for canoers and kayakers.

Fenton Area Public Schools is one of the finest school districts in the state, with three public elementary schools, a new middle school building which was built in 2000, and a high school. Fenton Area Public Schools is the first public school district in Michigan to offer the International Baccalaureate Programme district wide. A small portion of the City is in the Lake Fenton Community School District which has built a new state-of-the-art high school. In addition, the City is the home to a private parochial school for parents who choose a religion-based education for their children.

The 2010 U.S. Census was 11,746, a population increase of 11% or 1,164 persons from 2000.

Standard and Poors reviewed the City of Fenton credit rating in 2020. The credit rating remained at AA-. The Financial Management Assessment (FMA) score is "good".

## **MAJOR INITIATIVES**

### **For the Year**

As part of the ongoing community strategic planning, with emphasis on entertainment, recreational activities, downtown walkability and an improved or new Library, the City has continued to meet these goals.

The City's Sewer Department purchased a new Sewer Vactor Truck to help assess the condition of our Sewer System and make the critical repairs necessary.

The North and Torrey Road project was completed and brought the City's first Round-a-Bout. The project also included resurfacing of a portion of North Road.

The Fenton Streetscape project began in April of 2015 and was completed in FYE 16. The project is a reconstruction of the downtown district's roads, sidewalks, and aesthetics. This project made the downtown a more walkable destination, which was the goal of City Council and the Downtown Development Authority (DDA). This project is drawing more people to the downtown area.

The City's Water Fund underwent a successful Bond Refunding which will result in roughly a \$17,000 dollar per year savings.

The City leased several outdoor sculptures from Midwest Sculpture Initiative and placed them in several community areas. Midwest Sculpture Initiative's mission is to provide outdoor sculpture exhibitions throughout the Midwest, promote cooperation among art and civic organizations, in the Downtown District. The City has purchased four of the sculptures to be permanently displayed in the Downtown.

The DDA has formed partnerships with the Southern Lakes Parks and Recreation Authority and Fenton Chamber of Commerce. Financial sponsorship has been provided for the Farmer's Market, Summer Concerts, and Taste in Fenton. The Back to the Bricks Tune Up party brought upwards of 10,000 people to downtown Fenton in one evening.

The DDA continued contracting with New Moon Visions marketing firm. New Moon Vision's general marketing plan covers monthly fees and services for the FentonBeCloser.com website; Fenton Focus online magazine which promotes individual merchant stories and events; the ongoing social media management for Facebook.com/FentonMichigan and Twitter.comDowntownFenton, posting merchant promotions and community events. New Moon Vision creates ads for print and handles media buys for signature events.

The DDA continued the façade improvement program, financially and professionally assisting businesses in improving the external portion to their buildings. A sign way finding project is being implemented to assist newcomers in finding their way around Fenton.

### **For the Future**

For the ongoing protection of the City, the City Council has set a policy to maintain the combination of the General Fund and Budget Stabilization Fund Balances at 20% of net General Fund operating revenues and have met these requirements. Council will strive to continue meeting this goal in the future. The City prepares a five-year financial plan annually for the General Fund. The council uses this plan to make positive improvements to the structural financial issues.

The Shiawassee Street resurfacing should be completed by the end of the fiscal year. The project also encompassed replacing of the Lead Service lines from our Water System.

The Cornerstone Building, 4 story and 48,000 square foot, by Corlin Builders was completed in FYE 15 in the downtown. Now Corlin Builders are planning a second building in downtown. The proposed building features four stories with a total of 40,400 square feet. The first floor will feature five retail spaces and the second floor will be offices. The third and fourth floors will feature condominiums. The city will provide the land and demolish the existing strip mall for this development. This projected is slated to be completed by the end of the fiscal year.

The City is preparing to purchase a new Fire Truck and replace the roof on City Hall, Police Station, and Library.

### **BUDGETING AND INTERNAL CONTROLS**

In developing and evaluating the City's accounting system, consideration has been given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; and (2) the reliability of financial records for preparing financial statements and maintain accountability for assets. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgements by management.

Budgeting Controls. After thorough evaluation of all proposals, the City Council adopts an Annual Budget for the General Fund, Special Revenue Funds, and Debt Service Funds. The budget is legally enacted on a departmental (activity) basis. An online inquiry system is available to department heads in which they could review budget to actual figure on a daily basis. Quarterly budget reports are provided to council for their review.

### **OTHER INFORMATION**

#### **Independent Audit**

The City Charter and State laws require an annual audit of the financial records and transactions of the City by a firm of independent licensed Certified Public Accountants. This requirement has been complied with and the City's financial statements have received an "unmodified opinion" from Yeo & Yeo, P.C. Certified

Public Accountants. An unmodified opinion is the best opinion that an organization can receive on its financial statements. It indicates that the auditor's examination has disclosed no conditions that cause them to believe the financial statements are not fairly stated in all material respects.

### **Awards**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the **City of Fenton** for its comprehensive annual financial report for the fiscal year ended Jun 30, 2019. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The **City of Fenton** has received a Certificate of Achievement for the last thirty-one consecutive years. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA.

### **Acknowledgments**

The continuing efforts of department heads and office staff make possible the preparation of this comprehensive annual financial report. Commitment to fiscal integrity and financial leadership by the City Council is appreciated. The CPA firm of Yeo & Yeo, P.C. also made substantial contributions in the preparation of this documents.

Respectfully,

A handwritten signature in black ink, appearing to read "Jon Satkowiak Jr.", written in a cursive style.

Jon Satkowiak Jr.  
City Treasurer



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Fenton  
Michigan**

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

June 30, 2019

*Christopher P. Morill*

Executive Director/CEO

**City of Fenton**  
**List of City Officials**  
**June 30, 2020**

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**City Council**

Barbara Sue Osborn – Mayor

Tracy Bottecelli

Scott Grossmeyer

Brad Jacob

Patricia Lockwood

David McDermott

Sean Sage

**Appointed Officials**

Lynn Markland, City Manager

Michael Hart, Assistant City Manager/  
Director of Economic Development

Tonya Lall, City Assessor

Susanne Walsh, City Clerk

Jon Satkowiak Jr, City Treasurer

Mike Reilly, Building & Zoning Administrator

Robert Cairnduff, Fire Chief

Jason Slater, Police Chief

Daniel Brisson, Director of Public Works

# City of Fenton, Michigan Organizational Chart

Citizens of the City of Fenton

Mayor and  
City Council

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Planning Commission  
Local Development Finance Authority  
Building Authority  
Museum Board  
Zoning Board of Appeals  
Downtown Development Authority  
City Manager

Library Board  
Compensation Commission  
Cemetery Board  
Board of Review  
Beautification Commission  
Parks and Recreation Board  
City Attorney

---

Police  
Chief

Fire  
Chief

City  
Clerk

Building and  
Zoning  
Administrator

City  
Treasurer

City  
Assessor

Public Works  
Director

Assistant  
City Manager

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Support Staff





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## Independent Auditors' Report

To the Honorable Mayor and  
Members of the City Council  
City of Fenton, Michigan

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Fenton, Michigan (the City), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Fenton, Michigan, as of June 30, 2020, 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.

## **Adoption of New Accounting Standard**

As described in Note 1 to the financial statements, during the year ended June 30, 2020, the City adopted GASB Statement No. 84 *Fiduciary Activities*. Our opinions are not modified with respect to this matter.

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

## **Other Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining nonmajor fund financial statements, budgetary comparisons, component unit fund statements, and statistical section, as identified in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplementary information, as identified in the table of contents, 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 other supplementary 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.

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

*Yeo & Yeo, P.C.*

Auburn Hills, MI  
December 16, 2020

**City of Fenton**  
**Management's Discussion and Analysis**  
**June 30, 2020**

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**Using this Annual Report**

This annual report consists of a series of narratives and financial statements. This narrative should be considered in conjunction with the additional information presented in the letter of transmittal found on pages 1 - 1 through 1 - 7 and is intended to serve as an introduction to the City of Fenton's basic financial statements. The basic financial statements consist of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

**Government-wide Financial Statements** are designed to provide readers with a broad overview of the City of Fenton's finances, in a manner similar to a private sector business. The statement of net position presents information on all of the City's assets, deferred inflows/outflows of resources, and liabilities, with the difference reported as net position. Over time, the increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Fenton is improving or deteriorating. The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event occurs, regardless of the timing of the related cash flows. As a result, revenues and expenses are reported in this statement for some items that only result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from functions that are intended to recover costs from user fees and charges for services (business-type activities). The governmental activities include general government, public works, parks and recreation, community service, and cemetery. The business-type activities include the water and sewer operation of the City. The government-wide financial statements include not only the City of Fenton (known as the primary government), but also the legally separate Downtown Development Authority and Local Development Authority for which the City is financially accountable. Financial information for these component units is reported separately from the financial information presented for the City.

**Fund Financial Statements** (which report the City's operation in more detail than the government-wide financial statements) follow the above-mentioned statements and illustrate how the services provided by the City were financed in the short term, as well as what remains for future spending. A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities and to demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

*Governmental funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, governmental fund financial statements focus on the near-term inflows and outflows of spendable resources, as well as on balances of spendable resources at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. Because the focus of governmental funds is narrower, it is useful to compare this information with similar information presented for governmental activities in the government-wide financial statements. This comparison may allow the readers to better understand the long-term impact of the City's short-term financing decisions.

Both the balance sheet and the statement of revenues, expenditures, and changes in fund balances for the governmental funds provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

**City of Fenton**  
**Management's Discussion and Analysis**  
**June 30, 2020**

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The City of Fenton maintains 20 individual governmental funds. Information is presented separately in the governmental fund balance sheet and statement of revenues, expenditures, and changes in fund balances for the General Fund and Major Street Fund which are considered to be major funds. Data for the other 18 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The City of Fenton adopts an annual appropriated budget for all of its governmental funds. Budgetary comparison statements have been provided for all the governmental funds to demonstrate budgetary compliance.

*Proprietary funds* provide the same type of information as the government-wide financial statements, only in more detail. The City maintains two different types of proprietary funds. Enterprise Funds are used to report the same functions presented in the business-type activities in the government-wide financial statements. The City of Fenton uses Enterprise Funds to account for its water and sewer operations. These funds are considered major funds of the City. Internal Service Funds are an accounting device used to accumulate and allocate cost internally among various functions. The City of Fenton uses an Internal Service Fund to account for its equipment usage and also to accumulate resources for employee sick pay. Because this program predominantly benefits governmental rather than business-type functions, it has been consolidated within the governmental activities in the government-wide financial statements.

*Fiduciary funds* are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

**Notes to the Financial Statements** provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**Required Supplementary Information** concerning the City's budgetary comparison statements for the General and major Special Revenue funds as well as budget footnotes. This required supplementary information is in addition to the basic financial statements and accompanying notes.

**Other Financial and Supplementary Information**, such as the combining statements and certain budget comparison statements referred to earlier, as well as various financial schedules and the statistical information, are presented immediately following the required supplementary information.

Table I summarizes the major features of the City's financial statements, including the portion of the City government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

**City of Fenton**  
**Management's Discussion and Analysis**  
**June 30, 2020**

**Table 1 Major Features of the City of Fenton, Michigan's  
Government-wide and Fund Financial Statements  
Fund Statements**

<b>Type of Statements</b>	<b><u>Government-wide</u></b>	<b><u>Governmental Funds</u></b>	<b><u>Proprietary Funds</u></b>	<b><u>Fiduciary Funds</u></b>
Scope	Entire City government (except fiduciary funds) and the City's component units	The activities of the City that are not proprietary or fiduciary, such as police, fire, and major/local streets	Activities the City operates similar to private business: the water and sewer system	Instances in which the City is the trustee or agent for someone else's resources.
Required financial statements	<ul style="list-style-type: none"> <li>• Statement of net position</li> <li>• Statement of activities</li> </ul>	<ul style="list-style-type: none"> <li>• Balance Sheet</li> <li>• Statement of revenues, expenditures and changes in fund balances</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of net position</li> <li>• Statement of revenues, expenses and changes in fund net assets</li> <li>• Statement of cash flows</li> </ul>	<ul style="list-style-type: none"> <li>• Statement of Fiduciary Net Position</li> <li>• Statement of Changes in Fiduciary Net Position</li> </ul>
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and no measurement focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter, no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term, the City's funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year, expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid	All additions and deductions during year, regardless of when cash is received or paid

**City of Fenton**  
**Management's Discussion and Analysis**  
**June 30, 2020**

**The City of Fenton as a Whole**

The following table shows, in a condensed format, the net position as of the current date and compared to the prior year (in millions of dollars):

	Governmental Activities		Business-type Activities		Total	
	2019	2020	2019	2020	2019	2020
Current & other assets	\$ 10.2	\$ 9.4	\$ 6.4	\$ 6.0	\$ 16.6	\$ 15.4
Capital assets	20.0	20.0	30.8	30.0	50.8	50.0
<b>Total assets</b>	<b>30.2</b>	<b>29.4</b>	<b>37.2</b>	<b>36.0</b>	<b>67.4</b>	<b>65.4</b>
Deferred outflows of resources	1.7	2.3	0.4	0.5	2.1	2.8
Long-term liabilities	12.1	12.8	7.5	6.9	19.6	19.7
Other liabilities	1.4	1.5	1.4	1.3	2.8	2.8
<b>Total liabilities</b>	<b>13.5</b>	<b>14.3</b>	<b>8.9</b>	<b>8.2</b>	<b>22.4</b>	<b>22.5</b>
Deferred inflows of resources	0.2	0.4	0.1	0.1	0.0	0.5
Net position:						
Net investment in						
capital assets	19.1	19.5	24.8	24.8	43.9	44.3
Restricted	0.0	0.5	-	0.5	-	1
Unrestricted	(0.9)	(3.0)	3.8	2.9	2.9	(0.1)
<b>Total net position</b>	<b>\$ 18.2</b>	<b>\$ 17.0</b>	<b>\$ 28.6</b>	<b>\$ 28.2</b>	<b>\$ 46.8</b>	<b>\$ 45.2</b>

The City's combined net position decreased 3.4 percent from a year ago, decreasing from \$46.8 million to \$45.2 million. A review of the governmental activities, separate from the business-type activities, shows the net position decreased from \$18.2 million to \$17.0 million during fiscal year 2020. Unrestricted net position for the governmental activities, which is the portion of net position that is available to finance day-to-day operations and future growth, was \$(3.0) million at June 30, 2020. The business-type activities experienced a decrease in net position of approximately \$0.4 million or 1.4 percent.

**City of Fenton**  
**Management's Discussion and Analysis**  
**June 30, 2020**

The following table shows the changes of the net position during the current year and as compared to the prior year (in millions of dollars):

	Governmental Activities		Business-type Activities		Total	
	2019	2020	2019	2020	2019	2020
<b>Revenue</b>						
Program revenue:						
Charges for services	\$ 1.9	\$ 1.6	\$ 5.4	\$ 5.5	\$ 7.3	\$ 7.1
Operating grants and Contributions	1.7	1.5	0.0	0.0	1.7	1.5
Capital grants and Contributions	0.1	0.1	0.0	0.3	0.0	0.1
General revenue:						
Property taxes	3.9	4.1	0.0	0.0	3.9	4.1
State-shared revenue	1.1	1.1	0.0	0.0	1.1	1.1
Unrestricted Miscellaneous	0.2	0.2	0.2	0.2	0.4	0.3
<b>Total revenue</b>	<b>8.9</b>	<b>8.5</b>	<b>5.6</b>	<b>6.0</b>	<b>14.5</b>	<b>14.5</b>
<b>Program Expenses</b>						
General government	1.4	1.8	0.0	0.0	1.4	1.8
Public safety	4.1	4.0	0.0	0.0	4.1	4.0
Public works	2.8	3.4	0.0	0.0	2.8	3.4
Parks & recreation	0.5	0.4	0.0	0.0	0.0	0.2
Community service	0.0	0.1	0.0	0.0	0.0	0.1
Water	0.0	0.0	2.8	3.2	2.8	3.2
Sewer	0.0	0.0	2.5	3.2	2.5	3.2
<b>Total program expenses</b>	<b>8.9</b>	<b>9.7</b>	<b>5.3</b>	<b>6.3</b>	<b>14.2</b>	<b>16.0</b>
<b>Change in Net Position</b>	<b>0.0</b>	<b>(1.2)</b>	<b>0.3</b>	<b>(0.4)</b>	<b>0.3</b>	<b>(1.5)</b>
<b>Net position</b>						
Beginning of year	18.2	18.2	28.3	28.6	46.5	46.8
<b>Ending Net Position</b>	<b>\$ 18.2</b>	<b>\$ 17.0</b>	<b>\$ 28.6</b>	<b>\$ 28.2</b>	<b>\$ 46.8</b>	<b>\$ 45.3</b>



**City of Fenton**  
**Management's Discussion and Analysis**  
**June 30, 2020**

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**Governmental Activities**

The City's total governmental revenues decreased slightly by about \$400,000.

Expenses increased by approximately \$0.8 million, or 8.8 percent, from last fiscal year. Public Works expenses were the largest portion increasing by roughly \$600,000.

**Business-type Activities**

The City's business-type activities are recorded in the Water and Sewer Funds. The City provides water from wells located in the City. A new water treatment plant built in 2004 processes the water for all residents. The expenses for the Water Fund increased approximately \$400,000 from FY 2019.

The City is a participant in a county-wide sanitary sewer construction program under Act 342 Michigan Compiled Laws. The City contracts with Genesee County Water and Waste Services for the operation of the plant. The City has pledged the full faith and credit of the City for the payment of the City's share of principal and interest payments. The assets and liabilities relating to those contracts have been recorded in the Sewer Fund. The City of Fenton, Fenton Township, and City of Linden share a plant located in Fenton Township. The City's proportionate share of the operating costs of the plant is covered by our sewer rates. The expenses for the Sewer Fund increased approximately \$0.7 million from FY 2019. During FY 2020, \$578,682 in operating loss was incurred in the Sewer Fund and \$66,558 in operating income was incurred in the Water Fund.

**The City's Funds**

Our analysis of the City's major funds begins on page 4 - 4, following the government-wide financial statements. The fund financial statements provide detailed information about the most significant funds, not the City as a whole. The City Council creates funds to help manage money for specific purposes as well as show accountability for certain activities, such as State of Michigan Act 51 major and local road revenue sharing.

The City's major governmental funds for 2020 were the General Fund and Major Street Fund.

The General Fund pays for most of the City's governmental services. The most significant of these are police and fire services, which incurred expenditures of \$3.2 million in 2020. The general operating millage levied by the City supports these two services. FY 2020 revenues decreased in the General Fund by \$197,131, mainly due to the decreases in charges for services as well as intergovernmental offset by an increase in taxable values. The General expenditures, excluding transfers out, increased by \$153,791. A majority of the increase was due to increase in wages. Fund Balance in the General Fund decreased by \$141,005.

Over the course of the year, City administration and City Council monitor and amend the budget to take into account unanticipated events that occur during the year. At year end, actual General Fund revenues were under budget by \$165,769. Expenditures were \$133,846 under budget. Various departments contributed to the positive budget variance.

**City of Fenton**  
**Management's Discussion and Analysis**  
**June 30, 2020**

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**Capital Assets and Debt Administration**

At the end of fiscal 2020, the City had \$50.5 million invested in a wide range of capital assets, including land, buildings, police and fire equipment, computer equipment, infrastructure assets and water and sewer lines. The value of the infrastructure assets, net of depreciation, contained in this report is \$11.0 million and \$11.0 million for fiscal 2019 and 2020, respectively.

	Governmental Activities	Business- Type Activities	Component Unit Activities	Total
Land	\$ 1,605,104	\$ 190,930	\$ 425,000	\$ 2,221,034
Construction in progress	437,315	-	-	437,315
Buildings, net	4,893,284	-	5,018	4,898,302
Building and land improvements, net	394,532	5,763,042	-	6,157,574
Machinery, vehicles and equipment, net	1,629,083	456,455	6,272	2,091,810
Road, lights, and bridges, net	11,019,780	-	-	11,019,780
Sewer and water lines, net	-	23,661,721	-	23,661,721
Capital assets, net	<u>\$ 19,979,098</u>	<u>\$ 30,072,148</u>	<u>\$ 436,290</u>	<u>\$ 50,487,536</u>

At the end of the 2020 fiscal year, the City of Fenton (primary government) had net outstanding debt of \$6,523,426. This entire amount comprises backed by the full faith and credit of the City of Fenton and the primary government's net assets. The City of Fenton's gross outstanding debt decreased by \$403,602 during the fiscal year.

Additional information on the City of Fenton's capital assets can be found in note 4 of the notes to the financial statements.

**City of Fenton**  
**Management's Discussion and Analysis**  
**June 30, 2020**

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Standard and poor's reviewed the City of Fenton credit rating during a prior year. The rating was determined to be AA-. The Financial Management Assessment (FMA) score is "good". The ratio of net general bonded debt to assessed valuation and the amount of net bonded debt per capita are as follows:

	<u>2019</u>	<u>2020</u>
Net direct bonded debt	\$ 390,000	\$ 335,000
Ratio of debt to assessed valuation	0.0010	0.0008
Debt per capita	\$ 33	\$ 29

Additional information on the City of Fenton's long term debt can be found in note 5 of the notes to the financial statements.

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

The City levied an operating millage of 11 mills from 1989 to 2001. The City charter's operating millage is 13 mills. During these years the Headlee Amendment authorized millage was higher than 11 mills but the City Council chose not to levy the full authorized millage. In the past fourteen years the Headlee Amendment has rolled the City's operating millage below 11 mills. In 2019 the City levied 10.18 mills and 2020, 10.0003 mills were levied. In March 1994, Proposal A was enacted, which limits the growth on existing property to the rate of inflation. The inflation rate allowed for fiscal 2019 under Proposal A was 2.1 percent. Property taxes make up 61 percent of our General Fund budget revenue and Proposal A and the Headlee Amendment limit the growth of this revenue. Fortunately the City is still experiencing new commercial development. Most of this tax revenue growth is captured by the DDA but the DDA has completed many projects which benefit the City as a whole plus shared a portion of their revenue with the General Fund this fiscal year. Residential growth in the City is picking up.

The General Fund budget for 2021 is structured so that revenues and expenditures balance down to a net zero gain/loss. The City makes an effort to operate with relative low personnel costs and an efficient labor force. Medical insurance costs continue to increase every year. The City prepares a Five Year Financial Plan for the General Fund, foreseeing the possible financial condition for more than just one year.

#### **Contacting the City's Management**

This financial report is intended to provide our citizens, taxpayers, customers, and investors with a general overview of the City's finances and to show the City's accountability for the resources it receives. If you have any questions about this report or need additional information, we invite you to contact the administration offices at City Hall.

**City of Fenton**  
**Statement of Net Position**  
**June 30, 2020**

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>Assets</b>				
Current assets				
Cash	\$ 8,318,053	\$ 3,501,422	\$ 11,819,475	\$ 3,461,903
Restricted assets				
Cash	-	519,555	519,555	-
Receivables				
Taxes	67,007	-	67,007	-
Customers	290,121	1,790,739	2,080,860	36,000
Special assessments	246,458	-	246,458	-
Accrued interest and other	-	-	-	6,403
Due from other units of government	483,134	-	483,134	-
Internal balances	(125,411)	125,411	-	-
Inventories	25,044	43,876	68,920	-
Prepaid items	87,609	-	87,609	-
Total current assets	<u>9,392,015</u>	<u>5,981,003</u>	<u>15,373,018</u>	<u>3,504,306</u>
Noncurrent assets				
Capital assets not being depreciated	2,042,419	190,930	2,233,349	425,000
Capital assets, net of accumulated depreciation	<u>17,936,679</u>	<u>29,881,218</u>	<u>47,817,897</u>	<u>11,290</u>
Total noncurrent assets	<u>19,979,098</u>	<u>30,072,148</u>	<u>50,051,246</u>	<u>436,290</u>
 Total assets	 <u>29,371,113</u>	 <u>36,053,151</u>	 <u>65,424,264</u>	 <u>3,940,596</u>
<b>Deferred Outflows of Resources</b>				
Deferred amount relating to net pension liability	1,116,091	295,836	1,411,927	-
Deferred amount relating to total OPEB liability	1,191,469	167,518	1,358,987	-
Deferred charges on refunding of bonds	-	34,879	34,879	8,722
Total deferred outflows of resources	<u>2,307,560</u>	<u>498,233</u>	<u>2,805,793</u>	<u>8,722</u>

See Accompanying Notes to the Financial Statements

**City of Fenton**  
**Statement of Net Position**  
**June 30, 2020**

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>Liabilities</b>				
Current liabilities				
Accounts payable	\$ 429,863	\$ 442,893	\$ 872,756	\$ 19,380
Accrued and other liabilities	174,586	74,453	249,039	38,588
Due to other units of government	42,467	-	42,467	776
Due to individuals and agencies	3,220	-	3,220	-
Deposits payable	566,376	-	566,376	-
Unearned revenue	16,310	-	16,310	-
Current portion of long-term debt	96,804	798,365	895,169	691,000
Current portion of compensated absences	124,896	15,012	139,908	-
Total current liabilities	<u>1,454,522</u>	<u>1,330,723</u>	<u>2,785,245</u>	<u>749,744</u>
Noncurrent liabilities				
Noncurrent portion of long-term debt	412,209	4,516,509	4,928,718	3,618,243
Noncurrent portion of compensated absences	499,584	60,047	559,631	-
Net pension liability	5,069,348	1,475,754	6,545,102	-
Total OPEB liability	<u>6,813,880</u>	<u>859,179</u>	<u>7,673,059</u>	<u>-</u>
Total noncurrent liabilities	<u>12,795,021</u>	<u>6,911,489</u>	<u>19,706,510</u>	<u>3,618,243</u>
Total liabilities	<u>14,249,543</u>	<u>8,242,212</u>	<u>22,491,755</u>	<u>4,367,987</u>
<b>Deferred Inflows of Resources</b>				
Deferred amount relating to net pension liability	123,134	58,267	181,401	-
Deferred amount relating to total OPEB liability	<u>282,537</u>	<u>41,701</u>	<u>324,238</u>	<u>-</u>
Total deferred inflows of resources	<u>405,671</u>	<u>99,968</u>	<u>505,639</u>	<u>-</u>
<b>Net Position</b>				
Net investment in capital assets	19,470,085	24,792,153	44,262,238	436,290
Restricted for				
Highways and streets	365,598	-	365,598	-
Public safety	10,548	-	10,548	-
Bond reserve	-	519,555	519,555	-
Debt service	148,428	-	148,428	-
Unrestricted	<u>(2,971,200)</u>	<u>2,897,496</u>	<u>(73,704)</u>	<u>(854,959)</u>
Total net position	<u>\$ 17,023,459</u>	<u>\$ 28,209,204</u>	<u>\$ 45,232,663</u>	<u>\$ (418,669)</u>

See Accompanying Notes to the Financial Statements

**City of Fenton**  
**Statement of Activities**  
**For the Year Ended June 30, 2020**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Units
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-type Activities	Total	
<b>Primary government</b>								
Governmental activities								
General government	\$ 1,813,863	\$ 208,120	\$ 37,177	\$ -	\$ (1,568,566)	\$ -	\$ (1,568,566)	\$ -
Public safety	3,997,176	816,384	23,988	50,000	(3,106,804)	-	(3,106,804)	-
Public works	3,430,739	531,576	1,408,598	-	(1,490,565)	-	(1,490,565)	-
Community and economic development	45,349	-	-	2,702	(42,647)	-	(42,647)	-
Recreation and culture	384,197	39,397	1,125	-	(343,675)	-	(343,675)	-
Interest and fiscal charges on long-term debt	15,608	-	-	-	(15,608)	-	(15,608)	-
Total governmental activities	<u>9,686,932</u>	<u>1,595,477</u>	<u>1,470,888</u>	<u>52,702</u>	<u>(6,567,865)</u>	<u>-</u>	<u>(6,567,865)</u>	<u>-</u>
Business-type activities								
Sewer	3,180,274	2,559,769	-	316,443	-	(304,062)	(304,062)	-
Water	3,158,884	2,928,889	14,081	-	-	(215,914)	(215,914)	-
Total business-type activities	<u>6,339,158</u>	<u>5,488,658</u>	<u>14,081</u>	<u>316,443</u>	<u>-</u>	<u>(519,976)</u>	<u>(519,976)</u>	<u>-</u>
Total primary government	<u>\$ 16,026,090</u>	<u>\$ 7,084,135</u>	<u>\$ 1,484,969</u>	<u>\$ 369,145</u>	<u>(6,567,865)</u>	<u>(519,976)</u>	<u>(7,087,841)</u>	<u>-</u>
<b>Component units</b>								
Downtown Development Authority	\$ 725,334	\$ -	\$ -	\$ -	-	-	-	(725,334)
Local Development Finance Authority	101,044	-	-	-	-	-	-	(101,044)
Total component unit activities	<u>\$ 826,378</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(826,378)</u>
General revenues								
Property taxes - unrestricted					4,113,868	-	4,113,868	2,072,678
State-shared revenue - unrestricted					1,078,056	-	1,078,056	-
Unrestricted investment earnings					74,681	94,888	169,569	28,457
Miscellaneous					116,498	62,674	179,172	-
Total general revenues					<u>5,383,103</u>	<u>157,562</u>	<u>5,540,665</u>	<u>2,101,135</u>
Change in net position					(1,184,762)	(362,414)	(1,547,176)	1,274,757
Net position - beginning of year					<u>18,208,221</u>	<u>28,571,618</u>	<u>46,779,839</u>	<u>(1,693,426)</u>
Net position - end of year					<u>\$ 17,023,459</u>	<u>\$ 28,209,204</u>	<u>\$ 45,232,663</u>	<u>\$ (418,669)</u>

See Accompanying Notes to the Financial Statements

**City of Fenton  
Governmental Funds  
Balance Sheet  
June 30, 2020**

	General	Major Street	Nonmajor Governmental Funds	Total
<b>Assets</b>				
Cash	\$ 5,052,620	\$ 145,376	\$ 2,332,484	\$ 7,530,480
Receivables				
Taxes	67,007	-	-	67,007
Customers	60,011	-	230,110	290,121
Special assessments	47,781	-	198,677	246,458
Due from other units of government	305,254	130,715	47,165	483,134
Due from other funds	40,574	-	200	40,774
Inventories	25,044	-	-	25,044
Prepaid items	87,609	-	-	87,609
Total assets	<u>\$ 5,685,900</u>	<u>\$ 276,091</u>	<u>\$ 2,808,636</u>	<u>\$ 8,770,627</u>
<b>Liabilities</b>				
Accounts payable	\$ 238,654	\$ 30,867	\$ 146,501	\$ 416,022
Accrued and other liabilities	130,978	10,073	27,160	168,211
Due to other funds	-	-	149,753	149,753
Due to other units of government	42,467	-	-	42,467
Due to individuals and agencies	3,220	-	-	3,220
Deposits payable	566,376	-	-	566,376
Unearned revenue	-	-	16,310	16,310
Total liabilities	<u>981,695</u>	<u>40,940</u>	<u>339,724</u>	<u>1,362,359</u>
<b>Deferred Inflows of Resources</b>				
Unavailable revenue	72,615	-	198,677	271,292
<b>Fund Balances</b>				
Non-spendable	112,653	-	-	112,653
Restricted	-	235,151	295,678	530,829
Committed	-	-	1,974,557	1,974,557
Unassigned	4,518,937	-	-	4,518,937
Total fund balances	<u>4,631,590</u>	<u>235,151</u>	<u>2,270,235</u>	<u>7,136,976</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 5,685,900</u>	<u>\$ 276,091</u>	<u>\$ 2,808,636</u>	<u>\$ 8,770,627</u>

See Accompanying Notes to the Financial Statements

**City of Fenton**  
**Governmental Funds**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**to the Statement of Net Position**  
**June 30, 2020**

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**Total fund balances for governmental funds** \$ 7,136,976

Total net position for governmental activities in the statement of net position is different because:

Capital assets net of accumulated depreciation used in governmental activities are not financial resources and therefore are not reported in the funds. 17,414,928

Capital assets not being depreciated used in governmental activities are not financial resources and therefore are not reported in the funds. 2,042,419

Certain receivables are not available to pay for current period expenditures and, therefore, are deferred in the funds. 271,292

Certain liabilities are not due and payable in the current period and are not reported in the funds.

Accrued interest	(6,255)
Bonds payable	(509,013)
Compensated absences	(337,605)
Net pension liability	(5,069,348)
Total OPEB liability	(6,813,880)

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

Deferred outflows of resources relating to the net pension liability	1,116,091
Deferred inflows of resources relating to the net pension liability	(123,134)
Deferred outflows of resources relating to the total OPEB liability	1,191,469
Deferred inflows of resources relating to the total OPEB liability	(282,537)

Internal service funds are included as part of governmental activities. 992,056

**Net position of governmental activities** **\$ 17,023,459**



**City of Fenton**  
**Governmental Funds**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**For the Year Ended June 30, 2020**

	General	Major Street	Nonmajor Governmental Funds	Total
<b>Revenues</b>				
Taxes	\$ 4,113,868	\$ -	\$ -	\$ 4,113,868
Licenses and permits	461,317	-	-	461,317
Intergovernmental	1,115,233	1,025,598	456,485	2,597,316
Charges for services	228,262	-	823,007	1,051,269
Fines and forfeitures	62,578	-	-	62,578
Interest income	52,928	1,326	35,187	89,441
Other	170,719	-	65,514	236,233
Total revenues	<u>6,204,905</u>	<u>1,026,924</u>	<u>1,380,193</u>	<u>8,612,022</u>
<b>Expenditures</b>				
Current				
General government	1,336,115	-	63,163	1,399,278
Public safety	3,568,451	-	383,779	3,952,230
Public works	158,598	1,515,776	1,065,981	2,740,355
Community and economic development	44,740	-	2,702	47,442
Recreation and culture	245,699	-	148,253	393,952
Other	343,306	-	2,844	346,150
Capital outlay	-	-	175,045	175,045
Debt service				
Principal retirement	35,791	-	55,000	90,791
Interest and fiscal charges	5,646	-	10,813	16,459
Total expenditures	<u>5,738,346</u>	<u>1,515,776</u>	<u>1,907,580</u>	<u>9,161,702</u>
Excess (deficiency) of revenues over expenditures	<u>466,559</u>	<u>(488,852)</u>	<u>(527,387)</u>	<u>(549,680)</u>
<b>Other financing sources (uses)</b>				
Transfers in	-	400,000	651,086	1,051,086
Transfers out	(607,564)	(130,000)	(402,819)	(1,140,383)
Total other financing sources (uses)	<u>(607,564)</u>	<u>270,000</u>	<u>248,267</u>	<u>(89,297)</u>
Net change in fund balances	(141,005)	(218,852)	(279,120)	(638,977)
Fund balances - beginning of year	<u>4,772,595</u>	<u>454,003</u>	<u>2,549,355</u>	<u>7,775,953</u>
Fund balances - end of year	<u>\$ 4,631,590</u>	<u>\$ 235,151</u>	<u>\$ 2,270,235</u>	<u>\$ 7,136,976</u>

See Accompanying Notes to the Financial Statements

**City of Fenton**  
**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, 2020**

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<b>Net change in fund balances - total governmental funds</b>	\$ (638,977)
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 expense.	
Depreciation expense	(1,215,188)
Capital outlay	1,114,841
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.	
Special assessments	(114,120)
Expenses are recorded when incurred in the statement of activities.	
Accrued interest	851
Compensated absences	(214,716)
The statement of net position reports the net pension liability and the total OPEB liability and deferred outflows of resources and deferred inflows of resources related to the net pension liability and the total OPEB liability and pension and OPEB expense. However, the amount recorded in the governmental funds equals actual pension and OPEB contributions.	
Change in the net pension liability	232,690
Net change in the deferred outflows of resources related to the net pension liability	(310,267)
Net change in the deferred inflows of resources related to the net pension liability	74,487
Change in the total OPEB liability	(838,172)
Net change in the deferred outflows of resources related to the total OPEB liability	912,611
Net change in the deferred inflows of resources related to the total OPEB liability	(259,585)
Bond proceeds are reported as financing sources in the governmental funds and thus contribute to the change in fund balance. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net position.	
Repayments of long-term debt	90,791
Internal service funds are also included as governmental activities	(20,008)
<b>Change in net position of governmental activities</b>	<b>\$ (1,184,762)</b>

See Accompanying Notes to the Financial Statements

**City of Fenton**  
**Proprietary Funds**  
**Statement of Net Position**  
**June 30, 2020**

	Enterprise Funds			Internal Service Funds
	Sewer	Water	Total	
<b>Assets</b>				
Current assets				
Cash	\$ 2,602,514	\$ 898,908	\$ 3,501,422	\$ 787,573
Cash - restricted	-	519,555	519,555	-
Receivables	837,309	953,430	1,790,739	-
Due from other funds	108,373	17,088	125,461	656
Inventories	-	43,876	43,876	-
Total current assets	3,548,196	2,432,857	5,981,053	788,229
Noncurrent assets				
Capital assets, net of accumulated depreciation	16,890,949	12,990,269	29,881,218	521,751
Capital assets not being depreciated	157,803	33,127	190,930	-
Total noncurrent assets	17,048,752	13,023,396	30,072,148	521,751
Total assets	20,596,948	15,456,253	36,053,201	1,309,980
<b>Deferred Outflows of Resources</b>				
Deferred amount relating to the net pension liability	56,722	239,114	295,836	-
Deferred amount relating to the total OPEB liability	13,590	153,928	167,518	-
Deferred amount relating to bond refunding	-	34,879	34,879	-
Total deferred outflows of resources	70,312	427,921	498,233	-

See Accompanying Notes to the Financial Statements

**City of Fenton**  
**Proprietary Funds**  
**Statement of Net Position**  
**June 30, 2020**

	Enterprise Funds			Internal Service Funds
	Sewer	Water	Total	
<b>Liabilities</b>				
Current liabilities				
Accounts payable	\$ 358,177	\$ 84,716	\$ 442,893	\$ 13,841
Accrued and other liabilities	19,285	55,168	74,453	120
Due to other funds	-	50	50	17,088
Current portion of long-term debt	85,000	713,365	798,365	-
Current portion of compensated absences	1,703	13,309	15,012	53,450
Total current liabilities	464,165	866,608	1,330,773	84,499
Noncurrent liabilities				
Net pension liability	162,623	1,313,131	1,475,754	-
Total OPEB liability	76,730	782,449	859,179	-
Noncurrent portion of long-term debt	1,104,397	3,412,112	4,516,509	-
Noncurrent portion of compensated absences	6,810	53,237	60,047	233,425
Total noncurrent liabilities	1,350,560	5,560,929	6,911,489	233,425
Total liabilities	1,814,725	6,427,537	8,242,262	317,924
<b>Deferred Inflows of Resources</b>				
Deferred amount relating to the net pension liability	8,940	49,327	58,267	-
Deferred amount relating to the total OPEB liability	3,242	38,459	41,701	-
Total deferred inflows of resources	12,182	87,786	99,968	-
<b>Net Position</b>				
Net investment in capital assets	15,859,355	8,932,798	24,792,153	521,751
Restricted for				
Bond reserve	-	519,555	519,555	-
Unrestricted	2,980,998	(83,502)	2,897,496	470,305
Total net position	\$ 18,840,353	\$ 9,368,851	\$ 28,209,204	\$ 992,056

See Accompanying Notes to the Financial Statements

**City of Fenton**  
**Proprietary Funds**  
**Statement of Revenues, Expenses and Changes in Net Position**  
**For the Year Ended June 30, 2020**

	Enterprise Funds			Internal Service Funds
	Sewer	Water	Total	
<b>Operating revenue</b>				
Customer fees	\$ 2,379,369	\$ 2,781,064	\$ 5,160,433	\$ -
Billings to other funds	-	-	-	543,551
Connection fees	180,400	147,825	328,225	-
Other revenue	28,287	34,387	62,674	33,020
 Total operating revenue	 <u>2,588,056</u>	 <u>2,963,276</u>	 <u>5,551,332</u>	 <u>576,571</u>
<b>Operating expenses</b>				
Personnel services	1,036,763	1,372,133	2,408,896	46,093
Supplies	32,943	606,752	639,695	128,892
Professional services	1,326,438	9,383	1,335,821	-
Utilities	13,401	137,749	151,150	38,730
Repairs and maintenance	448	59,561	60,009	113,418
Other expenses	174,808	138,210	313,018	226,935
Depreciation	581,937	572,931	1,154,868	150,180
 Total operating expenses	 <u>3,166,738</u>	 <u>2,896,719</u>	 <u>6,063,457</u>	 <u>704,248</u>
 Operating income (loss)	 <u>(578,682)</u>	 <u>66,557</u>	 <u>(512,125)</u>	 <u>(127,677)</u>

See Accompanying Notes to the Financial Statements

**City of Fenton**  
**Proprietary Funds**  
**Statement of Revenues, Expenses and Changes in Net Position**  
**For the Year Ended June 30, 2020**

	Enterprise Funds			Internal Service Funds
	Sewer	Water	Total	
<b>Nonoperating revenue (expenses)</b>				
State grants	\$ 316,443	\$ 14,081	\$ 330,524	\$ -
Interest income	20,162	74,726	94,888	4,268
Gain on sale of assets	-	17,088	17,088	14,104
Interest expense	(30,624)	(196,567)	(227,191)	-
 Total nonoperating revenues (expenses)	<u>305,981</u>	<u>(90,672)</u>	<u>215,309</u>	<u>18,372</u>
 Loss before other financing sources (uses)	(272,701)	(24,115)	(296,816)	(109,305)
<b>Other financing sources (uses)</b>				
Bond issuance costs	-	(65,598)	(65,598)	-
Transfers in	-	-	-	89,297
 Total other financing sources (uses)	<u>-</u>	<u>(65,598)</u>	<u>(65,598)</u>	<u>89,297</u>
 Change in net position	(272,701)	(89,713)	(362,414)	(20,008)
Net position - beginning of year	<u>19,113,054</u>	<u>9,458,564</u>	<u>28,571,618</u>	<u>1,012,064</u>
Net position - end of year	<u>\$ 18,840,353</u>	<u>\$ 9,368,851</u>	<u>\$ 28,209,204</u>	<u>\$ 992,056</u>

See Accompanying Notes to the Financial Statements

**City of Fenton**  
**Proprietary Funds**  
**Statement of Cash Flows**  
**For the Year Ended June 30, 2020**

	Enterprise Funds			Governmental Activities
	Sewer	Water	Total	Internal Service Funds
<b>Cash flows from operating activities</b>				
Receipts from customers	\$ 2,606,822	\$ 3,015,099	\$ 5,621,921	\$ -
Receipts from interfund users	-	-	-	669,057
Payments to other funds	(102)	(17,768)	(17,870)	-
Payments to suppliers	(1,583,593)	(1,088,806)	(2,672,399)	(436,106)
Payments to employees	(1,027,707)	(1,340,525)	(2,368,232)	(167,534)
Net cash provided (used) by operating activities	(4,580)	568,000	563,420	65,417
<b>Cash flows from capital and related financing activities</b>				
Proceeds from sale of bonds and notes	-	2,370,477	2,370,477	-
Capital grant	316,443	14,081	330,524	-
Purchases/construction of capital assets	(437,583)	-	(437,583)	(260,500)
Principal and interest paid on long-term debt	(115,624)	(3,197,165)	(3,312,789)	-
Proceeds from sale of capital assets	-	17,088	17,088	18,589
Net cash used by capital and related financing activities	(236,764)	(795,519)	(1,032,283)	(241,911)
<b>Cash flows from investing activities</b>				
Interest received	20,162	74,726	94,888	4,268
Net change in cash	(221,182)	(152,793)	(373,975)	(82,929)
Cash - beginning of year	2,823,696	1,571,256	4,394,952	870,502
Cash - end of year	<u>\$ 2,602,514</u>	<u>\$ 1,418,463</u>	<u>\$ 4,020,977</u>	<u>\$ 787,573</u>
<b>Reconciliation to the statement of net position</b>				
Cash	\$ 2,602,514	\$ 898,908	\$ 3,501,422	\$ 787,573
Cash - restricted	-	519,555	519,555	-
Cash - end of year	<u>\$ 2,602,514</u>	<u>\$ 1,418,463</u>	<u>\$ 4,020,977</u>	<u>\$ 787,573</u>

See Accompanying Notes to the Financial Statements

**City of Fenton**  
**Proprietary Funds**  
**Statement of Cash Flows**  
**For the Year Ended June 30, 2020**

	Enterprise Funds			Governmental Activities
	Sewer	Water	Total	Internal Service Funds
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities</b>				
Operating income (loss)	\$ (578,682)	\$ 66,557	\$ (512,125)	\$ (127,677)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities				
Depreciation expense	581,937	572,931	1,154,868	150,180
Changes in assets and liabilities				
Receivables	18,766	51,823	70,589	-
Due from other funds	-	(17,088)	(17,088)	607
Prepaid items	1,448	24,915	26,363	-
Deferred outflows of resources	(6,547)	(97,161)	(103,708)	-
Accounts payable	(36,981)	(154,814)	(191,795)	(49,062)
Accrued and other liabilities	(22)	(7,252)	(7,274)	(510)
Due to other funds	(102)	(680)	(782)	17,088
Deferred inflows of resources	2,037	20,538	22,575	-
Net pension liability	(2,958)	(47,694)	(50,652)	-
Total OPEB liability	9,634	115,610	125,244	-
Compensated absences	6,890	40,315	47,205	74,791
Net cash provided (used) by operating activities	<u>\$ (4,580)</u>	<u>\$ 568,000</u>	<u>\$ 563,420</u>	<u>\$ 65,417</u>

See Accompanying Notes to the Financial Statements



**City of Fenton**  
**Fiduciary Funds**  
**Statement of Fiduciary Net Position**  
**June 30, 2020**

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	<u>Custodial Funds</u>
<b>Assets</b>	
Cash	\$ 55,761
<b>Liabilities</b>	
Due to other units of government	16,193
Due to union groups	<u>9,300</u>
Total liabilities	<u>25,493</u>
<b>Net Position</b>	
Restricted for fiduciary activities	<u>30,268</u>
Total net position	<u>\$ 30,268</u>

**City of Fenton**  
**Fiduciary Funds**  
**Statement of Changes in Fiduciary Net Position**  
**June 30, 2020**

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	<u>Custodial Funds</u>
<b>Additions</b>	
Property tax collections for other governments	\$ 20,178,232
Miscellaneous	<u>10,101</u>
Total additions	20,188,333
<b>Deductions</b>	
Payments of property tax to other governments	<u>20,178,232</u>
Change in net position	10,101
Net position - beginning of year	<u>20,167</u>
Net position - end of year	<u><u>\$ 30,268</u></u>

See Accompanying Notes to the Financial Statements

**City of Fenton**  
**Component Units**  
**Combining Statement of Net Position**  
**June 30, 2020**

	Downtown Development Authority	Local Development Finance Authority	Brownfield Redevelopment Authority	Total
<b>Assets</b>				
Current assets				
Cash	\$ 1,796,756	\$ 1,489,343	\$ 175,804	\$ 3,461,903
Receivables				
Customers	36,000	-	-	36,000
Accrued interest and other	6,295	108	-	6,403
Total current assets	<u>1,839,051</u>	<u>1,489,451</u>	<u>175,804</u>	<u>3,504,306</u>
Noncurrent assets				
Capital assets not being depreciated	425,000	-	-	425,000
Capital assets, net of accumulated depreciation	5,018	6,272	-	11,290
Total noncurrent assets	<u>430,018</u>	<u>6,272</u>	<u>-</u>	<u>436,290</u>
Total assets	<u>2,269,069</u>	<u>1,495,723</u>	<u>175,804</u>	<u>3,940,596</u>
<b>Deferred Outflows of Resources</b>				
Deferred charges on refunding of bonds	8,722	-	-	8,722
<b>Liabilities</b>				
Current liabilities				
Accounts payable	15,303	4,077	-	19,380
Accrued and other liabilities	37,981	607	-	38,588
Due to other units of government	622	154	-	776
Debt due within one year	691,000	-	-	691,000
Total current liabilities	<u>744,906</u>	<u>4,838</u>	<u>-</u>	<u>749,744</u>
Noncurrent liabilities				
Debt due in more than one year	3,618,243	-	-	3,618,243
Total liabilities	<u>4,363,149</u>	<u>4,838</u>	<u>-</u>	<u>4,367,987</u>
<b>Net Position</b>				
Net investment in capital assets	430,018	6,272	-	436,290
Unrestricted	(2,515,376)	1,484,613	175,804	(854,959)
Total net position	<u>\$ (2,085,358)</u>	<u>\$ 1,490,885</u>	<u>\$ 175,804</u>	<u>\$ (418,669)</u>

See Accompanying Notes to the Financial Statements

**City of Fenton  
Component Units  
Statement of Activities  
For the Year Ended June 30, 2020**

Functions/Programs	Expenses	Downtown Development Authority	Local Development Finance Authority	Brownfield Redevelopment Authority	Total
Downtown Development Authority					
Community and economic development	\$ 725,334	\$ (725,334)	\$ -	\$ -	\$ (725,334)
Local Development Finance Authority					
Community and economic development	101,044	-	(101,044)	-	(101,044)
 Total component units	 <u>\$ 826,378</u>	 <u>(725,334)</u>	 <u>(101,044)</u>	 <u>-</u>	 <u>(826,378)</u>
General revenues					
Property taxes - unrestricted		1,772,812	138,146	161,720	2,072,678
Unrestricted investment earnings		18,281	10,176	-	28,457
Total general revenues		<u>1,791,093</u>	<u>148,322</u>	<u>161,720</u>	<u>2,101,135</u>
Change in net position		1,065,759	47,278	161,720	1,274,757
Net position - beginning of year		<u>(3,151,117)</u>	<u>1,443,607</u>	<u>14,084</u>	<u>(1,693,426)</u>
Net position - end of year		<u>\$ (2,085,358)</u>	<u>\$ 1,490,885</u>	<u>\$ 175,804</u>	<u>\$ (418,669)</u>

See Accompanying Notes to the Financial Statements

**City of Fenton**  
**Notes to the Financial Statements**  
**June 30, 2020**

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**Note 1 - Summary of Significant Accounting Policies**

The City of Fenton, Michigan (the City), has a population of approximately 12,000. The City is located in the southeast corner of Genesee County, bordering Livingston County to the south and Oakland County to the east.

The City of Fenton, Michigan, was incorporated on January 24, 1964, under the provisions of Act 279, P.A. 1909 as amended. The City operates a council-manager form of government and provides the following services as authorized by its charter: public safety (police, fire, and inspections), highways and streets, sanitation, parks and recreation, public improvements, planning and zoning, and general administrative services.

The financial statements of the City have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to city governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The City's more significant accounting policies are described below.

**Reporting entity**

As required by accounting principles generally accepted in the United States of America, these financial statements present the financial activities of the City (primary government) and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities are, in substance, part of the government's operations and so data from these units are combined with data of the primary government. Discretely presented component units, on the other hand, are reported in a separate column in the financial statements to emphasize that they are legally separate from the primary government. All component units are included in the City's audited financial statements and are not audited separately.

**Blended Component Unit**

The City of Fenton's Building Authority is governed by a board appointed by the City of Fenton's governing body. Although it is legally separate from the City, the Building Authority is reported as if it were part of the primary government because its sole purpose is to finance and construct the City of Fenton's public buildings. The Building Authority had no activity in 2020.

**Discretely Presented Component Units**

The component unit column in the government-wide financial statements include the financial data of the City's three discretely presented component units. These units are reported in a separate column to emphasize that they are legally separate from the City. Separate financial statements are not issued.

Downtown Development Authority - A majority of the members of the governing board of the Downtown Development Authority are appointed by the City Council. The budgets and expenditures of the Downtown Development Authority must be approved by the City Council. The City also has the ability to significantly influence operations of the Downtown Development Authority.

Local Development Finance Authority - A majority of the members of the governing board of the Local Development Finance Authority are appointed by the City Council. The budgets and expenditures are approved by the City. The City also has the ability to significantly influence operations of the Local Development Finance Authority.

Brownfield Redevelopment Authority - A majority of the members of the governing board of the Brownfield Redevelopment Authority are appointed by the City Council. The budgets and expenditures are approved by the City. The City also has the ability to significantly influence operations of the Brownfield Redevelopment Authority.

**City of Fenton**  
**Notes to the Financial Statements**  
**June 30, 2020**

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**Basis of Presentation**

**Government-wide and fund financial statements**

The statement of net position and the statement of activities (the government-wide financial statements) present information for the primary government and its component units as a whole. All nonfiduciary activities of the primary government are included (i.e., fiduciary fund activities are not included in the government-wide financial statements). For the most part, interfund activity has been eliminated in the preparation of these statements, but interfund services provided and used are not eliminated in the process of consolidation. 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.

The statement of activities presents the direct functional expenses of the primary government and its component units and the program revenues that support them. Direct expenses are specifically associated with a service, program, or department and are therefore clearly identifiable to a particular function. Program revenues are associated with specific functions and include charges to recipients of goods or services and grants and contributions that are restricted to meeting the operational or capital requirements of that function. Revenues that are not required to be presented as program revenues are general revenues. This includes all taxes, interest, and unrestricted State revenue sharing payments and other general revenues and shows how governmental functions are either self-financing or supported by general revenues.

**Fund Financial Statements**

The fund financial statements present the City's individual major funds and aggregated nonmajor funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and the major

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

The City reports the following major governmental funds:

The General Fund is the government'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 Major Street Fund is used to account for proceeds from gas and weight taxes levied by the State and distributed to local governmental units. State law requires that these taxes be used for street maintenance and construction.

The City reports the following major proprietary funds:

The Sewer Fund is used to account for the operations required to providing sewer services to the general public, the costs (expenses, including depreciation) are financed or recovered primarily through user charges.

The Water Fund is used to account for the operations required to providing water services to the general public, the costs (expenses, including depreciation) are financed or recovered primarily through user charges.

Additionally, the City reports internal service funds to account for equipment acquisition, usage, and maintenance and also financing of employee sick pay provided to other departments on a cost reimbursement basis.

The City also reports custodial funds to account for collection and payment to the County, school districts, and other funds for property taxes collected on their behalf and amounts withheld from employees' payroll related to union dues and other payments.

**City of Fenton**  
**Notes to the Financial Statements**  
**June 30, 2020**

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**Measurement Focus**

The government-wide and proprietary fund financial statements are presented using the economic resources measurement focus, similar to that used by business enterprises or not-for-profit organizations. Because another measurement focus is used in the governmental fund financial statements, reconciliations to the government-wide financial statements are provided that explain the differences in detail.

All governmental funds are presented using the current financial resources measurement focus. With this measurement focus, only current assets, deferred outflows of resources, current liabilities, and deferred inflows of resources generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in fund balance.

There is no measurement focus for the fiduciary agency funds since assets equal liabilities.

**Basis of Accounting**

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

All governmental funds are accounted for using the modified accrual basis of accounting. Under this method, revenues are recognized when they become susceptible to accrual (when they become both “measurable” and “available to finance expenditures of the current period”). The length of time used for “available” for purposes of revenue recognition in the governmental fund financial statements is sixty (60) days. Revenues that are considered measurable but not available are recorded as a receivable and unavailable revenue. Significant revenues susceptible to accrual are special assessments and certain intergovernmental revenues. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund

liability is incurred, except for interest on long-term debt which is recorded when due.

Government-wide, proprietary, and agency fund financial statements are presented using the accrual basis of accounting. Their revenues (as applicable) are recognized when they are earned, and their expenses (as applicable) are recognized when they are incurred.

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. Operating expenses for proprietary funds include the costs of sales and services, administrative expenses, and other costs of running the activity. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City’s policy to use restricted resources first, then unrestricted resources as they are needed.

**Budgets and Budgetary Accounting**

Budgets shown in the financial statements were prepared on the same modified accrual basis used to reflect actual results. The City employs the following procedures in establishing the budgetary data reflected in the financial statements:

- a. Prior to the third Monday in April, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them for the General and Special Revenue Funds. Informational summaries of projected revenues and expenditures are provided for all other City funds, as well as estimated total costs and proposed methods of financing all capital construction projects.

**City of Fenton**  
**Notes to the Financial Statements**  
**June 30, 2020**

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b. Public hearings are conducted to obtain taxpayer comments.

c. On or before the third Monday in May, by resolution, the budget is legally enacted on a departmental (activity) basis for the General Fund and on a total expenditure level for the Special Revenue Funds for the ensuing fiscal year in accordance with 1978 Public Act 621 of the State of Michigan.

d. The City Manager, or his designee, is authorized to transfer budgeted amounts within activity appropriation accounts. However, any revisions that alter the total expenditures of any department must be approved by the City Council.

e. Formal budgetary integration is employed as a management control device during the year for all budgetary funds. Also, all budgets are adopted on a basis consistent with generally accepted accounting principles.

f. Budget appropriations lapse at year end.

g. The original budget was amended and supplemental appropriations approved during the year, in accordance with the City charter and applicable State laws. The budget to actual expenditures in the financial statements represents the final budgeted expenditures as amended by the City.

h. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the governmental funds. There were no encumbrances at year end.

**Cash**

Cash consists of checking and savings accounts and cash on hand.

Restricted cash in the business-type activities consist of certain amounts held in the City's Water Fund which are maintained in separate bank accounts and their use is limited by applicable bond covenants. The "bond redemption" account is used to report resources set aside to make up potential future deficiencies.

**Receivables**

Receivables consist of amounts due from governmental units for various financial assistance programs, and accounts receivable related to charges for services, property taxes, and special assessments.

**Property Tax**

The City of Fenton bills and collects its own property taxes and taxes for other governmental units. The City's property tax revenue recognition policy and related tax calendar disclosures are highlighted in the following paragraph.

Property taxes are levied by the City of Fenton on July 1 and December 1 and are payable without penalty through September 15 and February 28, respectively. The July 1 levy is composed of the County's levy, the State Education Tax assessment, school tax and the City's millage and assessments. The December 1 levy was composed of school taxes and special county millages as well as any unpaid July 1 City levies. All real property taxes not paid to the City by March 1 are turned over to the Genesee County Treasurer for collection. Amounts assessed on any interest in real or personal property become a lien on July 1. The Genesee County Treasurer remits pay-off payments to all taxing districts on any delinquent real property taxes. Delinquent personal property taxes are retained by the City for subsequent collection. Collections and remittances of all taxes are accounted for in the Tax Collection Agency Fund. City property tax revenues are recognized as revenues in the fiscal year levied.

The City is permitted by charter to levy taxes up to 13.0 mills (\$13 per \$1,000 of assessed valuation) for general governmental services. For the year ended June 30, 2020, the City levied 10.1847 mills per \$1,000 of taxable valuation for general governmental services. The total



**City of Fenton**  
**Notes to the Financial Statements**  
**June 30, 2020**

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taxable value for the 2019 levy for property within the City was approximately \$439,075,000.

**Inventories**

Inventories are valued at cost for governmental funds and the lower of cost or market in the proprietary funds, using the first-in/first-out (FIFO) method. Inventories in the governmental funds and the proprietary funds consist of sign inventories and other expendable supplies held for consumption and water supplies, respectively. The cost is recorded as an expenditure/expense at the time individual inventory items are consumed.

**Prepaid Items**

Prepaid expenditures in the governmental funds, such as insurance premiums, which are expected to be written off within the next fiscal year, are included in net current assets. Reported prepaid expenditures are equally offset by nonspendable fund balance which indicates they do not constitute “available spendable resources” even though they are a component of fund balance. The consumption method is used to account for prepaid expenditures.

**Capital Assets**

Capital assets, which include land, construction in progress, buildings, building and land improvements, machinery, vehicles, and equipment, infrastructure assets (e.g., roads, lights, and bridges), and sewer and water lines and are reported in the applicable governmental or business-type activities and component units columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of two (2) years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value on the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Depreciation is computed using the straight-line method over the following useful lives:

Buildings	20 to 40 years
Building improvements	5 to 20 years
Machinery, vehicles, and equipment	3 to 10 years
Roads, lights, and bridges	10 to 20 years
Sewer and water lines	40 to 100 years

**Compensated Absences**

Accumulated unpaid sick pay – Substantially all City employees are paid for unused sick days upon termination of employment. Accumulated vested unpaid sick pay at June 30, 2020, is recorded in the financial statements of the City as follows: Governmental fund types - As a current year expenditure. The City records an operating transfer from the General Fund to the Sick Pay Internal Service Fund for any unpaid sick pay owing to employees at year end. The entire liability is funded in the year in which it has been incurred.

Proprietary fund type – Accrued as a liability and expensed as incurred.

Accumulated unpaid vacation pay – All employees may carry over from year to year a maximum of one-half of the unused vacation days earned in the current year. Upon involuntary termination of employment, no payment will be made to an employee for any unused accumulated vacation days. However, upon voluntary termination with notice, an employee may receive payment for any unused accumulated vacation days. At June 30, 2020, the unused vacation days are recorded in the government-wide financial statements of the City.

**Long-Term Obligations**

Long-term debt and other long-term obligations are recognized as a liability in the government-wide financial statements and proprietary fund types when incurred. The portion of those liabilities expected to be paid within the next year is a current liability with the remaining amounts shown as long-term.

**City of Fenton**  
**Notes to the Financial Statements**  
**June 30, 2020**

---

Long-term debt is recognized as a liability of a governmental fund when due or when resources have been accumulated for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund.

**Unearned Revenue**

Governmental funds defer revenue recognition in connection with resources that have been received but not yet earned. Government-wide financial statements also report unearned revenue for amounts received but not yet earned.

**Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position and balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position/fund balance that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. In the current year, the deferred outflows of resources related to the City's net pension liability and the total OPEB liability and are related to changes in actuarial assumptions and experience differences, and contributions made subsequent to the measurement date. 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 are deferred and amortized over the expected remaining services lives of the employees and retirees in the plan. The deferred outflows of resources also relate to deferred amounts on bond refundings. These amounts are deferred and recognized as an outflow of resources in the period to which they apply.

In addition to liabilities, the statement of net position and balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position/fund balance that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. In the current year, the deferred

inflows of resources are related to differences in assumption and experience and between projected and actual pension plan investment earnings, differences in assumptions related to the total OPEB liability, as well as unavailable revenue in connection with receivables for revenue that is not considered available to liquidate liabilities of the current period. 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 the total OPEB liability are deferred and amortized over the expected remaining services lives of the employees and retirees in the plan.

**Interfund Transactions**

During the course of normal operations, the City has numerous transactions between funds, including expenditures and transfers of resources to provide services, construct assets, and service debt. The accompanying financial statements generally reflect such transactions as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

The (Equipment) Internal Service Fund records charges for services provided to various City departments and funds as operating revenue. All City funds record these payments as operating expenditures/expenses.

**Restricted Net Position**

The funding source or some other outside source which precludes their use for unrestricted purposes.

**Use of Estimates**

In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

**City of Fenton**  
**Notes to the Financial Statements**  
**June 30, 2020**

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**Adoption of New Accounting Standards**

Statement No. 84, *Fiduciary Activities* improves the guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The focus of the criteria includes the following: (1) is the government controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. The four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. Custodial funds generally will report fiduciary activities that are not held in a trust or similar arrangement that meets specific criteria.

Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance* provides temporary relief to governments and other stakeholders in light of the COVID-19 pandemic and provides postponement of effective dates for certain GASB Statements. This statement was effective upon issuance in May of 2020.

**Upcoming Accounting and Reporting Changes**

In addition, the Governmental Accounting Standards Board has released the following Statements.

Statement No. 87, *Leases* increases the usefulness of the financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. A lessee will be required to recognize a lease liability and an intangible right-to-use a lease asset, and a lessor will be required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about leasing activities. The requirements of this Statement are effective for the fiscal year ending June 30, 2022.

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

**Note 2 - Cash**

In accordance with Michigan Compiled Laws, the City is authorized to invest in the following investment vehicles:

- a. Bonds, securities, and other obligations of the United States or an agency or instrumentality of the United States.
- b. Certificates of deposit, savings accounts, deposit accounts, or depository receipts of a State or nationally chartered bank or a State or Federally chartered savings and loan association, savings bank, or credit union whose deposits are insured by an agency of the United States government and which maintains a principal office or branch office located in this State under the laws of this State or the United States, but only if the bank, savings and loan association, savings bank or credit union is eligible to be a depository of surplus funds belonging to the State under Section 6 of 1855 PA 105, MCL 21.146.
- c. Commercial paper rated at the time of purchase within the three (3) highest classifications established by not less than two (2) standard rating services and which matures not more than 270 days after the date of purchase.
- d. The United States government or federal agency obligations repurchase agreements.
- e. Bankers' acceptances of United States banks.
- f. Mutual funds composed of investment vehicles which are legal for direct investment by local units of government in Michigan.

**City of Fenton**  
**Notes to the Financial Statements**  
**June 30, 2020**

**Deposits**

As of June 30, 2020, the carrying amounts for each type of bank account are as follows:

	Primary Government	Fiduciary Funds	Component Units	Total
Bank deposits	\$ 10,838,136	\$ 55,761	\$ 3,461,903	\$ 14,355,800
Certificates of deposit	1,500,724	-	-	1,500,724
Petty cash	170	-	-	170
	<u>\$ 12,339,030</u>	<u>\$ 55,761</u>	<u>\$ 3,461,903</u>	<u>\$ 15,856,694</u>

**Credit Risk**

State law limits investments in certain types of investments to a prime or better rating issued by nationally recognized statistical rating organizations (NRSRO's). The City has not adopted a policy that indicates how the City will minimize credit risk if, or when, the City has investments that are subject to this type of risk. As of June 30, 2020, the City did not have any investments that would be subject to rating.

**Interest Rate Risk**

The City has not adopted a policy that indicates how it will minimize interest rate risk, which is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates, by limiting the weighted average maturity of its investment portfolio to less than a given period of time if/when the City has investments that are subject to this type of risk.

**Concentration of Credit Risk**

The City has not adopted a policy that indicates how it will minimize concentration of credit risk, which is the risk of loss attributed to the magnitude of an investment in a single issuer, by diversifying the investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimized if/when the City has investments that are subject to this type of risk.

The City has not adopted a policy that indicates how the City will minimize custodial credit risk, which is the risk of loss due to the failure of the security issuer or backer. The City's cash and investments are exposed to the custodial credit risk. Deposits of the City are at federally insured banks located in the State of Michigan with all accounts maintained in the name of the City. As of June 30, 2020, the City accounts were insured by the FDIC for \$1,250,000 and the amount of \$14,901,714 was uninsured and uncollateralized. The City believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits. As a result, the City evaluates each financial institution it deposits funds with and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

The following summarizes the categorization of these amounts as of June 30, 2020:

	Cash and Cash Equivalents	Restricted Cash and Cash Equivalents	Total
Governmental activities	\$ 8,318,053	\$ -	\$ 8,318,053
Business-type activities	<u>3,501,422</u>	<u>519,555</u>	<u>4,020,977</u>
Total	11,819,475	519,555	12,339,030
Fiduciary funds	55,761	-	55,761
Component units	<u>3,461,903</u>	<u>-</u>	<u>3,461,903</u>
Total	<u>\$ 15,337,139</u>	<u>\$ 519,555</u>	<u>\$ 15,856,694</u>

**City of Fenton**  
**Notes to the Financial Statements**  
**June 30, 2020**

**Note 3 - Interfund Receivables, Payable, and Transfers**

The amount of interfund receivables and payables at June 30, 2020, are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Nonmajor Funds	\$ 40,574
Sewer Fund	Nonmajor Funds	108,373
Water Fund	Internal Service Funds	17,088
Nonmajor Funds	Nonmajor Funds	200
Internal Service Funds	Nonmajor Funds	606
Internal Service Funds	Sewer Fund	50
		<u>\$ 166,891</u>

Amounts appearing as interfund payables and receivables arise from two (2) types of transactions. One type of transaction is where a fund will pay for a good or service that at least a portion of the benefit belongs to another fund. The second type of transaction is where one fund provides a good or service to another fund. Balances at the end of the year are for transfers that have not cleared as of the balance sheet date.

Permanent reallocation of resources between funds of the reporting entity is classified as interfund transfers. For the purpose of the statement of activities, interfund transfers have been eliminated.

<u>Funds Transferred From</u>	<u>Funds Transferred To</u>	<u>Amount</u>
General Fund	Nonmajor Funds	\$ 518,267
General Fund	Internal Services Funds	89,297
Nonmajor Funds	Nonmajor Funds	2,819
Nonmajor Funds	Major Street Fund	400,000
Major Street Fund	Nonmajor Funds	130,000
		<u>\$ 1,140,383</u>

The transfers from the General Fund to the nonmajor governmental funds were to fund current year operations. The transfer from the General Fund to Internal Services Fund was to fund the Sick Pay accrual. The nonmajor governmental funds transfer to nonmajor governmental funds was for a transfer of funds to perpetual care from the cemetery. Transfers between the nonmajor governmental funds and the Major Street Fund were to fund capital projects. There was also an \$800,000 transfer between component units to fund capital projects.

**City of Fenton**  
**Notes to the Financial Statements**  
**June 30, 2020**

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**Note 4 - Capital Assets**

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

**Primary Government**

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental activities</b>				
Capital assets not being depreciated				
Land	\$ 1,605,104	\$ -	\$ -	\$ 1,605,104
Construction-in-progress	570,195	981,809	1,114,689	437,315
Total capital assets not being depreciated	2,175,299	981,809	1,114,689	2,042,419
Capital assets being depreciated				
Land improvements	660,678	326,325	-	987,003
Infrastructure	16,058,911	788,364	-	16,847,275
Buildings, additions and improvements	8,409,094	-	-	8,409,094
Machinery and equipment	5,748,380	393,532	44,874	6,097,038
Total capital assets being depreciated	30,877,063	1,508,221	44,874	32,340,410
Less accumulated depreciation for				
Land improvements	554,399	38,072	-	592,471
Infrastructure	5,015,423	812,072	-	5,827,495
Buildings, additions and improvements	3,318,086	197,724	-	3,515,810
Machinery and equipment	4,190,844	317,500	40,389	4,467,955
Total accumulated depreciation	13,078,752	1,365,368	40,389	14,403,731
Net capital assets being depreciated	17,798,311	142,853	4,485	17,936,679
Governmental activities capital assets, net	\$ 19,973,610	\$ 1,124,662	\$ 1,119,174	\$ 19,979,098

**City of Fenton**  
**Notes to the Financial Statements**  
**June 30, 2020**

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Business-type activities</b>				
Capital assets not being depreciated				
Land	\$ 190,930	\$ -	\$ -	\$ 190,930
Capital assets being depreciated				
Buildings, additions and improvements	8,895,451	-	-	8,895,451
Machinery and equipment	759,676	437,583	74,200	1,123,059
Water system	13,567,212	-	-	13,567,212
Sewer system	29,512,422	-	-	29,512,422
Total capital assets being depreciated	<u>52,734,761</u>	<u>437,583</u>	<u>74,200</u>	<u>53,098,144</u>
Less accumulated depreciation for				
Buildings, additions and improvements	2,903,817	228,592	-	3,132,409
Machinery and equipment	707,908	32,896	74,200	666,604
Water system	6,038,198	324,403	-	6,362,601
Sewer system	12,486,335	568,977	-	13,055,312
Total accumulated depreciation	<u>22,136,258</u>	<u>1,154,868</u>	<u>74,200</u>	<u>23,216,926</u>
Net capital assets being depreciated	<u>30,598,503</u>	<u>(717,285)</u>	<u>-</u>	<u>29,881,218</u>
Business-type capital assets, net	<u>\$ 30,789,433</u>	<u>\$ (717,285)</u>	<u>\$ -</u>	<u>\$ 30,072,148</u>

**City of Fenton**  
**Notes to the Financial Statements**  
**June 30, 2020**

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Depreciation expense was charged to the following:

**Governmental activities**

General government	\$ 177,635
Public safety	218,371
Public works	812,072
Recreation and culture	7,110
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	<u>150,180</u>
Total governmental activities	<u>1,365,368</u>

**Business-type activities**

Sewer	581,937
Water	<u>572,931</u>
Total business-type activities	<u>1,154,868</u>
Total primary government	<u>\$ 2,520,236</u>



**City of Fenton**  
**Notes to the Financial Statements**  
**June 30, 2020**

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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>
<b>Downtown Development Authority</b>				
Capital assets not being depreciated				
Land	\$ 425,000	\$ -	\$ -	\$ 425,000
Capital assets being depreciated				
Machinery and equipment	34,140	-	-	34,140
Less accumulated depreciation for Machinery and equipment	<u>26,380</u>	<u>2,742</u>	-	<u>29,122</u>
Net capital assets being depreciated	<u>7,760</u>	<u>(2,742)</u>	-	<u>5,018</u>
Downtown Development Authority capital assets, net	<u>\$ 432,760</u>	<u>\$ (2,742)</u>	<u>\$ -</u>	<u>\$ 430,018</u>
<b>Local Development Financing Authority</b>				
Capital assets being depreciated				
Buildings, additions and improvements	\$ 37,630	\$ -	\$ -	\$ 37,630
Less accumulated depreciation for Buildings, additions and improvements	<u>23,832</u>	<u>7,526</u>	-	<u>31,358</u>
Local Development Financing Authority capital assets, net	<u>\$ 13,798</u>	<u>\$ (7,526)</u>	<u>\$ -</u>	<u>\$ 6,272</u>

**City of Fenton**  
**Notes to the Financial Statements**  
**June 30, 2020**

**Note 5 - Long-Term Debt**

The following is a summary of changes in long-term debt (including current portion) of the City for the year ended June 30, 2020:

<b>Primary Government</b>	<u>Amount of Issue</u>	<u>Maturity Date</u>	<u>Interest Rate Ranges</u>	<u>Principal Maturity Ranges</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental activities</b>									
Bonds and notes payable									
General obligation bond									
2015 LTGO Special Assessment Bonds	\$ 555,000	4/1/2026	1.80% - 3.55%	\$55,000 - \$60,000	\$ 390,000	\$ -	\$ 55,000	\$ 335,000	\$ 60,000
Notes from direct borrowing									
Installment purchase agreement									
Fire and Police Equipment	261,612	8/31/2024	2.810%	\$20,428 - \$40,018	209,804	-	35,791	174,013	36,804
Compensated absences					122,889	335,144	120,428	337,605	67,521
Internal service fund obligations									
Compensated absences					<u>212,084</u>	<u>121,441</u>	<u>46,650</u>	<u>286,875</u>	<u>57,375</u>
Total governmental activities					<u>934,777</u>	<u>456,585</u>	<u>257,869</u>	<u>1,133,493</u>	<u>221,700</u>
<b>Business-type activities</b>									
Bonds and notes payable									
Revenue bonds									
2002 Michigan Municipal Bond Authority	9,600,000	4/1/2023	2.500%	\$570,000 - \$600,000	2,315,000	-	560,000	1,755,000	570,000
2009 Michigan Municipal Bond Authority	1,419,839	4/1/2030	2.500%	\$55,000 - \$72,031	667,031	-	55,000	612,031	55,000
2014 Michigan Finance Authority	935,000	10/1/2035	2.500%	\$30,000 - \$42,366	607,366	-	30,000	577,366	30,000
Capital improvement bonds									
2010 Capital Improvement Bonds	2,690,000	4/1/2035	N/A	N/A	2,375,000	-	2,375,000	-	-
2020 Capital Improvement Refunding Bonds	2,320,000	4/1/2035	2.000%	\$135,000 - \$175,000	-	2,320,000	-	2,320,000	140,000
Less deferred amounts									
For issuance premiums					-	50,477	-	50,477	3,365
Total					<u>5,964,397</u>	<u>2,370,477</u>	<u>3,020,000</u>	<u>5,314,874</u>	<u>798,365</u>
Compensated absences					<u>27,854</u>	<u>109,344</u>	<u>62,139</u>	<u>75,059</u>	<u>15,012</u>
Total business-type activities					<u>5,992,251</u>	<u>2,479,821</u>	<u>3,082,139</u>	<u>5,389,933</u>	<u>813,377</u>
Total primary government					<u>\$ 6,927,028</u>	<u>\$ 2,936,406</u>	<u>\$ 3,340,008</u>	<u>\$ 6,523,426</u>	<u>\$ 1,035,077</u>

**City of Fenton**  
**Notes to the Financial Statements**  
**June 30, 2020**

<b>Component unit</b>	<u>Amount of Issue</u>	<u>Maturity Date</u>	<u>Interest Rate Ranges</u>	<u>Principal Maturity Ranges</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Downtown Development Authority</b>									
General obligation bonds									
2011 GOLT Development Refunding Bonds	\$ 3,985,000	4/1/2021	3.000%	\$435,000 - \$460,000	\$ 905,000	\$ -	\$ 445,000	\$ 460,000	\$ 460,000
2014 GOLT Development Bonds	3,650,000	10/1/2031	2.000% - 4.000%	\$140,000 - \$330,000	3,110,000	-	145,000	2,965,000	150,000
2016 GOLT Development Bonds	1,000,000	10/1/2031	2.000% - 2.600%	\$55,000 - \$80,000	840,000	-	55,000	785,000	55,000
Direct borrowing									
Installment purchase agreement									
2012 DDA Dispatch Loan	260,000	4/1/2022	2.700%	\$26,000	78,000	-	26,000	52,000	26,000
Capitalized bond premium					<u>51,505</u>	<u>-</u>	<u>4,262</u>	<u>47,243</u>	<u>-</u>
Total component unit					<u>\$ 4,984,505</u>	<u>\$ -</u>	<u>\$ 675,262</u>	<u>\$ 4,309,243</u>	<u>\$ 691,000</u>

**City of Fenton**  
**Notes to the Financial Statements**  
**June 30, 2020**

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**Compensated Absences**

In accordance with the City's personnel policies, individual employees have vested rights upon termination of employment to receive payment for unused sick pay and vacation under formulas and conditions specified in their respective personnel policies and/or contracts. The dollar amount of these vested rights, including related payroll taxes, amounted to \$624,480 for governmental activities and \$75,059 for business-type activities at June 30, 2020. The governmental activities liability has historically been paid out of the General Fund.

**Water and Sewer Obligations**

The City of Fenton was a participant in the county-wide sanitary sewer construction program under Act 342 Michigan Compiled Laws. This program was financed by general obligation bonds issued by Genesee County. The City of Fenton has contracts with Genesee County Water and Waste Services for the cost of the construction of the sewer system within its boundaries. The City of Fenton has pledged the full faith and credit of the City to the prompt payment of the City's share of the principal and interest payments on these contracts as they become due. From information received from Genesee County, the assets relating to those contracts have been recorded in the Sewer Fund of the City to reflect the actual construction cost of the above mentioned systems. The contract principal portion owed by the City of Fenton has been recorded in the Sewer Fund. The Water Revolving Fund Bonds are supported by the revenues of the Water System.

**Future Revenues Pledged for Debt Payments**

The City has pledged substantially all revenue of the water fund, net of operating expenses, to repay the above water revenue bonds. Proceeds from the bonds provided financing for the construction of the Water Treatment Plant. The bonds are payable solely from the net revenues of the water system. The remaining principal and interest to be paid on the bonds is \$1,843,502. During the current year, net revenues of the system were \$833,673 compared to the annual debt requirements of \$613,876.

**Advance Refunding - Prior**

On July 12, 2011, the City defeased a portion of the 2001 General Obligation Limited Tax Development Bonds (DDA), which were due and payable through April 1, 2021. This was accomplished by establishing an irrevocable trust with an escrow agent composed of cash and U.S. Government Securities sufficient to meet the applicable principal and interest payments. The City issued the 2011 General Obligation Limited Tax Refunding Bonds in the amount of \$3,985,000. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the City's financial statements. At June 30, 2020 bonds due and payable through April 1, 2021, for the 2001 General Obligation Limited Tax Development Bonds in the amount of \$465,000 are considered defeased.

**Debt Refunding**

On May 28, 2020, the City defeased the remaining 2010 Capital Improvement Bonds, which were due and payable through April 1, 2035. This was accomplished by establishing an irrevocable trust with an escrow agent composed of cash and U.S. Government Securities sufficient to meet the applicable principal and interest payments. The City issued the 2020 Capital Improvement Refunding Bonds in the amount of \$2,320,000. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the City's financial statements. At June 30, 2020 bonds due and payable through April 1, 2035, for the 2010 Capital Improvement Bonds in the amount of \$2,270,000 are considered defeased.

As a result of the refunding, the City decreased its total debt service requirements by \$806,769, which resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$225,085.

**City of Fenton**  
**Notes to the Financial Statements**  
**June 30, 2020**

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

Year Ending June 30,	Governmental Activities		Governmental Activities		Business-type Activities	
	Bonds		Notes from Direct Borrowing		Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	\$ 60,000	\$ 9,768	\$ 36,804	\$ 4,633	\$ 795,000	\$ 119,636
2022	55,000	8,388	37,846	3,592	805,000	100,461
2023	55,000	6,986	38,917	2,521	830,000	81,010
2024	55,000	5,446	40,018	1,419	235,000	60,897
2025	55,000	3,768	20,428	290	240,000	55,722
2026-2030	55,000	1,952	-	-	1,267,031	197,937
2031-2035	-	-	-	-	1,050,000	69,396
2036	-	-	-	-	42,366	530
	<u>\$ 335,000</u>	<u>\$ 36,308</u>	<u>\$ 174,013</u>	<u>\$ 12,455</u>	<u>\$ 5,264,397</u>	<u>\$ 685,589</u>

Year Ending June 30,	Component Unit		Component Unit	
	Bonds		Notes from Direct Borrowing	
	Principal	Interest	Principal	Interest
2021	\$ 665,000	\$ 126,074	\$ 26,000	\$ 1,404
2022	310,000	107,988	26,000	702
2023	320,000	99,408	-	-
2024	325,000	90,488	-	-
2025	335,000	81,438	-	-
2026-2030	1,845,000	256,766	-	-
2031	410,000	15,280	-	-
	<u>\$ 4,210,000</u>	<u>\$ 777,442</u>	<u>\$ 52,000</u>	<u>\$ 2,106</u>

**Note 6 - 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 property loss, torts, errors and omissions, and medical benefit claims and participates in the Michigan Municipal League (MML) risk pool for claims relating to worker's compensation; the City is uninsured for acts of God and environmental cleanup loss. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

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

**Note 7 - Defined Benefit Pension Plan**

**Plan description**

The government 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>.

**Summary of Significant Accounting Policies**

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

**Benefits provided**

The plan provides certain retirement, disability, and death benefits to plan members and beneficiaries. Public Act 427 of 1984, as amended, established and amends the benefit provisions of the participants in

**City of Fenton**  
**Notes to the Financial Statements**  
**June 30, 2020**

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MERS. The MERS plan covers full-time employees at the City including general employees, police union, and Department of Public Services employees.

Retirement benefits for employees are calculated as 2.0 percent of the employee's five-year final average compensation times the employee's years of service with a maximum of 80 percent of final average compensation. Normal retirement age is 60 with a reduced benefit at age 50 with 25 years of service or age 55 with 15 years of service.

Deferred retirement benefits vest after 6 years of credited service, but are not paid until the date retirement would have occurred had the member remained an employee. Employees are eligible for non-duty disability benefits after 6-10 years of service and for duty-related disability benefits upon hire. Disability retirement benefits are determined in the same manner as retirement benefits but are payable immediately and if duty-related without an actuarial reduction for retirement before age 60 is not applied. An employee who leaves service may withdraw his or her contributions, plus any accumulated interest.

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

At the December 31, 2019 valuation date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries	
currently receiving benefits	47
Inactive employees entitled to, but not	
yet receiving benefits	16
Active employees	<u>48</u>
	<u><u>111</u></u>

**Contributions**

Article 9, Section 24 of the State of Michigan constitution requires that financial benefits arising on account of employee service rendered in each year be funded during that year. Accordingly, MERS retains an independent actuary to determine the annual contribution. The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by the MERS retirement board. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. The employer may establish contribution rates to be paid by its covered employees.

Employer contributions range from 8.54% to 25.80% based on annual payroll for open divisions.

**Net pension liability**

The employer's net pension liability was measured as of December 31, 2019, 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, 2019 annual actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement include: 1) Inflation 2.5%; 2) Salary increases 3.75% in the long-term; 3) Investment rate of return of 7.75%, net of investment expense, including inflation.

**City of Fenton**  
**Notes to the Financial Statements**  
**June 30, 2020**

Although no specific price inflation assumptions are needed for the valuation, the 3.75% long-term wage inflation assumption would be consistent with a price inflation of 2.5%.

Mortality rates used were based on the RP-2014 Mortality Tables of a 50% male and 50% female blend. 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%	8.65%	5.19%	2.50%	3.70%
Global fixed income	20.00%	3.76%	0.75%	2.50%	0.30%
Private Investments	20.00%	9.06%	1.81%	2.50%	1.30%

Discount rate – The discount rate used to measure the total pension liability is 8.0%. 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.

**Changes in Net Pension Liability**

**Total Pension Liability**

Service cost	\$ 272,243
Interest on the total pension liability	1,392,121
Experience differences	122,634
Changes in actuarial assumptions	641,840
Other changes	(9,119)
Benefit payments and refunds	<u>(1,045,582)</u>

Net change in total pension liability	1,374,137
Total pension liability - beginning	<u>17,788,188</u>

Total pension liability - ending (a)	<u>\$ 19,162,325</u>
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**Plan Fiduciary Net Position**

Pension plan net investment income (loss)	\$ 1,504,441
Employer contributions	1,194,047
Employee contributions	30,505
Benefit payments and refunds	(1,045,582)
Pension plan administrative expense	<u>(25,932)</u>

Net change in plan fiduciary net position	1,657,479
Plan fiduciary net position - beginning	<u>10,959,744</u>

Plan fiduciary net position - ending (b)	<u>\$ 12,617,223</u>
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Net pension liability (a-b)	<u>\$ 6,545,102</u>
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Plan fiduciary net position as a percentage of total pension liability	65.84%
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Covered employee payroll	<u>\$ 3,205,054</u>
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Net pension liability as a percentage of covered employee payroll	204.21%
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**City of Fenton**  
**Notes to the Financial Statements**  
**June 30, 2020**

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 8.0%, as well as what the employer’s net pension liability would be using a discount rate that is 1% point lower (7%) or 1% higher (9%) than the current rate.

	1% decrease	Current discount rate	1% increase
Net pension liability	\$ 8,915,674	\$ 6,545,102	\$ 4,566,036

Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions – For the year ended June 30, 2020 the employer recognized pension expense of \$1,230,824. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred outflows of resources	Deferred inflows of resources	Total to amortize
Differences in experience	\$ 243,074	\$ (181,401)	\$ 61,673
Differences in assumptions	513,472	-	513,472
Net difference between projected and actual earning on plan investments	45,075	-	45,075
Contributions subsequent to the measurement date*	610,306	-	-
Total	\$ 1,411,927	\$ (181,401)	\$ 620,220

\*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 for the year ending 2021.

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

Year ended,	
2021	\$ 97,541
2022	148,971
2023	345,122
2024	28,586
	\$ 620,220

The net pension liability is generally liquidated by the General Fund, Emergency 911 Fund, Capital Projects Fund – DDA, Capital Projects Fund – LDFA, Sewer Fund, and Water Fund.

**Note 8 - Other Postemployment Benefits**

Plan description – The City provides postemployment health care benefits (a single employer defined benefit plan) in accordance with a Council resolution to covered employees who retire on or after age 55 with at least 10 years of service and Police Local 214 employees who retire on or after age 50 with at least 10 years of service. The City pays 100% of the health insurance premiums for these retirees.

Employees covered by benefit terms – At December 31, 2019 (most recent actuarial valuation date), the plan membership consisted of the following:

Inactive employees or beneficiaries	
currently receiving benefits	35
Active employees	49
	84

Contributions – City Council has the authority to establish and amend the benefit terms and contribution requirements of the City and plan members or to abolish the plan at any time. Recognition of the total OPEB liability by the City should not be interpreted that a vested benefit is owed to any plan participant. Benefits are authorized during the



**City of Fenton**  
**Notes to the Financial Statements**  
**June 30, 2020**

annual budgetary process, funding for which may or may not continue into the future. The City is on the pay-as-you-go method and contributed \$400,867 for the year ended June 30, 2020. Plan members are not required to contribute to the plan.

Total OPEB liability – The total OPEB liability was measured as of June 30, 2020. The total OPEB liability was determined by an actuarial valuation as of December 31, 2019 and rolled forward to June 30, 2020.

Actuarial assumptions – The following actuarial assumptions were used, applied to all periods included in the measurement.

Actuarial cost method	Entry-Age Normal
Amortization method	Level percent of payroll, closed
Remaining amortization period	19 years, closed
Asset valuation method	There are no assets.
Price inflation	2.50%
Wage inflation	3.75%
Salary increases	3.75 to 14.75%
Investment rate of return	4.00%, net of OPEB plan investment expense
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition
Mortality	A version of the RP-2014 mortality table
Healthcare inflation rate	Initial trend of 9.00% gradually decreasing to an ultimate trend rate of 3.75% in year 10
Excise tax	No load was applied in connection with the "Cadillac" tax
Aging factors	Based on the 2013 SOA Study "Health Care Costs - From Birth to Death"

Mortality rates were based on a version of the RP-2014 mortality table, as appropriate.

The actuarial assumptions used in the June 30, 2020 measurement were based on valuation assumptions used in the December 31, 2019 actuarial valuation.

Discount rate – The discount rate used to measure the total OPEB liability was 2.45% (based on the daily rate closest to but not later than the measurement date of the Fidelity "20-Year Municipal GO AA Index").

**Changes in Total OPEB Liability**

<b>Total OPEB Liability</b>	
Service cost	\$ 185,710
Interest on the total OPEB liability	206,645
Experience differences	(366,715)
Changes in actuarial assumptions	1,338,643
Benefit payments and refunds	<u>(400,867)</u>
Net change in total OPEB liability	963,416
Total OPEB liability - beginning	<u>6,709,643</u>
Total OPEB liability - ending	<u>\$ 7,673,059</u>
Plan fiduciary net position as a percentage of total OPEB liability	- %
Covered payroll	<u>\$ 3,782,214</u>
Total OPEB liability as a percentage of covered payroll	202.87%

Regarding the sensitivity of the total OPEB liability to changes in the single discount rate, the following presents the total OPEB liability of the City, calculated using a single discount rate of 2.45%, as well as what the City's total OPEB liability would be if it were calculated using a single discount rate that is one percent lower or one percent higher:

1% Decrease	Current Single Discount Rate Assumption	1% Increase
1.45%	2.45%	3.45%
<u>\$ 8,653,950</u>	<u>\$ 7,673,059</u>	<u>\$ 6,854,990</u>

**City of Fenton**  
**Notes to the Financial Statements**  
**June 30, 2020**

Regarding the sensitivity of the net OPEB liability to changes in the healthcare cost trend rates, the following presents the net OPEB liability of the City, calculated using the assumed trend rates as well as what the City's net OPEB liability would be if were calculated using a trend rate that is one percent lower or one percent higher:

1% Decrease	Current Healthcare Care Cost Trend Rate Assumption	1% Increase
\$ 7,086,408	\$ 7,673,059	\$ 8,372,734

OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB – For the year ended June 30, 2020 the employer recognized OPEB expense of \$613,679. 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	\$ 28,888	\$ (305,132)	\$ (276,244)
Differences in assumptions	1,330,099	(19,106)	1,310,993
Total	\$ 1,358,987	\$ (324,238)	\$ 1,034,749

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

Year ended,	
2021	\$ 221,324
2022	221,324
2023	221,955
2024	214,308
2025	155,838
	\$ 1,034,749

The total OPEB liability is generally liquidated by the General Fund, Sewer Fund, and Water Fund

**Note 9 - Building and Zoning Financial Information**

The State Construction Code Act, Michigan Public Act 245 of 1999, and rules promulgated by the Department of Treasury regarding that Act, require that a local unit's fees collected from construction code permits be accounted for in a method which shows that all of these fees were used for expenditures related to the operation of the enforcing agency. The rules indicated that if the revenues exceeded the expenditures, the fees collected must be kept in a separate fund with all the revenues and expenditures accounted for in that fund. These rules allowed for monitoring these funds in a separate activity center within the General Fund if the expenditures would normally exceed revenues. The City chose the latter because historically the expenditures have exceeded revenues. The activity related to construction code activity for the year ended June 30, 2020 is as follows:

<b>Revenues</b>	
Building permits	\$ 125,823
Zoning permits	10,531
Total Revenues	136,354
<b>Expenditures</b>	
Salaries and fringes	279,362
Supplies and other	21,344
Professional services	82,296
Total expenditures	383,002
Excess of revenues (under) expenditures	(246,648)
Prior cumulative excess of revenues (under) expenditures	(2,219,500)
Cumulative excess of revenues (under) expenditures	\$ (2,466,148)

**City of Fenton**  
**Notes to the Financial Statements**  
**June 30, 2020**

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**Note 10 - Contingent Liabilities**

At times, the City may be a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City and its attorney, the resolution of these matters will not have a material adverse effect on the financial condition of the City.

**Note 11 - Details of Fund Balance Classifications**

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, established fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in the governmental funds. The following are the five (5) classifications of fund balance under this standard:

*Nonspendable* - assets that are not available in a spendable form such as inventory, prepaid expenditures, and long-term receivables not expected to be converted to cash in the near term. It also includes funds that are legally or contractually required to be maintained intact such as the corpus of a permanent fund or foundation.

*Restricted* - amounts that are required by external parties to be used for a specific purpose. Constraints are externally imposed by creditors, grantors, contributors or laws, regulation or enabling legislation.

*Committed* - amounts constrained on use imposed by formal action of the government's highest level of decision making authority (i.e., Board, Council, etc.).

*Assigned* - amounts intended to be used for specific purposes. This is determined by the governing body, the budget or finance committee or a delegated municipality official.

*Unassigned* - all other resources; the remaining fund balance after non-spendable, restrictions, commitments, and assignments. This class only occurs in the General Fund, except for cases of negative fund balances. Negative fund balances are always reported as unassigned, no matter which fund the deficit occurs in.

**Fund Balance Classification Policies and Procedures**

For committed fund balance, the City of Fenton highest level of decision-making authority is the City Council. Formal action that is required to be taken to establish, modify, or rescind a fund balance commitment is through a resolution of the City Council.

For assigned fund balance, the City Council has not approved a policy indicating who is authorized to assign amounts to a specific purpose. As a result, this authority is retained by the City Council.

The City of Fenton has not adopted a policy that defines the order of usage for fund balance amounts classified as restricted, committed, assigned, or unassigned. In the absence of such a policy, resources with the highest level of restriction will be used first.

**City of Fenton**  
**Notes to the Financial Statements**  
**June 30, 2020**

	General Fund	Major Street Fund	Nonmajor Governmental Funds
Fund Balances			
Non-spendable			
Inventories	\$ 25,044	\$ -	\$ -
Prepaid items	87,609	-	-
Restricted for			
Streets and highways	-	235,151	130,447
Public communications	-	-	10,548
Debt service	-	-	154,683
Committed for			
Parks and recreation	-	-	127,897
Cemetery	-	-	291,359
Garbage collection	-	-	86,445
Narcotics enforcement	-	-	3,188
D.A.R.E.	-	-	24,100
Emergency 911	-	-	12,692
Fire equipment	-	-	51,888
Fire truck equipment	-	-	127,365
Fire ladder truck	-	-	408,374
Improvements and technology	-	-	15,367
Capital projects	-	-	825,882
Unassigned	4,518,937	-	-
Total fund balances	<u>\$ 4,631,590</u>	<u>\$ 235,151</u>	<u>\$ 2,270,235</u>

**Note 12 - Subsequent Events**

After year end, the City took out a new loan for a fire truck in the amount of \$306,909. The Fire Equipment Fund will be used to account for the debt proceeds and service. The City also took out a new loan for two dump trucks in the amount of \$300,000. The Equipment Fund will be used to account for the debt proceeds and service.

**Note 13 - Change in Accounting Principle**

As indicated in Note 1, Governmental Accounting Standards Board Statement 84 has been adopted. The standard requires this change be applied retroactively. Certain activities were reclassified from Agency Funds to now be accounted for in the City's General Fund. There was

no impact to beginning net position in the statement of activities because of this change. Fiduciary net position was restated at the beginning of the year for \$20,167 due to implementation of this standard.

**Note 14 - COVID-19 Pandemic**

As result of the global coronavirus pandemic of 2020, many organizations' financial picture has seen an unanticipated change. The duration and full effects of the outbreak are currently unknown, as the global picture continues to change daily. While management is hopeful that the impact is temporary in nature, a description of known and anticipated circumstances expected to have a significant impact on the City as of the date of management's review is as follows:

Revenues and Liquidity – The City does not foresee significant liquidity issues at this time, however, the effect the pandemic may have on revenues is unknown. It is uncertain if taxable values will be impacted. In addition, future state shared revenues are expected to be lower as a result of fewer sales tax collections.

Accounts Receivable – The City is prepared to see future delays in collection of accounts receivable; however, the extent of any future delays in payment remains uncertain. As of the date of the report, the City has not experienced significant issues.

Additional Expenditures – The City expects to experience increased expenditures during 2021 as a result of covering shifts of symptomatic employees who are unable to report for work, purchasing personal protective equipment and implementing additional safety measures during the pandemic.

**City of Fenton**  
**General Fund**  
**Fund Description**

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The General Fund is used to account for all financial transactions not properly accounted for in another fund. The transactions relating to the general governmental activities of the City, which are financed by property tax levies, by distribution of State and Federal revenues, and by revenue from various activities and services, are recorded in this fund. The majority of current operating expenditures of the City, other than proprietary fund activities, are financed through revenue received by the General Fund.

**City of Fenton**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Year Ended June 30, 2020**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Actual Over (Under)
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
<b>Revenues</b>				
Taxes	\$ 4,127,898	\$ 4,091,555	\$ 4,113,868	\$ 22,313
Licenses and permits	479,300	449,600	461,317	11,717
Intergovernmental	1,158,559	1,155,550	1,115,233	(40,317)
Charges for services	345,000	358,000	228,262	(129,738)
Fines and forfeitures	60,000	60,000	62,578	2,578
Interest income	40,000	40,000	52,928	12,928
Other revenue	220,755	215,969	170,719	(45,250)
Total revenues	<u>6,431,512</u>	<u>6,370,674</u>	<u>6,204,905</u>	<u>(165,769)</u>
<b>Expenditures</b>				
Legislative and executive	188,550	199,250	173,684	(25,566)
General services	1,409,103	1,430,897	1,584,462	153,565
Police	2,583,334	2,573,434	2,486,442	(86,992)
Fire	737,620	734,464	698,962	(35,502)
Protective inspections	440,600	437,550	422,418	(15,132)
Public service	373,900	267,767	158,598	(109,169)
Community service	129,100	228,830	213,780	(15,050)
Total expenditures	<u>5,862,207</u>	<u>5,872,192</u>	<u>5,738,346</u>	<u>(133,846)</u>
Excess of revenues over expenditures	569,305	498,482	466,559	(31,923)
<b>Other financing sources (uses)</b>				
Transfers out	<u>(452,750)</u>	<u>(543,267)</u>	<u>(607,564)</u>	<u>(64,297)</u>
Net change in fund balance	116,555	(44,785)	(141,005)	(96,220)
Fund balance - beginning of year	<u>4,772,595</u>	<u>4,772,595</u>	<u>4,772,595</u>	<u>-</u>
Fund balance - end of year	<u>\$ 4,889,150</u>	<u>\$ 4,727,810</u>	<u>\$ 4,631,590</u>	<u>\$ (96,220)</u>

**City of Fenton**  
**Major Street Fund**  
**Fund Description**

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The Major Street Fund is used to account for proceeds from gas and weight taxes levied by the State and distributed to local governmental units. State law requires that these taxes be used for street maintenance and construction.

**City of Fenton**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**Major Street Fund**  
**For the Year Ended June 30, 2020**

	Budgeted Amounts		Actual	Actual Over (Under)
	Original	Final		Final Budget
<b>Revenues</b>				
Federal grants	\$ 860,354	\$ -	\$ -	\$ -
Intergovernmental	1,041,520	1,062,533	1,025,598	(36,935)
Interest income	500	500	1,326	826
	<u>1,902,374</u>	<u>1,063,033</u>	<u>1,026,924</u>	<u>(36,109)</u>
<b>Expenditures</b>				
Current				
Public works	2,108,804	1,468,669	1,515,776	47,107
	<u>(206,430)</u>	<u>(405,636)</u>	<u>(488,852)</u>	<u>(83,216)</u>
<b>Other financing (uses)</b>				
Transfers in	200,000	400,000	400,000	-
Transfers out	(130,000)	(130,000)	(130,000)	-
	<u>70,000</u>	<u>270,000</u>	<u>270,000</u>	<u>-</u>
Net change in fund balance	(136,430)	(135,636)	(218,852)	(83,216)
Fund balance - beginning of year	454,003	454,003	454,003	-
Fund balance - end of year	<u>\$ 317,573</u>	<u>\$ 318,367</u>	<u>\$ 235,151</u>	<u>\$ (83,216)</u>



**City of Fenton**  
**Required Supplementary Information**  
**Municipal Employees Retirement System of Michigan**  
**Schedule of Changes in Net Pension Liability and Related Ratios**  
**June 30, 2020**

Measurement date December 31,	2019	2018	2017	2016	2015	2014
<b>Total Pension Liability</b>						
Service cost	\$ 272,243	\$ 265,288	\$ 272,740	\$ 272,063	\$ 253,276	\$ 251,037
Interest on the total pension liability	1,392,121	1,327,974	1,314,169	1,260,231	1,143,433	747,006
Experience differences	122,634	220,496	(453,504)	63,341	-	-
Changes in actuarial assumptions	641,840	-	-	-	-	-
Other changes	(9,119)	-	-	-	939,704	386,453
Benefit payments and refunds	<u>(1,045,582)</u>	<u>(985,194)</u>	<u>(929,103)</u>	<u>(914,331)</u>	<u>(857,340)</u>	<u>(805,830)</u>
Net change in total pension liability	1,374,137	828,564	204,302	681,304	1,479,073	578,666
Total pension liability - beginning	<u>17,788,188</u>	<u>16,959,624</u>	<u>16,755,322</u>	<u>16,074,018</u>	<u>14,594,945</u>	<u>14,016,279</u>
Total pension liability - ending (a)	<u>\$ 19,162,325</u>	<u>\$ 17,788,188</u>	<u>\$ 16,959,624</u>	<u>\$ 16,755,322</u>	<u>\$ 16,074,018</u>	<u>\$ 14,594,945</u>
<b>Plan Fiduciary Net Position</b>						
Pension plan net investment income (loss)	\$ 1,504,441	\$ (453,265)	\$ 1,330,013	\$ 1,057,397	\$ (146,630)	\$ 603,787
Employer contributions	1,194,047	1,082,740	814,116	550,985	510,110	471,992
Employee contributions	30,505	27,653	27,255	23,809	22,633	22,830
Benefit payments and refunds	(1,045,582)	(985,194)	(929,103)	(914,331)	(857,340)	(805,830)
Pension plan administrative expense	<u>(25,932)</u>	<u>(22,134)</u>	<u>(21,038)</u>	<u>(20,877)</u>	<u>(22,691)</u>	<u>(22,123)</u>
Net change in plan fiduciary net position	1,657,479	(350,200)	1,221,243	696,983	(493,918)	270,656
Plan fiduciary net position - beginning	<u>10,959,744</u>	<u>11,309,944</u>	<u>10,088,701</u>	<u>9,391,718</u>	<u>9,885,636</u>	<u>9,614,980</u>
Plan fiduciary net position - ending (b)	<u>\$ 12,617,223</u>	<u>\$ 10,959,744</u>	<u>\$ 11,309,944</u>	<u>\$ 10,088,701</u>	<u>\$ 9,391,718</u>	<u>\$ 9,885,636</u>
Net pension liability (a-b)	<u>\$ 6,545,102</u>	<u>\$ 6,828,444</u>	<u>\$ 5,649,680</u>	<u>\$ 6,666,621</u>	<u>\$ 6,682,300</u>	<u>\$ 4,709,309</u>
Plan fiduciary net position as a percentage of total pension liability	65.84%	61.61%	66.69%	60.21%	58.43%	67.73%
Covered payroll	<u>\$ 3,205,054</u>	<u>\$ 2,990,576</u>	<u>\$ 2,982,123</u>	<u>\$ 1,671,019</u>	<u>\$ 1,234,638</u>	<u>\$ 1,226,942</u>
Net pension liability as a percentage of covered payroll	204.21%	228.33%	189.45%	398.96%	541.24%	383.82%

GASB Statement No. 68 was implemented for the fiscal year ended June 30, 2015 and does not require retroactive implementation. Data will be added as information is available until 10 years of such data is available.

**City of Fenton**  
**Required Supplementary Information**  
**Municipal Employees Retirement System of Michigan**  
**Schedule of Employer Contributions**  
**June 30, 2020**

Fiscal Year Ended	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
6/30/2015	\$ 505,822	\$ 505,822	\$ -	1,133,303	44.63%
6/30/2016	519,813	519,813	-	1,464,006	35.51%
6/30/2017	572,230	572,230	-	1,728,486	33.11%
6/30/2018	626,636	1,015,974	(389,338)	2,273,368	44.69%
6/30/2019	700,944	1,137,889	(436,945)	2,622,560	43.39%
6/30/2020	932,712	1,221,619	(288,907)	3,037,446	40.22%

**Methods and assumptions used to determine contribution rates:**

Actuarial cost method	Individual entry-age
Amortization method	Level-dollar closed
Remaining amortization period	10-22 years
Asset valuation method	5-year smoothed value of assets
Inflation	2.50%
Salary increases	3.75%
Investment rate of return	7.75%
Retirement age	60
Mortality	RP-2014 Healthy Annuitant Mortality Tables - 50% male and 50% female blend RP-2014 Employee Mortality Tables - 50% male and 50% female blend RP-2014 Juvenile Mortality Tables - 50% male and 50% female blend RP-2014 Disabled Retiree Mortality Tables - 50% male and 50% female blend

GASB Statement No. 68 was implemented for the fiscal year ended June 30, 2015 and does not require retroactive implementation. Data will be added as information is available until 10 years of such data is available.

**City of Fenton**  
**Required Supplementary Information**  
**City of Fenton Retiree Health Care Plan**  
**Schedule of Changes in Total OPEB Liability and Related Ratios**  
**June 30, 2020**

Measurement date June 30,	2020	2019	2018
<b>Total OPEB Liability</b>			
Service cost	\$ 185,710	\$ 175,103	\$ 180,894
Interest on the total OPEB liability	206,645	224,838	219,460
Experience differences	(366,715)	30,620	18,093
Changes in actuarial assumptions	1,338,643	329,265	(39,380)
Benefit payments and refunds	(400,867)	(347,273)	(312,286)
Net change in total OPEB liability	963,416	412,553	66,781
Total OPEB liability - beginning	6,709,643	6,297,090	6,230,309
Total OPEB liability - ending	<u>\$ 7,673,059</u>	<u>\$ 6,709,643</u>	<u>\$ 6,297,090</u>
Plan fiduciary net position as a percentage of the total OPEB liability	- %	- %	- %
Covered payroll	<u>\$ 3,782,214</u>	<u>\$ 2,900,995</u>	<u>\$ 2,958,408</u>
Total OPEB liability as a percentage of covered payroll	202.87%	231.29%	212.85%

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 Fenton**  
**Required Supplementary Information**  
**City of Fenton Retiree Health Care Plan**  
**Schedule of Employer Contributions**  
**June 30, 2020**

Fiscal Year Ended	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
6/30/2018	N/A	\$ 312,286	N/A	\$ 2,958,408	10.56%
6/30/2019	489,023	347,273	141,750	2,900,995	11.97%
6/30/2020	507,361	400,867	106,494	3,782,214	10.60%

**Methods and assumptions used to determine contribution rates:**

Actuarial cost method	Entry-age normal
Amortization method	Level percent of payroll
Remaining amortization period	19 years, closed
Asset valuation method	There are no assets
Inflation	2.50%
Wage inflation	3.75%
Salary increases	3.75% to 14.75%
Discount rate	3.13%
Investment rate of return	4.00%, net of OPEB plan investment expense
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition
Mortality	A version of the RP-2014 mortality table
Health care trend rates	Initial trend of 9.00% gradually decreasing to an ultimate trend rate of 3.75% in year 10
Excise tax	No load was applied in connection with the "Cadillac" tax
Aging factors	Based on the 2013 SOA Study "Health Care Costs - From Birth to Death"

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 Fenton**  
**Note to Required Supplementary Information**  
**For the Year Ended June 30, 2020**

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**Note 1: Excess of expenditures over appropriations**

Michigan Public Act 621 of 1978, Sections 18 and 19, as amended, provides that a local governmental unit not incur expenditures in excess of the amounts appropriated.

The City's budgeted expenditures for the General Fund have been shown at the function level. The approved budgets of the City have been adopted at the function level for the General Fund and at the total fund level for other funds.

During the year ended June 30, 2020, the City incurred expenditures in excess of the amounts appropriated as follows:

	<u>Amounts Appropriated</u>	<u>Expended</u>	<u>Variance</u>
General Fund			
General services	\$ 1,430,897	\$ 1,584,462	\$ 153,565
Transfers out	543,267	607,564	64,297
Major Street Fund	1,598,669	1,645,776	47,107
Local Street Fund	521,173	552,941	31,768
Parks and Recreation Fund	122,171	148,253	26,082
Cemetery Fund	50,150	65,982	15,832
Garbage Collection Fund	509,550	513,040	3,490
Emergency 911 Fund	339,750	357,995	18,245
Public Communications Fund	27,550	27,844	294

**City of Fenton**  
**Nonmajor Governmental Funds**  
**Fund Descriptions**

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**Special Revenue Funds**

Local Street Fund - To account for the City's share of proceeds from gas and weight taxes levied by the State and distributed to local governmental units. State law requires that these taxes be used for street maintenance and construction.

Parks and Recreation Fund - To account for the activity related to the operation of the City's parks and recreation programs which are partially funded through user charges and donations.

Cemetery Fund - To account for the operation of the City's cemetery which is financed primarily through charges for services.

CDBG Fund - To account for the operation of the City's community and economic development which relies on Community Development Block Grant funding to cover expenses.

Garbage Collection Fund - To account for quarterly customer charges and charges for bags and tags which are to be used to pay contracted services for garbage collection.

Narcotics Enforcement Fund - To account for confiscated funds which are used by the Police Department to enhance local narcotics enforcement.

D.A.R.E. Fund - To account for the activity of the Drug Abuse Resistance Education (D.A.R.E.) Program. The City Police Department has set up the program to provide drug education to local elementary school students.

Emergency 911 Fund - To account for the monthly telephone surcharges assessed for emergency services that are received from Genesee County which are used to cover the costs related to the operation of the City's 911 system.

Public Communications - To account for the activity related to public communications.

**Capital Projects Funds**

Fire Equipment Fund - To account for revenues earmarked for the purchase of fire equipment.

Police Equipment Fund - To account for revenues earmarked for the purchase of police equipment.

Fire Ladder Truck Fund - To account for revenues earmarked for the purchase of a fire ladder truck.

Capital Improvement Projects (C.I.P.) Fund - To account for contributions from the General Fund equaling 1.5 mills of the City's total tax levy. These funds are primarily used for Major and Local Street Fund capital improvement projects and storm drain construction.

Technology and Improvement Fund - To account for capital improvement projects for technology and improvements for the City.

Working Capital Fund - To account for financial resources to be used for the acquisition or construction of major capital projects.

Eagles on Water SA Capital - To account for financial resources to be used for the acquisition or construction of Eagles on Water capital projects.

**Debt Service Funds**

Eagles on Water SA Debt Service - To account for financial resources to be used for the acquisition or construction of Eagles on Water capital projects.

**City of Fenton**  
**Other Supplementary Information**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2020**

	Special Revenue Funds					
	Local Street	Parks and Recreation	Cemetery	CDBG	Garbage Collection	Narcotics Enforcement
<b>Assets</b>						
Cash	\$ 110,571	\$ 149,320	\$ 303,115	\$ -	\$ 130,282	\$ 3,188
Receivables						
Customers	-	-	15,032	-	157,400	-
Special assessments	-	-	-	-	-	-
Due from other units of government	47,165	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
Total assets	<u>\$ 157,736</u>	<u>\$ 149,320</u>	<u>\$ 318,147</u>	<u>\$ -</u>	<u>\$ 287,682</u>	<u>\$ 3,188</u>
<b>Liabilities</b>						
Accounts payable	\$ 20,982	\$ 11,365	\$ 10,478	\$ -	\$ 85,875	\$ -
Accrued and other liabilities	6,307	10,058	-	-	457	-
Due to other funds	-	-	-	-	114,905	-
Unearned revenue	-	-	16,310	-	-	-
Total liabilities	<u>27,289</u>	<u>21,423</u>	<u>26,788</u>	<u>-</u>	<u>201,237</u>	<u>-</u>
<b>Deferred Inflows of Resources</b>						
Unavailable revenue	-	-	-	-	-	-
<b>Fund Balances</b>						
Restricted	130,447	-	-	-	-	-
Committed	-	127,897	291,359	-	86,445	3,188
Total fund balances	<u>130,447</u>	<u>127,897</u>	<u>291,359</u>	<u>-</u>	<u>86,445</u>	<u>3,188</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 157,736</u>	<u>\$ 149,320</u>	<u>\$ 318,147</u>	<u>\$ -</u>	<u>\$ 287,682</u>	<u>\$ 3,188</u>

**City of Fenton**  
**Other Supplementary Information**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2020**

	Special Revenue Funds			Capital Projects Funds		
	D.A.R.E.	Emergency 911	Public Communications	Fire Equipment	Police Equipment	Fire Ladder Truck
<b>Assets</b>						
Cash	\$ 24,100	\$ -	\$ 12,631	\$ 62,606	\$ 127,365	\$ 408,374
Receivables						
Customers	-	57,678	-	-	-	-
Special assessments	-	-	-	-	-	-
Due from other units of government	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
<b>Total assets</b>	<b>\$ 24,100</b>	<b>\$ 57,678</b>	<b>\$ 12,631</b>	<b>\$ 62,606</b>	<b>\$ 127,365</b>	<b>\$ 408,374</b>
<b>Liabilities</b>						
Accounts payable	\$ -	\$ -	\$ 2,083	\$ 10,718	\$ -	\$ -
Accrued and other liabilities	-	10,338	-	-	-	-
Due to other funds	-	34,648	-	-	-	-
Unearned revenue	-	-	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>44,986</b>	<b>2,083</b>	<b>10,718</b>	<b>-</b>	<b>-</b>
<b>Deferred Inflows of Resources</b>						
Unavailable revenue	-	-	-	-	-	-
<b>Fund Balances</b>						
Restricted	-	-	10,548	-	-	-
Committed	24,100	12,692	-	51,888	127,365	408,374
<b>Total fund balances</b>	<b>24,100</b>	<b>12,692</b>	<b>10,548</b>	<b>51,888</b>	<b>127,365</b>	<b>408,374</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 24,100</b>	<b>\$ 57,678</b>	<b>\$ 12,631</b>	<b>\$ 62,606</b>	<b>\$ 127,365</b>	<b>\$ 408,374</b>



**City of Fenton**  
**Other Supplementary Information**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2020**

	Capital Project Funds			Debt Service Fund		Total
	C.I.P.	Technology and Improvements	Working Capital	Eagles on Water SA Capital	Eagles on Water SA Debt	
<b>Assets</b>						
Cash	\$ 556,584	\$ 16,552	\$ 209,181	\$ 63,732	\$ 154,883	\$ 2,332,484
Receivables						
Customers	-	-	-	-	-	230,110
Special assessments	-	-	8	-	198,669	198,677
Due from other units of government	-	-	-	-	-	47,165
Due from other funds	-	-	-	200	-	200
<b>Total assets</b>	<b>\$ 556,584</b>	<b>\$ 16,552</b>	<b>\$ 209,189</b>	<b>\$ 63,932</b>	<b>\$ 353,552</b>	<b>\$ 2,808,636</b>
<b>Liabilities</b>						
Accounts payable	\$ -	\$ 1,185	\$ -	\$ 3,815	\$ -	\$ 146,501
Accrued and other liabilities	-	-	-	-	-	27,160
Due to other funds	-	-	-	-	200	149,753
Unearned revenue	-	-	-	-	-	16,310
<b>Total liabilities</b>	<b>-</b>	<b>1,185</b>	<b>-</b>	<b>3,815</b>	<b>200</b>	<b>339,724</b>
<b>Deferred Inflows of Resources</b>						
Unavailable revenue	-	-	8	-	198,669	198,677
<b>Fund Balances</b>						
Restricted	-	-	-	-	154,683	295,678
Committed	556,584	15,367	209,181	60,117	-	1,974,557
<b>Total fund balances</b>	<b>556,584</b>	<b>15,367</b>	<b>209,181</b>	<b>60,117</b>	<b>154,683</b>	<b>2,270,235</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 556,584</b>	<b>\$ 16,552</b>	<b>\$ 209,189</b>	<b>\$ 63,932</b>	<b>\$ 353,552</b>	<b>\$ 2,808,636</b>

**City of Fenton**  
**Other Supplementary Information**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2020**

	Special Revenue Funds					
	Local Street	Parks and Recreation	Cemetery	CDBG	Garbage Collection	Narcotics Enforcement
<b>Revenues</b>						
Intergovernmental	\$ 383,000	\$ -	\$ -	\$ 2,702	\$ -	\$ -
Charges for services	-	33,897	32,099	-	535,368	-
Interest income	1,016	6,832	2,690	-	-	-
Other revenue	-	1,125	-	-	-	-
Total revenues	<u>384,016</u>	<u>41,854</u>	<u>34,789</u>	<u>2,702</u>	<u>535,368</u>	<u>-</u>
<b>Expenditures</b>						
Current						
General government	-	-	63,163	-	-	-
Public safety	-	-	-	-	-	-
Public works	552,941	-	-	-	513,040	-
Community and economic development	-	-	-	2,702	-	-
Recreation and culture	-	148,253	-	-	-	-
Other functions	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Debt service						
Principal retirement	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	<u>552,941</u>	<u>148,253</u>	<u>63,163</u>	<u>2,702</u>	<u>513,040</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(168,925)</u>	<u>(106,399)</u>	<u>(28,374)</u>	<u>-</u>	<u>22,328</u>	<u>-</u>
<b>Other financing sources (uses)</b>						
Transfers in	130,000	100,000	38,819	-	-	-
Transfers out	-	-	(2,819)	-	-	-
Total other financing sources (uses)	<u>130,000</u>	<u>100,000</u>	<u>36,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>(38,925)</u>	<u>(6,399)</u>	<u>7,626</u>	<u>-</u>	<u>22,328</u>	<u>-</u>
Fund balances - beginning of year	<u>169,372</u>	<u>134,296</u>	<u>283,733</u>	<u>-</u>	<u>64,117</u>	<u>3,188</u>
Fund balances - end of year	<u>\$ 130,447</u>	<u>\$ 127,897</u>	<u>\$ 291,359</u>	<u>\$ -</u>	<u>\$ 86,445</u>	<u>\$ 3,188</u>

**City of Fenton**  
**Other Supplementary Information**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2020**

	Speical Revenue Funds			Capital Projects Funds		
	D.A.R.E.	Emergency 911	Public Communications	Fire Equipment	Police Equipment	Fire Ladder Truck
<b>Revenues</b>						
Intergovernmental	\$ -	\$ -	\$ 20,783	\$ -	\$ -	\$ 50,000
Charges for services	-	221,643	-	-	-	-
Interest income	215	206	113	559	1,137	3,645
Other revenue	-	-	-	-	-	-
<b>Total revenues</b>	<u>215</u>	<u>221,849</u>	<u>20,896</u>	<u>559</u>	<u>1,137</u>	<u>53,645</u>
<b>Expenditures</b>						
Current						
General government	-	-	-	-	-	-
Public safety	784	357,995	25,000	-	-	-
Public works	-	-	-	-	-	-
Community and economic development	-	-	-	-	-	-
Recreation and culture	-	-	-	-	-	-
Other functions	-	-	2,844	-	-	-
Capital outlay	-	-	-	70,264	-	-
Debt service						
Principal retirement	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
<b>Total expenditures</b>	<u>784</u>	<u>357,995</u>	<u>27,844</u>	<u>70,264</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(569)</u>	<u>(136,146)</u>	<u>(6,948)</u>	<u>(69,705)</u>	<u>1,137</u>	<u>53,645</u>
<b>Other financing sources (uses)</b>						
Transfers in	-	130,500	6,767	100,000	25,000	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>130,500</u>	<u>6,767</u>	<u>100,000</u>	<u>25,000</u>	<u>-</u>
<b>Net change in fund balances</b>	<u>(569)</u>	<u>(5,646)</u>	<u>(181)</u>	<u>30,295</u>	<u>26,137</u>	<u>53,645</u>
Fund balances - beginning of year	<u>24,669</u>	<u>18,338</u>	<u>10,729</u>	<u>21,593</u>	<u>101,228</u>	<u>354,729</u>
Fund balances - end of year	<u>\$ 24,100</u>	<u>\$ 12,692</u>	<u>\$ 10,548</u>	<u>\$ 51,888</u>	<u>\$ 127,365</u>	<u>\$ 408,374</u>

**City of Fenton**  
**Other Supplementary Information**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2020**

	Capital Projects Fund			Debt Service Fund		Total
	C.I.P.	Technology and Improvements	Working Capital	Eagles on Water SA Capital	Eagles on Water SA Debt	
<b>Revenues</b>						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 456,485
Charges for services	-	-	-	-	-	823,007
Interest income	4,968	148	1,867	-	11,791	35,187
Other revenue	-	-	-	-	64,389	65,514
<b>Total revenues</b>	<u>4,968</u>	<u>148</u>	<u>1,867</u>	<u>-</u>	<u>76,180</u>	<u>1,380,193</u>
<b>Expenditures</b>						
<b>Current</b>						
General government	-	-	-	-	-	63,163
Public safety	-	-	-	-	-	383,779
Public works	-	-	-	-	-	1,065,981
Community and economic development	-	-	-	-	-	2,702
Recreation and culture	-	-	-	-	-	148,253
Other functions	-	-	-	-	-	2,844
Capital outlay	-	104,781	-	-	-	175,045
<b>Debt service</b>						
Principal retirement	-	-	-	-	55,000	55,000
Interest and fiscal charges	-	-	-	-	10,813	10,813
<b>Total expenditures</b>	<u>-</u>	<u>104,781</u>	<u>-</u>	<u>-</u>	<u>65,813</u>	<u>1,907,580</u>
Excess (deficiency) of revenues over (under) expenditures	<u>4,968</u>	<u>(104,633)</u>	<u>1,867</u>	<u>-</u>	<u>10,367</u>	<u>(527,387)</u>
<b>Other financing sources (uses)</b>						
Transfers in	-	120,000	-	-	-	651,086
Transfers out	(400,000)	-	-	-	-	(402,819)
<b>Total other financing sources (uses)</b>	<u>(400,000)</u>	<u>120,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>248,267</u>
<b>Net change in fund balances</b>	<u>(395,032)</u>	<u>15,367</u>	<u>1,867</u>	<u>-</u>	<u>10,367</u>	<u>(279,120)</u>
Fund balances - beginning of year	<u>951,616</u>	<u>-</u>	<u>207,314</u>	<u>60,117</u>	<u>144,316</u>	<u>2,549,355</u>
Fund balances - end of year	<u>\$ 556,584</u>	<u>\$ 15,367</u>	<u>\$ 209,181</u>	<u>\$ 60,117</u>	<u>\$ 154,683</u>	<u>\$ 2,270,235</u>

**City of Fenton**  
**Other Supplementary Information**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Nonmajor Special Revenue Funds**  
**For the Year Ended June 30, 2020**

**Local Street Fund**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Actual Over (Under)
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
<b>Revenues</b>				
Intergovernmental	\$ 394,350	\$ 394,350	\$ 383,000	\$ (11,350)
Interest income	-	-	1,016	1,016
	<u>394,350</u>	<u>394,350</u>	<u>384,016</u>	<u>(10,334)</u>
<b>Expenditures</b>				
Current				
Public works	<u>514,575</u>	<u>521,173</u>	<u>552,941</u>	<u>31,768</u>
Deficiency of revenues under expenditures	<u>(120,225)</u>	<u>(126,823)</u>	<u>(168,925)</u>	<u>(42,102)</u>
<b>Other financing sources</b>				
Transfers in	<u>130,000</u>	<u>130,000</u>	<u>130,000</u>	<u>-</u>
Net change in fund balance	9,775	3,177	(38,925)	(42,102)
Fund balance - beginning of year	<u>169,372</u>	<u>169,372</u>	<u>169,372</u>	<u>-</u>
Fund balance - end of year	<u>\$ 179,147</u>	<u>\$ 172,549</u>	<u>\$ 130,447</u>	<u>\$ (42,102)</u>

**City of Fenton**  
**Other Supplementary Information**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Nonmajor Special Revenue Funds**  
**For the Year Ended June 30, 2020**

**Parks and Recreation Fund**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Actual Over (Under)
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
<b>Revenues</b>				
Charges for services	\$ 30,000	\$ 30,000	\$ 33,897	\$ 3,897
Interest income	6,000	6,000	6,832	832
Other revenue	1,000	2,000	1,125	(875)
	<u>37,000</u>	<u>38,000</u>	<u>41,854</u>	<u>3,854</u>
<b>Expenditures</b>				
Current				
Recreation and culture	<u>204,150</u>	<u>122,171</u>	<u>148,253</u>	<u>26,082</u>
Deficiency of revenues under expenditures	<u>(167,150)</u>	<u>(84,171)</u>	<u>(106,399)</u>	<u>(22,228)</u>
<b>Other financing sources</b>				
Transfers in	<u>150,000</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Net change in fund balance	(17,150)	15,829	(6,399)	(22,228)
Fund balance - beginning of year	<u>134,296</u>	<u>134,296</u>	<u>134,296</u>	<u>-</u>
Fund balance - end of year	<u>\$ 117,146</u>	<u>\$ 150,125</u>	<u>\$ 127,897</u>	<u>\$ (22,228)</u>

**City of Fenton**  
**Other Supplementary Information**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Nonmajor Special Revenue Funds**  
**For the Year Ended June 30, 2020**

**Cemetery Fund**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Actual
	<u>Original</u>	<u>Final</u>		Over (Under)
				<u>Final</u>
				<u>Budget</u>
<b>Revenues</b>				
Charges for services	\$ 25,500	\$ 26,000	\$ 32,099	\$ 6,099
Interest income	-	-	2,690	2,690
	<u>25,500</u>	<u>26,000</u>	<u>34,789</u>	<u>8,789</u>
<b>Expenditures</b>				
Current				
General government	<u>70,250</u>	<u>50,150</u>	<u>63,163</u>	<u>13,013</u>
Deficiency of revenues under expenditures	<u>(44,750)</u>	<u>(24,150)</u>	<u>(28,374)</u>	<u>(4,224)</u>
<b>Other financing sources (uses)</b>				
Transfers in	36,000	36,000	38,819	2,819
Transfers out	<u>(3,500)</u>	<u>-</u>	<u>(2,819)</u>	<u>(2,819)</u>
Total other financing sources	<u>32,500</u>	<u>36,000</u>	<u>36,000</u>	<u>-</u>
Net change in fund balance	(12,250)	11,850	7,626	(4,224)
Fund balance - beginning of year	<u>283,733</u>	<u>283,733</u>	<u>283,733</u>	<u>-</u>
Fund balance - end of year	<u>\$ 271,483</u>	<u>\$ 295,583</u>	<u>\$ 291,359</u>	<u>\$ (4,224)</u>

**City of Fenton**  
**Other Supplementary Information**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Nonmajor Special Revenue Funds**  
**For the Year Ended June 30, 2020**

<b>CDBG Fund</b>	Budgeted Amounts		<u>Actual</u>	Actual
	<u>Original</u>	<u>Final</u>		Over (Under)
				<u>Final</u>
				<u>Budget</u>
<b>Revenues</b>				
Intergovernmental	\$ 55,329	\$ 6,275	\$ 2,702	\$ (3,573)
<b>Expenditures</b>				
Current				
Community and economic development	55,329	6,275	2,702	(3,573)
Net change in fund balance	-	-	-	-
Fund balance - beginning of year	-	-	-	-
Fund balance - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



**City of Fenton**  
**Other Supplementary Information**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Nonmajor Special Revenue Funds**  
**For the Year Ended June 30, 2020**

**Garbage Collection Fund**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Actual
	<u>Original</u>	<u>Final</u>		Over (Under)
				<u>Final</u>
				<u>Budget</u>
<b>Revenues</b>				
Charges for services	<u>\$ 514,000</u>	<u>\$ 531,870</u>	<u>\$ 535,368</u>	<u>\$ 3,498</u>
<b>Expenditures</b>				
Current				
Public works	<u>509,000</u>	<u>509,550</u>	<u>513,040</u>	<u>3,490</u>
Net change in fund balance	5,000	22,320	22,328	8
Fund balance - beginning of year	<u>64,117</u>	<u>64,117</u>	<u>64,117</u>	<u>-</u>
Fund balance - end of year	<u><u>\$ 69,117</u></u>	<u><u>\$ 86,437</u></u>	<u><u>\$ 86,445</u></u>	<u><u>\$ 8</u></u>

**City of Fenton**  
**Other Supplementary Information**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Nonmajor Special Revenue Funds**  
**For the Year Ended June 30, 2020**

**Narcotics Enforcement Fund**

	Budgeted Amounts		Actual	Actual Over (Under) Final Budget
	Original	Final		
<b>Expenditures</b>				
Current				
Public safety	600	\$ -	\$ -	\$ -
Net change in fund balance	(600)	-	-	-
Fund balance - beginning of year	3,188	3,188	3,188	-
Fund balance - end of year	\$ 2,588	\$ 3,188	\$ 3,188	\$ -

**City of Fenton**  
**Other Supplementary Information**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Nonmajor Special Revenue Funds**  
**For the Year Ended June 30, 2020**

**D.A.R.E. Fund**

	<u>Budgeted Amounts</u>			Actual Over (Under) Final Budget
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u></u>
<b>Revenues</b>				
Interest income	\$ -	\$ -	\$ 215	\$ 215
<b>Expenditures</b>				
Current				
Public safety	<u>10,600</u>	<u>1,000</u>	<u>784</u>	<u>(216)</u>
Net change in fund balance	(10,600)	(1,000)	(569)	431
Fund balance - beginning of year	<u>24,669</u>	<u>24,669</u>	<u>24,669</u>	<u>-</u>
Fund balance - end of year	<u>\$ 14,069</u>	<u>\$ 23,669</u>	<u>\$ 24,100</u>	<u>\$ 431</u>

**City of Fenton**  
**Other Supplementary Information**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Nonmajor Special Revenue Funds**  
**For the Year Ended June 30, 2020**

<b>Emergency 911 Fund</b>	Budgeted Amounts		Actual	Actual Over (Under) Final Budget
	Original	Final		
<b>Revenues</b>				
Charges for services	\$ 227,500	\$ 221,800	\$ 221,643	\$ (157)
Interest income	-	-	206	206
Total revenues	227,500	221,800	221,849	49
<b>Expenditures</b>				
Current				
Public safety	339,750	339,750	357,995	18,245
Deficiency of revenues under expenditures	(112,250)	(117,950)	(136,146)	(18,196)
<b>Other financing sources</b>				
Transfers in	112,250	130,500	130,500	-
Net change in fund balance	-	12,550	(5,646)	(18,196)
Fund balance - beginning of year	18,338	18,338	18,338	-
Fund balance - end of year	\$ 18,338	\$ 30,888	\$ 12,692	\$ (18,196)

**City of Fenton**  
**Other Supplementary Information**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Nonmajor Special Revenue Funds**  
**For the Year Ended June 30, 2020**

**Public Communications Fund**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Actual
	<u>Original</u>	<u>Final</u>		Over (Under)
				Final
				Budget
<b>Revenues</b>				
Intergovernmental	\$ 23,500	\$ 20,783	\$ 20,783	\$ -
Interest income	-	-	113	113
	<u>23,500</u>	<u>20,783</u>	<u>20,896</u>	<u>113</u>
Total revenues				
<b>Expenditures</b>				
Current				
Public safety	25,000	25,000	25,000	-
Other functions	3,500	2,550	2,844	294
	<u>28,500</u>	<u>27,550</u>	<u>27,844</u>	<u>294</u>
Total expenditures				
Deficiency of revenues under expenditures	<u>(5,000)</u>	<u>(6,767)</u>	<u>(6,948)</u>	<u>(181)</u>
<b>Other financing sources</b>				
Transfers in	<u>4,500</u>	<u>6,767</u>	<u>6,767</u>	<u>-</u>
Net change in fund balance	(500)	-	(181)	(181)
Fund balance - beginning of year	<u>10,729</u>	<u>10,729</u>	<u>10,729</u>	<u>-</u>
Fund balance - end of year	<u>\$ 10,229</u>	<u>\$ 10,729</u>	<u>\$ 10,548</u>	<u>\$ (181)</u>

**City of Fenton**  
**Other Supplementary Information**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Nonmajor Capital Projects Funds**  
**For the Year Ended June 30, 2020**

**Fire Equipment Fund**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Actual
	<u>Original</u>	<u>Final</u>		Over (Under)
				<u>Final</u>
				<u>Budget</u>
<b>Revenues</b>				
Interest income	\$ -	\$ -	\$ 559	\$ 559
<b>Expenditures</b>				
Capital outlay	306,909	306,909	70,264	(236,645)
Deficiency of revenues under expenditures	(306,909)	(306,909)	(69,705)	237,204
<b>Other financing sources (uses)</b>				
Transfers in	100,000	100,000	100,000	-
Bond/note proceeds	306,909	306,909	-	(306,909)
Total other financing sources (uses)	406,909	406,909	100,000	(306,909)
Net change in fund balance	100,000	100,000	30,295	(69,705)
Fund balance - beginning of year	21,593	21,593	21,593	-
Fund balance - end of year	<u>\$ 121,593</u>	<u>\$ 121,593</u>	<u>\$ 51,888</u>	<u>\$ (69,705)</u>

**City of Fenton**  
**Other Supplementary Information**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Nonmajor Capital Projects Funds**  
**For the Year Ended June 30, 2020**

**Police Equipment Fund**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Actual
	<u>Original</u>	<u>Final</u>		Over (Under)
				<u>Final</u>
				<u>Budget</u>
<b>Revenues</b>				
Interest income	\$ -	\$ -	\$ 1,137	\$ 1,137
<b>Other financing sources</b>				
Transfers in	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>-</u>
Net change in fund balance	25,000	25,000	26,137	1,137
Fund balance - beginning of year	<u>101,228</u>	<u>101,228</u>	<u>101,228</u>	<u>-</u>
Fund balance - end of year	<u>\$ 126,228</u>	<u>\$ 126,228</u>	<u>\$ 127,365</u>	<u>\$ 1,137</u>

**City of Fenton**  
**Other Supplementary Information**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Nonmajor Capital Projects Funds**  
**For the Year Ended June 30, 2020**

**Fire Ladder Truck Fund**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Actual
	<u>Original</u>	<u>Final</u>		Over (Under)
				Final
				Budget
<b>Revenues</b>				
State-shared revenue	\$ 50,000	\$ 50,000	\$ 50,000	\$ -
Interest income	<u>-</u>	<u>-</u>	<u>3,645</u>	<u>3,645</u>
Net change in fund balance	50,000	50,000	53,645	3,645
Fund balance - beginning of year	<u>354,729</u>	<u>354,729</u>	<u>354,729</u>	<u>-</u>
Fund balance - end of year	<u>\$ 404,729</u>	<u>\$ 404,729</u>	<u>\$ 408,374</u>	<u>\$ 3,645</u>



**City of Fenton**  
**Other Supplementary Information**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Nonmajor Capital Projects Funds**  
**For the Year Ended June 30, 2020**

**C.I.P. Fund**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Actual
	<u>Original</u>	<u>Final</u>		Over (Under)
				<u>Final</u>
				<u>Budget</u>
<b>Revenues</b>				
Interest income	\$ -	\$ -	\$ 4,968	\$ 4,968
<b>Other financing uses</b>				
Transfers out	(200,000)	(400,000)	(400,000)	-
Net change in fund balance	(200,000)	(400,000)	(395,032)	4,968
Fund balance - beginning of year	951,616	951,616	951,616	-
Fund balance - end of year	<u>\$ 751,616</u>	<u>\$ 551,616</u>	<u>\$ 556,584</u>	<u>\$ 4,968</u>

**City of Fenton**  
**Other Supplementary Information**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Nonmajor Capital Projects Funds**  
**For the Year Ended June 30, 2020**

**Technology and Improvements**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Actual
	<u>Original</u>	<u>Final</u>		Over (Under)
				<u>Final</u>
				<u>Budget</u>
<b>Revenues</b>				
Interest income	\$ -	\$ -	\$ 148	\$ 148
<b>Expenditures</b>				
Capital outlay	-	110,000	104,781	(5,219)
Deficiency of revenues under expenditures	-	(110,000)	(104,633)	5,367
<b>Other financing sources</b>				
Transfers in	-	120,000	120,000	-
Net change in fund balance	-	10,000	15,367	5,367
Fund balance - beginning of year	-	-	-	-
Fund balance - end of year	<u>\$ -</u>	<u>\$ 10,000</u>	<u>\$ 15,367</u>	<u>\$ 5,367</u>

**City of Fenton**  
**Other Supplementary Information**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Nonmajor Capital Projects Funds**  
**For the Year Ended June 30, 2020**

**Working Capital Fund**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Actual Over (Under)
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
<b>Revenues</b>				
Interest income	\$ -	\$ -	\$ 1,867	\$ 1,867
Other revenue	<u>3,075</u>	<u>3,075</u>	<u>-</u>	<u>(3,075)</u>
Total revenues	<u>3,075</u>	<u>3,075</u>	<u>1,867</u>	<u>(1,208)</u>
<b>Expenditures</b>				
Community and economic development	<u>3,510</u>	<u>2,830</u>	<u>-</u>	<u>(2,830)</u>
Excess (deficiency) of revenues over (under) expenditures	(435)	245	1,867	1,622
<b>Other financing sources</b>				
Transfers out	<u>(100,000)</u>	<u>(50,000)</u>	<u>-</u>	<u>50,000</u>
Net change in fund balance	(100,435)	(49,755)	1,867	51,622
Fund balance - beginning of year	<u>207,314</u>	<u>207,314</u>	<u>207,314</u>	<u>-</u>
Fund balance - end of year	<u>\$ 106,879</u>	<u>\$ 157,559</u>	<u>\$ 209,181</u>	<u>\$ 51,622</u>

**City of Fenton**  
**Other Supplementary Information**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Nonmajor Debt Service Funds**  
**For the Year Ended June 30, 2020**

**Eagles on Water SA Capital Fund**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Actual Over (Under)
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
<b>Revenues</b>	\$ -	\$ -	\$ -	\$ -
<b>Expenditures</b>	-	-	-	-
Net change in fund balance	-	-	-	-
Fund balance - beginning of year	60,117	60,117	60,117	-
Fund balance - end of year	<u>\$ 60,117</u>	<u>\$ 60,117</u>	<u>\$ 60,117</u>	<u>\$ -</u>

**City of Fenton**  
**Other Supplementary Information**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Nonmajor Debt Service Funds**  
**For the Year Ended June 30, 2020**

**Eagles on Water SA Debt Fund**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Actual Over (Under)
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
<b>Revenues</b>				
Interest income	\$ 12,000	\$ 11,500	\$ 11,791	\$ 291
Other revenue	<u>44,000</u>	<u>54,000</u>	<u>64,389</u>	<u>10,389</u>
Total revenues	<u>56,000</u>	<u>65,500</u>	<u>76,180</u>	<u>10,680</u>
<b>Expenditures</b>				
Debt service				
Principal retirement	55,000	55,000	55,000	-
Interest and fiscal charges	<u>10,813</u>	<u>10,813</u>	<u>10,813</u>	<u>-</u>
Total expenditures	<u>65,813</u>	<u>65,813</u>	<u>65,813</u>	<u>-</u>
Net change in fund balance	(9,813)	(313)	10,367	10,680
Fund balance - beginning of year	<u>144,316</u>	<u>144,316</u>	<u>144,316</u>	<u>-</u>
Fund balance - end of year	<u>\$ 134,503</u>	<u>\$ 144,003</u>	<u>\$ 154,683</u>	<u>\$ 10,680</u>

**City of Fenton**  
**Internal Service Funds**  
**Fund Descriptions**

---

Equipment Fund - To account for the costs of operating and maintaining certain automotive and street maintenance equipment used by various City departments. Such costs are billed to the other departments based on rental rates established by the State of Michigan Department of Highways and Transportation. Actual costs include depreciation on the machinery and equipment used to provide the service. The majority of the machinery and equipment maintained in this fund was purchased by other City departments. Replacement of the assets will be financed by Equipment Fund resources and continued contributions from other funds.

Sick Pay Fund - To account for the financing of accumulated sick pay earned by City employees. City funds contribute resources equal to the amounts earned by the employees during the current period.

**City of Fenton**  
**Internal Service Funds**  
**Combining Statement of Net Position**  
**June 30, 2020**

	<u>Equipment</u>	<u>Sick Pay</u>	<u>Total</u>
<b>Assets</b>			
Current assets			
Cash	\$ 478,227	\$ 309,346	\$ 787,573
Due from other funds	656	-	656
Total current assets	<u>478,883</u>	<u>309,346</u>	<u>788,229</u>
Noncurrent assets			
Capital assets, net of accumulated depreciation	<u>521,751</u>	-	<u>521,751</u>
Total assets	<u>1,000,634</u>	<u>309,346</u>	<u>1,309,980</u>
<b>Liabilities</b>			
Current liabilities			
Accounts payable	13,841	-	13,841
Accrued and other liabilities	120	-	120
Due to other funds	17,088	-	17,088
Current portion of compensated absences	-	53,450	53,450
Total current liabilities	<u>31,049</u>	<u>53,450</u>	<u>84,499</u>
Noncurrent liabilities			
Noncurrent portion of compensated absences	-	233,425	233,425
Total liabilities	<u>31,049</u>	<u>286,875</u>	<u>317,924</u>
<b>Net Position</b>			
Net investment in capital assets	521,751	-	521,751
Unrestricted	<u>447,834</u>	<u>22,471</u>	<u>470,305</u>
Total net position	<u>\$ 969,585</u>	<u>\$ 22,471</u>	<u>\$ 992,056</u>

**City of Fenton**  
**Internal Service Funds**  
**Combining Statement of Revenues, Expenses and Changes in Net Position**  
**For the Year Ended June 30, 2020**

	<u>Equipment</u>	<u>Sick Pay</u>	<u>Total</u>
<b>Operating revenue</b>			
Billings to other funds	\$ 543,551	\$ -	\$ 543,551
Other revenue	<u>876</u>	<u>32,144</u>	<u>33,020</u>
Total operating revenue	<u>544,427</u>	<u>32,144</u>	<u>576,571</u>
<b>Operating expenses</b>			
Personnel services	46,093	-	46,093
Supplies	128,892	-	128,892
Utilities	38,730	-	38,730
Repairs and maintenance	113,418	-	113,418
Other expenses	105,494	121,441	226,935
Depreciation	<u>150,180</u>	<u>-</u>	<u>150,180</u>
Total operating expenses	<u>582,807</u>	<u>121,441</u>	<u>704,248</u>
Operating loss	<u>(38,380)</u>	<u>(89,297)</u>	<u>(127,677)</u>
<b>Nonoperating revenue</b>			
Gain on sale of assets	<u>14,104</u>	<u>-</u>	<u>14,104</u>
Loss before transfers	(20,008)	(89,297)	(109,305)
Transfers in	<u>-</u>	<u>89,297</u>	<u>89,297</u>
Change in net position	(20,008)	-	(20,008)
Net position - beginning of year	<u>989,593</u>	<u>22,471</u>	<u>1,012,064</u>
Net position - end of year	<u>\$ 969,585</u>	<u>\$ 22,471</u>	<u>\$ 992,056</u>



**City of Fenton**  
**Internal Service Funds**  
**Combining Statement of Cash Flows**  
**For the Year Ended June 30, 2020**

	<u>Equipment</u>	<u>Sick Pay</u>	<u>Total</u>
<b>Cash flows from operating activities</b>			
Receipts from interfund users	\$ 562,122	\$ 106,935	\$ 669,057
Payments to suppliers	(436,106)	-	(436,106)
Payments to employees	(46,093)	(121,441)	(167,534)
Net cash provided (used) by operating activities	<u>79,923</u>	<u>(14,506)</u>	<u>65,417</u>
<b>Cash flows from noncapital financing activities</b>			
Transfer from other funds	<u>-</u>	<u>89,297</u>	<u>89,297</u>
<b>Cash flows from capital and related financing activities</b>			
Purchases/construction of capital assets	(260,500)	-	(260,500)
Proceeds from sale of capital assets	<u>18,589</u>	<u>-</u>	<u>18,589</u>
Net cash used by capital and related financing activities	<u>(241,911)</u>	<u>-</u>	<u>(241,911)</u>
<b>Cash flows from investing activities</b>			
Interest received	<u>4,268</u>	<u>-</u>	<u>4,268</u>
Net change in cash	(157,720)	74,791	(82,929)
Cash - beginning of year	<u>635,947</u>	<u>234,555</u>	<u>870,502</u>
Cash - end of year	<u>\$ 478,227</u>	<u>\$ 309,346</u>	<u>\$ 787,573</u>

**City of Fenton**  
**Internal Service Funds**  
**Combining Statement of Cash Flows**  
**For the Year Ended June 30, 2020**

	Equipment	Sick Pay	Total
<b>Reconciliation of operating income (loss) to net cash provided by operating activities</b>			
Operating income (loss)	\$ (38,380)	\$ (89,297)	\$ (127,677)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities			
Depreciation	150,180	-	150,180
Changes in assets and liabilities			
Due from other funds	607	-	607
Accounts payable	(49,062)	-	(49,062)
Accrued and other liabilities	(510)	-	(510)
Due to other funds	17,088	-	17,088
Compensated absences	-	74,791	74,791
 Net cash provided (used) by operating activities	 \$ 79,923	 \$ (14,506)	 \$ 65,417

**City of Fenton**  
**Fiduciary Funds**  
**Fund Descriptions**

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Tax Collection Fund - To account for the collection and payment to the county and school districts for property taxes collected by the City on their behalf.

Employees Union Fund - To account for amounts withheld from City employee payroll related to union dues and related payments.

Community Center - To account for amounts held for the benefit of the Fenton Community Center.

**City of Fenton**  
**Fiduciary Funds**  
**Combining Statement of Fiduciary Net Position**  
**June 30, 2020**

	Custodial Funds			Total
	Tax Collection	Employees Union	Fenton Community Center	
<b>Assets</b>				
Cash	\$ 16,193	\$ 9,300	\$ 30,268	\$ 55,761
<b>Liabilities</b>				
Due to other units of government	16,193	-	-	16,193
Due to union groups	-	9,300	-	9,300
Total liabilities	16,193	9,300	-	25,493
<b>Net Position</b>				
Restricted for fiduciary activities	-	-	30,268	30,268
Total net position	\$ -	\$ -	\$ 30,268	\$ 30,268

**City of Fenton**  
**Fiduciary Funds**  
**Statement of Changes in Fiduciary Net Position**  
**For the Year Ended June 30, 2020**

	Custodial Funds			Total
	Tax Collection	Employees Union	Fenton Community Center	
<b>Additions</b>				
Property tax collections for other governments	\$ 20,178,232	\$ -	\$ -	\$ 20,178,232
Miscellaneous	-	-	10,101	10,101
<b>Total additions</b>	<b>20,178,232</b>	<b>-</b>	<b>10,101</b>	<b>20,188,333</b>
<b>Deductions</b>				
Payments of property tax to other governments	<u>20,178,232</u>	<u>-</u>	<u>-</u>	<u>20,178,232</u>
<b>Change in net position</b>	<b>-</b>	<b>-</b>	<b>10,101</b>	<b>10,101</b>
<b>Net position - beginning of year</b>	<u>-</u>	<u>-</u>	<u>20,167</u>	<u>20,167</u>
<b>Net position - end of year</b>	<u><b>\$ -</b></u>	<u><b>\$ -</b></u>	<u><b>\$ 30,268</b></u>	<u><b>\$ 30,268</b></u>

**City of Fenton**  
**Component Unit Funds**  
**Combining Balance Sheet - Downtown Development Authority**  
**June 30, 2020**

	Special Revenue Fund	Capital Projects Fund	2013 Bond Construction Fund	Total
<b>Assets</b>				
Cash	\$ 1,484,074	\$ 252,573	\$ 60,109	\$ 1,796,756
Receivables				
Customers	-	-	36,000	36,000
Accrued interest and other	-	6,295	-	6,295
Total assets	<u>\$ 1,484,074</u>	<u>\$ 258,868</u>	<u>\$ 96,109</u>	<u>\$ 1,839,051</u>
<b>Liabilities</b>				
Accounts payable	\$ -	\$ 13,803	\$ 1,500	\$ 15,303
Accrued and other liabilities	-	6,289	-	6,289
Due to other units of government	-	622	-	622
Total liabilities	<u>-</u>	<u>20,714</u>	<u>1,500</u>	<u>22,214</u>
<b>Deferred Inflows of Resources</b>				
Unavailable revenue	-	-	36,000	36,000
<b>Fund Balances</b>				
Assigned	<u>1,484,074</u>	<u>238,154</u>	<u>58,609</u>	<u>1,780,837</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,484,074</u>	<u>\$ 258,868</u>	<u>\$ 96,109</u>	<u>\$ 1,839,051</u>

**City of Fenton**  
**Component Unit Funds**  
**Reconciliation of the Combining Balance Sheet to the Statement**  
**of Net Position - Downtown Development Authority**  
**June 30, 2020**

---

<b>Total fund balances - component unit</b>	\$ 1,780,837
Total net position for component unit in the statement of net position is different because:	
Capital assets used in component unit activities are not financial resources and therefore are not reported in the funds.	
The cost of capital assets	459,140
Accumulated depreciation	(29,122)
Certain receivables are not available to pay for current period expenditures and, therefore are deferred in the funds.	
	36,000
Certain liabilities are not due and payable in the current period and are not reported in the funds.	
Accrued interest	(31,692)
Long-term liabilities applicable to component unit activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities. Long-term liabilities at year-end consist of:	
Bonds payable and related items	(4,309,243)
Unamortized deferred amounts on debt issuance	<u>8,722</u>
<b>Net position of component unit activities</b>	<u><u>\$ (2,085,358)</u></u>

**City of Fenton**  
**Component Unit Funds**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances -**  
**Downtown Development Authority**  
**For the Year Ended June 30, 2020**

	Special Revenue Fund	Capital Projects Fund	2013 Bond Construction Fund	Total
<b>Revenues</b>				
Taxes	\$ 1,772,812	\$ -	\$ -	\$ 1,772,812
Interest income	18,281	-	-	18,281
Donations	-	-	12,000	12,000
Total revenues	<u>1,791,093</u>	<u>-</u>	<u>12,000</u>	<u>1,803,093</u>
<b>Expenditures</b>				
Current				
Community and economic development	-	573,615	1,500	575,115
Debt service				
Principal retirement	671,000	-	-	671,000
Interest and fiscal charges	<u>147,630</u>	<u>-</u>	<u>-</u>	<u>147,630</u>
Total expenditures	<u>818,630</u>	<u>573,615</u>	<u>1,500</u>	<u>1,393,745</u>
Excess (deficiency) of revenues over expenditures	<u>972,463</u>	<u>(573,615)</u>	<u>10,500</u>	<u>409,348</u>
<b>Other financing sources (uses)</b>				
Transfers in	-	800,000	-	800,000
Transfers out	<u>(800,000)</u>	<u>-</u>	<u>-</u>	<u>(800,000)</u>
Total other financing sources (uses)	<u>(800,000)</u>	<u>800,000</u>	<u>-</u>	<u>-</u>
Net change in fund balances	172,463	226,385	10,500	409,348
Fund balances - beginning of year	<u>1,311,611</u>	<u>11,769</u>	<u>48,109</u>	<u>1,371,489</u>
Fund balances - end of year	<u>\$ 1,484,074</u>	<u>\$ 238,154</u>	<u>\$ 58,609</u>	<u>\$ 1,780,837</u>



**City of Fenton**  
**Component Unit Funds**  
**Reconciliation of the Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**of the Governmental Funds to the Statement of Activities - Downtown Development Authority**  
**For the Year Ended June 30, 2020**

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**Net change in fund balances - component unit** \$ 409,348

Total change in net position reported for component unit activities in the statement of activities is different because:

Component unit 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 expense.

Depreciation expense (2,742)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.

Change in deferred inflows of resources (12,000)

Expenses are recorded when incurred in the statement of activities

Accrued interest 4,612

Bond proceeds are reported as financing sources in the component unit funds and thus contribute to the change in fund balance. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the component unit funds but reduces the liability in the statement of net position.

Repayments of long-term debt 671,000

Amortization of deferred charge and premium (4,459)

**Change in net position of component units** \$ 1,065,759

**City of Fenton**  
**Component Unit Funds**  
**Combining Balance Sheet - Local Development Finance Authority**  
**June 30, 2020**

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	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total</u>
<b>Assets</b>			
Cash	\$ 1,345,776	\$ 143,567	\$ 1,489,343
Accrued interest and other	<u>108</u>	<u>-</u>	<u>108</u>
Total assets	<u>\$ 1,345,884</u>	<u>\$ 143,567</u>	<u>\$ 1,489,451</u>
<b>Liabilities</b>			
Accounts payable	\$ -	\$ 4,077	\$ 4,077
Accrued and other liabilities	-	607	607
Due to other units of government	<u>-</u>	<u>154</u>	<u>154</u>
Total liabilities	<u>-</u>	<u>4,838</u>	<u>4,838</u>
<b>Fund Balances</b>			
Committed	<u>1,345,884</u>	<u>138,729</u>	<u>1,484,613</u>
Total liabilities and fund balances	<u>\$ 1,345,884</u>	<u>\$ 143,567</u>	<u>\$ 1,489,451</u>

**City of Fenton**  
**Component Unit Funds**  
**Reconciliation of the Combining Balance Sheet to the Statement**  
**of Net Position - Local Development Finance Authority**  
**June 30, 2020**

---

<b>Total fund balances - component unit</b>	\$ 1,484,613
Total net position for component unit activities in the statement of net position is different because:	
Capital assets used in component unit activities are not financial resources and therefore are not reported in the funds.	
The cost of capital assets is	37,630
Accumulated depreciation is	<u>(31,358)</u>
<b>Net position of component unit activities</b>	<u>\$ 1,490,885</u>

**City of Fenton**  
**Component Unit Funds**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances -**  
**Local Development Finance Authority**  
**For the Year Ended June 30, 2020**

	Special Revenue Fund	Capital Projects Fund	Total
<b>Revenues</b>			
Taxes	\$ 138,146	\$ -	\$ 138,146
Interest income	10,176	-	10,176
Total revenues	<u>148,322</u>	<u>-</u>	<u>148,322</u>
<b>Expenditures</b>			
Current			
Community and economic development	<u>-</u>	<u>93,518</u>	<u>93,518</u>
Net change in fund balances	148,322	(93,518)	54,804
Fund balances - beginning of year	<u>1,197,562</u>	<u>232,247</u>	<u>1,429,809</u>
Fund balances - end of year	<u>\$ 1,345,884</u>	<u>\$ 138,729</u>	<u>\$ 1,484,613</u>

**City of Fenton**  
**Component Unit Funds**  
**Reconciliation of the Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**of the Governmental Funds to the Statement of Activities - Local Development Finance Authority**  
**For the Year Ended June 30, 2020**

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<b>Net change in fund balances - component unit</b>	\$ 54,804
Total change in net position reported for component unit activities in the statement of activities is different because:	
Component unit 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 expense.	
Depreciation expense	<u>(7,526)</u>
<b>Change in net position of component units</b>	<u>\$ 47,278</u>

**City of Fenton**  
**Component Unit Funds**  
**Balance Sheet - Brownfield Redevelopment Authority**  
**June 30, 2020**

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	<u>Special Revenue Fund</u>
<b>Assets</b>	
Cash and cash equivalents	\$ <u>175,804</u>
<b>Fund Balance</b>	
Committed	\$ <u>175,804</u>

Note: Reconciliation of the governmental fund balance sheet to the statement of net position for this component unit is not required as the fund balance was equal to net position as of June 30, 2020.

**City of Fenton**  
**Component Unit Funds**  
**Statement of Revenues, Expenditures and Changes in Fund Balances -**  
**Brownfield Redevelopment Authority**  
**For the Year Ended June 30, 2020**

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	<u>Special Revenue Fund</u>
<b>Revenues</b>	
Taxes	\$ 161,720
Fund balance - beginning of year	<u>14,084</u>
Fund balance - end of year	<u>\$ 175,804</u>

Note: Reconciliation of the component unit fund statement of revenue, expenditures and changes in fund balances to the statement of activities for this component unit is not required as the net change in fund balance was equal to the change in net position as of June 30, 2020.

## City of Fenton Statistical Section

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

<u>Contents</u>	<u>Page</u>
Financial Trend Information:	
Net Position by Component	7 - 2
Changes in Governmental Net Position	7 - 3
Changes in Business-Type Net Position	7 - 4
Fund Balances, Governmental Funds	7 - 5
Changes in Fund Balances, Governmental Funds	7 - 6
Revenue Capacity Information:	
Taxable Value and Actual Value of Taxable Property	7 - 7
Direct and Overlapping Property Tax Rates	7 - 8
Principal Property Tax Payers	7 - 9
Property Tax Levies and Collections	7 - 10
Debt Capacity Information:	
Ratios of Outstanding Debt	7 - 11
Ratios of General Bonded Debt Outstanding	7 - 12
Direct and Overlapping Governmental Activities Debt	7 - 13
Legal Debt Margin	7 - 14
Pledged-Revenue Coverage	7 - 15
Demographic and Economic Information:	
Demographic and Economic Statistics	7 - 16
Principal Employment Industries	7 - 17
Operating Information:	
Full-time Equivalent Government Employees	7 - 18
Operating Indicators	7 - 19
Capital Asset statistics	7 - 20



**City of Fenton**  
**Net Position by Component (Unaudited)**  
**2011 - 2020**

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Governmental activities</b>										
Net investment in capital assets	\$ 15,323,859	\$ 14,984,354	\$ 15,226,130	\$ 14,595,457	\$ 17,991,239	\$ 19,539,308	\$ 19,284,057	\$ 19,643,720	\$ 19,373,806	\$ 19,470,085
Restricted	141,844	306,634	342,981	325,746	466,969	646,525	22,058	12,697	147,939	524,574
Unrestricted	<u>4,224,040</u>	<u>4,536,097</u>	<u>4,270,293</u>	<u>4,563,196</u>	<u>967,655</u>	<u>272,032</u>	<u>1,461,620</u>	<u>(1,470,045)</u>	<u>(1,313,524)</u>	<u>(2,971,200)</u>
<b>Total governmental activities net position</b>	<b>\$ 19,689,743</b>	<b>\$ 19,827,085</b>	<b>\$ 19,839,404</b>	<b>\$ 19,484,399</b>	<b>\$ 19,425,863</b>	<b>\$ 20,457,865</b>	<b>\$ 20,767,735</b>	<b>\$ 18,186,372</b>	<b>\$ 18,208,221</b>	<b>\$ 17,023,459</b>
<b>Business-type activities</b>										
Net investment in capital assets	\$ 21,994,491	\$ 22,430,452	\$ 22,299,268	\$ 22,864,031	\$ 22,870,359	\$ 23,677,936	\$ 23,923,985	\$ 24,544,260	\$ 24,825,036	\$ 24,792,153
Restricted	897,379	899,207	902,777	903,659	718,141	497,023	497,524	498,022	511,144	519,555
Unrestricted	<u>2,363,388</u>	<u>3,061,763</u>	<u>4,151,403</u>	<u>4,400,159</u>	<u>2,794,630</u>	<u>2,560,862</u>	<u>2,954,143</u>	<u>3,250,373</u>	<u>3,235,438</u>	<u>2,897,496</u>
<b>Total business-type activities net position</b>	<b>\$ 25,255,258</b>	<b>\$ 26,391,422</b>	<b>\$ 27,353,448</b>	<b>\$ 28,167,849</b>	<b>\$ 26,383,130</b>	<b>\$ 26,735,821</b>	<b>\$ 27,375,652</b>	<b>\$ 28,292,655</b>	<b>\$ 28,571,618</b>	<b>\$ 28,209,204</b>
<b>Primary government in total</b>										
Net investment in capital assets	\$ 37,414,806	\$ 37,513,398	\$ 37,459,488	\$ 40,861,598	\$ 43,217,244	\$ 43,217,244	\$ 43,208,042	\$ 44,187,980	\$ 44,198,842	\$ 44,262,238
Restricted	1,205,841	1,245,758	1,229,405	1,185,110	1,143,548	1,143,548	519,582	510,719	659,083	1,044,129
Unrestricted	<u>7,597,860</u>	<u>8,421,696</u>	<u>8,963,355</u>	<u>3,762,285</u>	<u>2,832,894</u>	<u>2,832,894</u>	<u>4,415,763</u>	<u>1,780,328</u>	<u>1,921,914</u>	<u>(73,704)</u>
<b>Total primary government net position</b>	<b>\$ 46,218,507</b>	<b>\$ 47,180,852</b>	<b>\$ 47,652,248</b>	<b>\$ 45,808,993</b>	<b>\$ 47,193,686</b>	<b>\$ 47,193,686</b>	<b>\$ 48,143,387</b>	<b>\$ 46,479,027</b>	<b>\$ 46,779,839</b>	<b>\$ 45,232,663</b>

**City of Fenton**  
**Changes in Governmental Net Position (Unaudited)**  
**2011 - 2020**

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Expenses</b>										
General government	\$ 1,177,043	\$ 1,113,243	\$ 1,187,672	\$ 1,158,881	\$ 901,765	\$ 1,522,667	\$ 1,553,731	\$ 1,149,980	\$ 1,441,018	\$ 1,813,863
Public safety	3,354,743	3,193,232	3,537,017	3,862,440	3,435,808	3,806,701	3,816,834	3,543,104	4,140,400	3,997,176
Public works	1,637,839	1,714,085	1,617,226	1,941,813	1,674,754	2,662,804	2,530,687	2,694,296	2,802,480	3,430,739
Community and economic development	118,270	81,215	148,585	146,317	80,389	136,692	48,530	58,557	39,533	45,349
Recreation and culture	250,303	247,276	233,723	235,592	197,997	242,489	333,480	192,464	480,990	384,197
Interest on long-term debt	18,035	14,838	10,728	5,384	2,685	42,771	18,463	18,109	17,617	15,608
<b>Total governmental activities expenses</b>	<b>\$ 6,556,233</b>	<b>\$ 6,363,889</b>	<b>\$ 6,734,951</b>	<b>\$ 7,350,427</b>	<b>\$ 6,293,398</b>	<b>\$ 8,414,124</b>	<b>\$ 8,301,725</b>	<b>\$ 7,656,510</b>	<b>\$ 8,922,038</b>	<b>\$ 9,686,932</b>
<b>Program revenues</b>										
Charges for services										
General government	\$ 189,867	\$ 202,365	\$ 208,100	\$ 255,473	\$ 276,839	\$ 283,420	\$ 401,846	\$ 374,911	\$ 365,351	\$ 208,120
Public safety	581,059	660,348	657,777	791,750	640,201	593,827	688,795	724,721	851,108	816,384
Public works	500,429	514,795	482,083	504,184	515,954	564,705	444,023	641,271	657,832	531,576
Recreation and culture	41,434	48,239	36,439	35,040	33,609	48,837	39,641	44,124	37,275	39,397
<b>Total charges for services</b>	<b>1,312,789</b>	<b>1,425,747</b>	<b>1,384,399</b>	<b>1,586,447</b>	<b>1,466,603</b>	<b>1,490,789</b>	<b>1,574,305</b>	<b>1,785,027</b>	<b>1,911,566</b>	<b>1,595,477</b>
Operating grants and contributions	812,924	848,615	853,534	994,172	1,027,860	915,938	1,097,117	1,412,528	1,745,084	1,470,888
Capital grants and contributions	37,659	53,961	369,868	96,490	2,300,171	2,291,884	57,875	78,873	53,287	52,702
<b>Total program revenue</b>	<b>2,163,372</b>	<b>2,328,323</b>	<b>2,607,801</b>	<b>2,677,109</b>	<b>4,794,634</b>	<b>4,698,611</b>	<b>2,729,297</b>	<b>3,276,428</b>	<b>3,709,937</b>	<b>3,119,067</b>
<b>Net (expense) revenue</b>	<b>\$ (4,392,861)</b>	<b>\$ (4,035,566)</b>	<b>\$ (4,127,150)</b>	<b>\$ (4,673,318)</b>	<b>\$ (1,498,764)</b>	<b>\$ (3,715,513)</b>	<b>\$ (5,572,428)</b>	<b>\$ (4,380,082)</b>	<b>\$ (5,212,101)</b>	<b>\$ (6,567,865)</b>
<b>General revenues</b>										
Property taxes - unrestricted	\$ 3,802,193	\$ 3,363,316	\$ 3,262,058	\$ 3,322,738	\$ 3,424,206	\$ 3,534,843	\$ 3,708,882	\$ 3,778,621	\$ 3,917,821	\$ 4,113,868
State-shared revenues - unrestricted	793,649	878,056	891,798	926,059	934,921	928,933	1,000,935	1,036,963	1,083,898	1,078,056
Investment earnings - unrestricted	22,824	11,975	8,650	5,537	865	21,275	7,310	23,632	67,559	74,681
Gain from sale of land	-	-	-	-	-	-	1,023,390	212,726	-	-
Miscellaneous	30,281	29,561	39,777	24,711	79,943	161,161	141,781	32,422	164,672	116,498
<b>Total general revenues</b>	<b>4,648,947</b>	<b>4,282,908</b>	<b>4,202,283</b>	<b>4,279,045</b>	<b>4,439,935</b>	<b>4,646,212</b>	<b>5,882,298</b>	<b>5,084,364</b>	<b>5,233,950</b>	<b>5,383,103</b>
<b>Change in net position</b>	<b>256,086</b>	<b>247,342</b>	<b>75,133</b>	<b>(394,273)</b>	<b>2,941,171</b>	<b>930,699</b>	<b>309,870</b>	<b>704,282</b>	<b>21,849</b>	<b>(1,184,762)</b>
<b>Restated net position, beginning of the year</b>	<b>19,433,657</b>	<b>19,579,743</b>	<b>19,752,271</b>	<b>19,878,672</b>	<b>16,484,692</b>	<b>19,527,166</b>	<b>20,457,865</b>	<b>17,482,090</b>	<b>18,186,372</b>	<b>18,208,221</b>
<b>Net position, end of the year</b>	<b>\$ 19,689,743</b>	<b>\$ 19,827,085</b>	<b>\$ 19,827,404</b>	<b>\$ 19,484,399</b>	<b>\$ 19,425,863</b>	<b>\$ 20,457,865</b>	<b>\$ 20,767,735</b>	<b>\$ 18,186,372</b>	<b>\$ 18,208,221</b>	<b>\$ 17,023,459</b>

**City of Fenton**  
**Changes in Business-Type Net Position (Unaudited)**  
**2011 - 2020**

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Expenses</b>										
Water	\$ 2,697,917	\$ 2,295,676	\$ 2,550,571	\$ 2,520,564	\$ 2,798,558	\$ 2,814,340	\$ 2,818,907	\$ 2,854,236	\$ 2,779,415	\$ 3,158,884
Sewer	2,265,302	2,082,283	2,120,388	2,350,065	2,443,606	2,362,559	2,416,564	2,392,440	2,530,069	3,180,274
Total expenses	\$ 4,963,219	\$ 4,377,959	\$ 4,670,959	\$ 4,870,629	\$ 5,242,164	\$ 5,176,899	\$ 5,235,471	\$ 5,246,676	\$ 5,309,484	\$ 6,339,158
<b>Program revenues</b>										
<b>Charges for services</b>										
Water	\$ 2,779,345	\$ 2,817,673	\$ 2,902,028	\$ 2,789,912	\$ 2,682,329	\$ 2,699,712	\$ 2,829,006	\$ 2,962,146	\$ 2,853,820	\$ 2,928,889
Sewer	2,465,111	2,506,911	2,530,529	2,701,837	2,775,942	2,632,951	2,868,472	2,859,433	2,534,790	2,559,769
Total charges for services	5,244,456	5,324,584	5,432,557	5,491,749	5,458,271	5,332,663	5,697,478	5,821,579	5,388,610	5,488,658
<b>Operating grants and contributions</b>										
Water	-	-	-	-	-	8,377	4,566	-	2,928,889	14,081
<b>Capital grants and contributions</b>										
Water	-	-	-	1,155	-	-	-	-	-	-
Sewer	-	-	-	-	-	-	-	100,000	-	316,443
Total capital grants and contributions	-	-	-	1,155	-	-	-	100,000	-	316,443
Total program revenue	5,244,456	5,324,584	5,432,557	5,492,904	5,458,271	5,341,040	5,702,044	5,921,579	8,317,499	5,819,182
Net (expense) revenue	\$ 281,237	\$ 946,625	\$ 761,598	\$ 622,275	\$ 216,107	\$ 164,141	\$ 466,573	\$ 674,903	\$ 3,008,015	\$ (519,976)
<b>General revenues</b>										
Investment earnings	\$ 16,270	\$ 80,003	\$ 81,470	\$ 69,254	\$ 68,472	\$ 69,103	\$ 69,502	\$ 73,393	\$ 92,421	\$ 94,888
Miscellaneous	99,360	109,536	118,958	122,872	106,024	119,447	103,756	88,283	107,416	62,674
Total general revenues	115,630	189,539	200,428	192,126	174,496	188,550	173,258	161,676	199,837	157,562
Change in net position	\$ 396,867	\$ 1,136,164	\$ 962,026	\$ 814,401	\$ 390,603	\$ 352,691	\$ 639,831	\$ 836,579	\$ 3,207,852	\$ (362,414)

**City of Fenton**  
**Fund Balances - Governmental Funds (Unaudited)**  
**2011 - 2020**

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund										
Nonspendable	\$ 34,333	\$ 259,318	\$ 114,866	\$ 128,536	\$ 205,844	\$ 225,256	\$ 113,258	\$ 245,912	\$ 133,975	\$ 112,653
Unassigned	<u>2,020,003</u>	<u>1,824,928</u>	<u>1,997,467</u>	<u>2,072,217</u>	<u>2,063,205</u>	<u>2,271,469</u>	<u>3,627,539</u>	<u>4,065,648</u>	<u>4,638,620</u>	<u>4,518,937</u>
Total General Fund	<u>\$ 2,054,336</u>	<u>\$ 2,084,246</u>	<u>\$ 2,112,333</u>	<u>\$ 2,200,753</u>	<u>\$ 2,269,049</u>	<u>\$ 2,496,725</u>	<u>\$ 3,740,797</u>	<u>\$ 4,311,560</u>	<u>\$ 4,772,595</u>	<u>\$ 4,631,590</u>
All other governmental funds										
Nonspendable	\$ 124,116	\$ 109,426	\$ 34,844	\$ 6,115	\$ 180,406	\$ -	\$ 5,200	\$ -	\$ 1,745	\$ -
Restricted	141,844	306,634	342,981	325,746	466,969	646,525	586,715	479,710	778,420	530,829
Committed	<u>1,681,517</u>	<u>2,234,661</u>	<u>2,453,146</u>	<u>2,814,515</u>	<u>2,225,843</u>	<u>2,249,902</u>	<u>2,374,910</u>	<u>2,428,679</u>	<u>2,223,193</u>	<u>1,974,557</u>
Total all other governmental fund	<u>\$ 1,947,477</u>	<u>\$ 2,650,721</u>	<u>\$ 2,830,971</u>	<u>\$ 3,146,376</u>	<u>\$ 2,873,218</u>	<u>\$ 2,896,427</u>	<u>\$ 2,966,825</u>	<u>\$ 2,908,389</u>	<u>\$ 3,003,358</u>	<u>\$ 2,505,386</u>

**City of Fenton**  
**Changes in Fund Balances - Governmental Funds (Unaudited)**  
**2011 - 2020**

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Revenues</b>										
Taxes	\$ 3,911,729	\$ 3,385,278	\$ 3,348,895	\$ 3,322,738	\$ 3,424,206	\$ 3,580,480	\$ 3,708,882	\$ 3,778,621	\$ 3,917,821	\$ 4,113,868
Licenses and permits	218,991	241,133	261,742	385,792	361,176	315,977	341,797	532,383	523,336	461,317
Intergovernmental	1,642,926	1,763,701	1,770,023	1,958,266	2,119,347	2,086,654	2,151,470	2,523,257	2,876,495	2,597,316
Charges for services	949,460	1,017,853	956,694	1,024,081	952,684	1,000,674	1,111,853	1,120,541	1,259,607	1,051,269
Fines and forfeitures	62,174	63,386	69,385	86,273	56,117	59,182	66,954	63,172	58,811	62,578
Interest and rents	90,649	78,983	75,167	71,163	65,576	87,428	88,505	106,417	91,579	89,441
Proceeds from sale of land	-	-	-	-	-	-	1,023,390	212,726	-	-
Other	45,928	82,860	138,420	107,841	115,488	163,121	213,991	119,600	272,574	236,233
<b>Total revenues</b>	<b>6,921,857</b>	<b>6,633,194</b>	<b>6,620,326</b>	<b>6,956,154</b>	<b>7,094,594</b>	<b>7,293,516</b>	<b>8,706,842</b>	<b>8,456,717</b>	<b>9,000,223</b>	<b>8,612,022</b>
<b>Expenditures</b>										
Current										
General government	976,708	897,923	931,392	978,534	1,036,510	1,191,988	1,409,092	1,313,739	1,150,655	1,245,170
Public safety	2,903,285	2,751,813	2,887,330	3,210,569	3,104,603	3,118,232	3,268,382	3,454,965	3,716,776	3,516,958
Public works	1,617,583	1,492,077	1,866,562	1,727,676	2,364,363	1,830,656	1,881,552	1,428,300	2,026,322	2,438,551
Community and economic development	107,135	76,674	121,515	120,753	112,344	119,269	48,776	66,613	37,718	42,217
Recreation and culture	217,033	215,869	193,117	197,247	238,822	209,242	328,020	210,858	452,128	350,565
Other	305,755	216,098	312,066	239,149	285,125	306,052	269,311	291,392	333,554	346,150
Capital outlay	-	30,956	-	-	38,088	692,752	52,172	1,351,681	641,219	1,114,841
Debt service										
Principal	89,372	92,371	95,710	110,023	113,579	71,087	97,055	72,002	89,806	90,791
Interest and fiscal charges	19,258	16,259	12,920	9,693	6,137	11,712	16,480	16,452	18,433	16,459
<b>Total Expenditures</b>	<b>6,236,129</b>	<b>5,790,040</b>	<b>6,420,612</b>	<b>6,593,644</b>	<b>7,299,571</b>	<b>7,550,990</b>	<b>7,370,840</b>	<b>8,206,002</b>	<b>8,466,611</b>	<b>9,161,702</b>
Excess (deficiency) of revenues over expenditures	685,728	843,154	199,714	362,510	(204,977)	(257,474)	1,336,002	250,715	533,612	(549,680)
<b>Other Financing Sources (Uses)</b>										
Debt issuance	-	-	8,623	41,315	-	543,900	-	-	-	-
Note proceeds	-	-	-	-	-	-	-	261,612	-	-
Transfers in	1,203,172	1,281,541	1,397,520	835,500	1,455,729	687,313	579,925	749,042	537,457	1,051,086
Transfers out	(1,203,172)	(1,281,541)	(1,397,520)	(835,500)	(1,455,614)	(722,854)	(601,457)	(749,042)	(515,065)	(1,140,383)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>8,623</b>	<b>41,315</b>	<b>115</b>	<b>508,359</b>	<b>(21,532)</b>	<b>261,612</b>	<b>22,392</b>	<b>(89,297)</b>
Net change in fund balances	685,728	843,154	208,337	403,825	(204,862)	250,885	1,314,470	512,327	556,004	(638,977)
Fund Balances - Beginning of year	3,316,085	3,891,813	4,734,967	4,943,304	5,347,129	5,142,267	5,393,152	6,707,622	7,219,949	7,775,953
Fund Balances - End of year	\$ 4,001,813	\$ 4,734,967	\$ 4,943,304	\$ 5,347,129	\$ 5,142,267	\$ 5,393,152	\$ 6,707,622	\$ 7,219,949	\$ 7,775,953	\$ 7,136,976
Debt service as a percentage of noncapital expenditures	1.87%	1.98%	2.00%	1.86%	3.58%	1.80%	1.73%	1.32%	1.42%	1.58%

**City of Fenton**  
**Taxable Value and Actual Value of Taxable Property (Unaudited)**  
**2011 - 2020**

Taxable Value by Property Type									
Tax Year	Fiscal Year Ended June 30,	Residential	Commercial	Industrial	Personal Property	Total Value	Tax Rate (mills)	Estimated Actual Value	Taxable Value % of Actual
2010	2011	\$ 198,412,078	\$ 149,934,673	\$ 25,558,171	\$ 33,822,344	\$ 407,727,266	10.62	\$ 919,502,852	44.34%
2011	2012	169,690,591	143,874,004	22,724,472	30,994,650	367,283,717	10.62	821,974,414	44.68%
2012	2013	167,761,995	140,539,194	20,001,157	28,211,700	356,514,046	10.62	728,190,650	48.96%
2013	2014	168,560,791	133,698,994	18,859,238	29,956,905	351,075,928	10.62	771,926,770	48.96%
2014	2015	172,420,345	130,599,352	17,873,885	28,776,200	349,669,782	10.62	783,071,802	44.65%
2015	2016	178,498,394	131,322,778	18,012,406	30,833,100	358,666,678	10.62	851,507,232	42.12%
2016	2017	185,386,955	145,428,380	18,227,991	28,181,518	377,224,844	10.43	936,157,572	40.30%
2017	2018	208,487,400	156,240,983	19,092,836	24,487,400	408,308,619	10.36	1,074,987,500	37.98%
2018	2019	208,990,537	156,406,850	19,804,736	24,911,700	410,113,823	10.30	1,077,182,300	38.07%
2019	2020	225,117,417	163,414,955	21,486,298	27,362,700	437,381,370	10.18	1,185,461,800	36.90%

**Note:**

Under Michigan law, the revenue base is referred to as "Taxable Value". This amount represents Assessed value (50% of true cash value), limited for each property by the lower of 5% or inflation. Taxes levied in a particular "tax year" become revenue of the subsequent fiscal year.

**City of Fenton**  
**Direct and Overlapping Property Tax Rates (Unaudited)**  
**2011 - 2020**

Tax Year	Millage Rates - Direct City Taxes			County	Overlapping taxes							Total tax rate	
	General Operating	Debt	Total Direct Taxes		Community College	Intermediate School District	Regional Parks	School Debt	School: Homestead	School: Non-homestead	Homestead	Non-homestead	
2010	10.62	0.00	10.62	10.21	2.68	3.53	0.37	6.74	6.00	18.00	40.15	58.15	
2011	10.62	0.00	10.62	10.46	2.86	3.53	0.37	6.35	6.00	18.00	40.19	58.19	
2012	10.62	0.00	10.62	10.56	2.86	3.53	0.37	7.29	6.00	18.00	41.23	59.23	
2013	10.62	0.00	10.62	10.56	2.86	3.53	0.37	7.88	6.00	18.00	41.82	59.82	
2014	10.62	0.00	10.62	11.06	2.86	3.53	0.37	7.88	6.00	18.00	42.32	60.32	
2015	10.62	0.00	10.62	11.49	2.86	3.53	0.37	6.80	6.00	18.00	41.67	59.67	
2016	10.43	0.00	10.43	11.49	2.81	3.78	0.37	6.70	6.00	18.00	41.58	59.58	
2017	10.36	0.00	10.36	11.49	2.81	3.78	0.37	5.78	6.00	18.00	40.59	58.59	
2018	10.30	0.00	10.30	12.78	2.80	3.77	0.36	6.55	6.00	18.00	42.57	60.57	
2019	10.18	0.00	10.18	12.77	2.80	3.77	0.36	6.44	6.00	18.00	42.32	60.32	

**City of Fenton**  
**Principal Property Tax Payers (Unaudited)**  
**June 30, 2020 and 2011**

Taxpayer	2020 Taxable Value	Percentage of Total	2011 Taxable Value	Percentage of Total	2011 Rank
Georgetown HC2, LLC	\$ 15,743,550	3.38%	\$ 7,976,000	1.95%	1
Consumers Energy Co	8,300,700	1.78%	6,844,843	1.67%	3
Tilden Fundamental Holdings, LLC	6,636,500	1.42%	n/a	n/a	n/a
RRE 38 Associates	5,156,800	1.11%	1,440,213	0.35%	n/a
Fenton Real Estate Company LLC	5,143,166	1.10%	n/a	n/a	n/a
WalMart Properties	4,937,255	1.06%	5,302,736	1.30%	7
MIMG CXXXVI Fairfield Condo Sub LLC	3,581,785	0.77%	2,000,000	0.49%	n/a
Tilden Fundamental Holdings, LLC	3,460,500	0.74%	1,454,200	0.36%	n/a
Regency Realty Group INC/ Fenton Vil	3,409,178	0.73%	5,234,250	1.28%	8
Centrro NP Holdings 11 SPE, LLC	3,349,483	0.72%	4,813,400	1.18%	9

Note:

Source: Data provided by local assessment records.



**City of Fenton**  
**Property Tax Levies and Collections (Unaudited)**  
**2011 - 2020**

<u>Tax Year</u>	<u>Fiscal Year June 30,</u>	<u>Total Levy</u>	<u>Current Collections</u>	<u>Percent Collected</u>	<u>Delinquent Collections</u>	<u>Total Tax Collections</u>	<u>Percent of Levy Collected</u>
2010	2011	\$ 4,270,498	\$ 3,925,714	91.9%	\$ 317,241	\$ 4,242,955	99.4%
2011	2012	3,841,135	3,566,001	92.8%	255,883	3,821,884	99.5%
2012	2013	3,721,272	3,478,670	93.5%	227,994	3,706,664	99.6%
2013	2014	3,668,395	3,468,400	94.6%	192,217	3,660,617	99.8%
2014	2015	3,652,514	3,472,264	95.1%	168,628	3,640,892	99.7%
2015	2016	3,742,407	3,596,238	96.1%	141,438	3,737,676	99.9%
2016	2017	3,879,642	3,763,026	97.0%	110,661	3,873,687	99.8%
2017	2018	4,000,746	3,901,735	97.5%	93,606	3,995,341	99.9%
2018	2019	4,184,147	4,077,461	97.5%	98,765	4,176,226	99.8%
2019	2020	4,414,367	4,284,036	97.0%	114,815	4,398,851	99.6%

Note:

Source: Data provided from local Treasurer's Department.

**City of Fenton**  
**Ratios of Outstanding Debt (Unaudited)**  
**2011 - 2020**

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Governmental Activities</b>										
Installment purchase agreements	\$ 452,045	\$ 359,675	\$ 263,965	\$ 164,795	\$ 62,039	\$ 31,550	\$ -	\$ 244,610	\$ 209,804	\$ 174,013
Special assessment bonds	-	-	-	-	-	555,000	500,000	445,000	390,000	335,000
Capital leases	-	-	7,903	54,141	22,604	10,505	-	-	-	-
<b>Total</b>	<b>452,045</b>	<b>359,675</b>	<b>271,868</b>	<b>218,936</b>	<b>84,643</b>	<b>597,055</b>	<b>500,000</b>	<b>689,610</b>	<b>599,804</b>	<b>509,013</b>
<b>Business-type Activities</b>										
General obligation bonds	6,076,538	5,216,199	4,319,824	3,385,039	2,406,770	1,402,874	935,249	465,055	-	-
Capital improvement bonds	2,690,000	2,660,000	2,625,000	2,585,000	2,545,000	2,505,000	2,465,000	2,420,000	2,375,000	2,370,477
Revenue bonds	7,987,142	7,402,262	6,865,790	6,260,790	5,635,790	5,865,790	4,927,133	4,318,156	3,589,397	2,944,397
<b>Total</b>	<b>16,753,680</b>	<b>15,278,461</b>	<b>13,810,614</b>	<b>12,230,829</b>	<b>10,587,560</b>	<b>9,773,664</b>	<b>8,327,382</b>	<b>7,203,211</b>	<b>5,964,397</b>	<b>5,314,874</b>
<b>Total debt of the government</b>	<b>\$ 17,205,725</b>	<b>\$ 15,638,136</b>	<b>\$ 14,082,482</b>	<b>\$ 12,449,765</b>	<b>\$ 10,672,203</b>	<b>\$ 10,370,719</b>	<b>\$ 8,827,382</b>	<b>\$ 7,892,821</b>	<b>\$ 6,564,201</b>	<b>\$ 5,823,887</b>
<b>Total Taxable Value</b>	<b>\$ 407,727,266</b>	<b>\$ 367,283,717</b>	<b>\$ 356,514,046</b>	<b>\$ 351,075,928</b>	<b>\$ 349,669,782</b>	<b>\$ 358,666,678</b>	<b>\$ 377,224,844</b>	<b>\$ 377,224,844</b>	<b>\$ 410,113,823</b>	<b>\$ 437,381,370</b>
Ratio of total debt to taxable value	4.22%	4.26%	4.92%	4.93%	3.05%	2.89%	3.96%	2.09%	1.60%	1.33%
Total Population <sup>(1)</sup>	11,746	11,746	11,746	11,746	11,746	11,746	11,746	11,746	11,746	11,746
Total debt per capita	\$ 1,762	\$ 1,614	\$ 1,495	\$ 1,292	\$ 1,447	\$ 1,452	\$ 1,275	\$ 672	\$ 559	\$ 496
Personal Income <sup>(1)</sup>	\$ 30,542	\$ 31,639	\$ 32,421	\$ 33,033	\$ 34,878	\$ 36,612	\$ 39,198	\$ 40,618	\$ 41,929	N/A
Ratio of total debt to personal income	4.80%	4.21%	3.70%	3.21%	2.61%	2.41%	1.92%	1.65%	1.33%	1.18%

Note:

Source: Actual 2010 Census Reports.

(1) Source: Bureau of Economic Analysis. For fiscal year 2020 percent of personal income, the divisor used was for 2019 since 2020 Personal income is not available at this time

**City of Fenton**  
**Ratios of General Bonded Debt Outstanding**  
**2011 - 2020**

<u>Fiscal Year</u>	<u>Limited-Tax General Obligation Bonds (LTGO)</u>	<u>Tax Supported Bonds (UTGO)</u>	<u>Less Pledged Debt Service Funds</u>	<u>Other General Obligation Debt</u>	<u>Net General Bonded Debt</u>	<u>Estimated Actual Value</u>	<u>Debt as a Percentage of Estimated Actual Value</u>	<u>Population (1)</u>	<u>Debt Per Capita</u>
2011	-	-	-	\$ 6,076,537	\$ 6,076,537	\$ 919,502,852	0.66%	11,746	517
2012	-	-	-	5,216,199	5,216,199	821,974,414	0.63%	11,746	444
2013	-	-	-	4,319,825	4,319,825	728,190,650	0.59%	11,746	368
2014	-	-	-	3,385,039	3,385,039	771,926,770	0.44%	11,746	288
2015	-	-	-	2,406,770	2,406,770	783,071,802	0.31%	11,746	205
2016	-	-	-	1,957,874	1,957,874	851,507,232	0.23%	11,746	167
2017	-	-	-	1,435,249	1,435,249	936,157,572	0.15%	11,746	122
2018	-	-	-	910,055	910,055	1,074,987,500	0.08%	11,746	77
2019	-	-	-	390,000	390,000	1,077,182,300	0.04%	11,746	33
2020	-	-	-	335,000	335,000	1,185,461,800	0.03%	11,746	29

Note:

(1) Source: 2010 Census Reports.

**City of Fenton**  
**Direct and Overlapping Governmental Activities Debt (Unaudited)**  
**June 30, 2020**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated % Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Genesee County	\$ 219,927,958	4.56%	\$ 10,028,715
Mott Community College	72,915,000	4.28%	3,120,762
Holly School District	53,734,655	0.10%	53,735
Fenton School District	24,520,000	44.21%	10,840,292
Lake Fenton School District	12,800,000	4.50%	576,000
Genesee Intermediate School District	8,715,000	4.28%	373,002
Bishop Airport Authority	<u>6,425,000</u>	4.56%	<u>292,980</u>
 Total Overlapping Debt	 399,037,613		 25,285,486
 Direct City Debt	 <u>6,530,000</u>	 100.00%	 <u>6,530,000</u>
 Total Direct and Overlapping Debt	 <u><u>\$ 405,567,613</u></u>		 <u><u>\$ 31,815,486</u></u>

Sources: Assessed value data used to estimate applicable percentages provided by the City Assessor. Debt outstanding data provided by each governmental unit.

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of Fenton. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

**City of Fenton**  
**Legal Debt Margin (Unaudited)**  
**2011 - 2020**

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Calculation of debt limit:										
State equalized valuation	\$ 459,751,426	\$ 410,987,207	\$ 364,095,325	\$ 385,963,385	\$ 391,535,901	\$ 425,753,616	\$ 468,078,786	\$ 535,493,750	\$ 538,591,150	\$ 586,768,909
10% of taxable value	45,975,143	41,098,720	36,409,532	38,596,338	39,153,590	42,575,361	46,807,878	53,549,375	53,859,115	58,676,891
Calculation of debt subject to limit:										
Total debt	22,655,285	19,313,016	17,166,930	15,206,058	17,000,316	17,055,819	14,972,382	13,904,223	11,619,834	9,955,000
Less: debt not subject to limit:										
Special assessment bonds	-	-	-	-	-	555,000	500,000	445,000	390,000	335,000
Revenue bonds	<u>7,987,142</u>	<u>7,402,262</u>	<u>6,865,790</u>	<u>6,260,790</u>	<u>5,635,790</u>	<u>5,865,790</u>	<u>4,927,133</u>	<u>4,318,156</u>	<u>3,712,031</u>	<u>3,090,000</u>
Net debt subject to limit	<u>14,668,143</u>	<u>11,910,754</u>	<u>10,301,140</u>	<u>8,945,268</u>	<u>11,364,526</u>	<u>10,635,029</u>	<u>9,545,249</u>	<u>9,141,067</u>	<u>7,517,803</u>	<u>6,530,000</u>
Legal debt margin	<u>\$ 45,975,143</u>	<u>\$ 41,098,720</u>	<u>\$ 36,409,532</u>	<u>\$ 38,596,338</u>	<u>\$ 39,153,590</u>	<u>\$ 42,575,361</u>	<u>\$ 46,807,878</u>	<u>\$ 53,549,375</u>	<u>\$ 53,859,115</u>	<u>\$ 58,676,891</u>
Net debt subject to limit as % of debt limit	31.90%	28.98%	28.29%	23.18%	29.03%	24.98%	20.39%	17.07%	13.96%	11.13%

**City of Fenton**  
**Pledged-Revenue Coverage (Unaudited)**  
**2011 - 2020**

Fiscal Year	Gross Revenues	Applicable Expenses	Net Revenues	Water Revenue Bonds		
				Debt service		Coverage
				Principal	Interest	
2011	\$ 2,843,029	\$ 1,987,612	\$ 855,417	\$ 515,000	\$ 216,257	1.17
2012	2,950,604	1,513,113	1,437,491	565,000	329,463	1.61
2013	3,045,284	1,726,019	1,319,265	580,000	315,762	1.47
2014	2,921,725	1,714,538	1,207,187	595,000	305,115	1.34
2015	2,803,468	2,000,575	802,893	615,000	288,274	0.89
2016	2,823,439	2,296,255	527,184	625,000	273,025	0.59
2017	2,957,767	2,298,593	659,174	605,000	179,745	0.84
2018	3,076,928	2,310,930	765,998	615,000	176,882	0.97
2019	2,981,784	2,213,487	768,297	643,759	152,528	0.96
2020	3,055,090	2,520,355	534,735	2,935,000	196,567	0.17

Fiscal Year	Gross Revenues	Applicable Expenses	Net Revenues	Sewer Revenue Bonds		
				Debt service		Coverage
				Principal	Interest	
2011	\$ 2,517,057	\$ 1,254,997	\$ 1,262,060	\$ 872,805	\$ 324,935	1.05
2012	2,563,519	1,209,474	1,354,045	910,339	286,531	1.13
2013	2,587,701	1,233,798	1,353,903	946,375	248,044	1.13
2014	2,763,304	1,556,720	1,206,584	984,785	206,368	1.01
2015	2,829,299	1,720,183	1,109,116	1,028,269	161,484	0.93
2016	2,706,151	1,800,547	905,604	1,053,896	129,941	0.76
2017	2,917,535	1,859,772	1,057,763	552,625	87,321	1.65
2018	2,906,327	1,835,009	1,071,318	655,194	63,137	1.49
2019	2,606,663	1,974,727	631,936	550,055	30,085	1.09
2020	2,608,218	2,615,425	(7,207)	85,000	30,624	(0.06)

**City of Fenton**  
**Demographic and Economic Statistics (Unaudited)**  
**2011 - 2020**

Fiscal Year	Population <sup>(1)</sup>	Personal Income <sup>(2)</sup>	Per Capita <sup>(2)</sup> Personal Income	Unemployment Rate <sup>(3)</sup>
2011	11,746	\$ 358,746,332	\$ 30,542	11.4
2012	11,746	371,631,694	31,639	8.7
2013	11,746	380,817,066	32,421	6.2
2014	11,746	388,005,618	33,033	6.3
2015	11,746	409,676,988	34,878	6.2
2016	11,746	430,044,552	36,612	5.8
2017	11,746	460,419,708	39,198	5.0
2018	11,746	477,099,028	40,618	4.5
2019	11,746	492,498,034	41,929	4.8
2020	11,746	N/A	N/A	9.4

Note:

(1) Source: Actual 2010 Census Reports.

(2) Source: Bureau of Economic Analysis. Note: 2020 data has not been released at this time.

(3) Source: Michigan Department of Labor & Economic Growth.

**City of Fenton**  
**Principal Employment Industries (Unaudited)**  
**June 30, 2020**

Industry	2020 Number of Jobs (1)	Percentage of Total	2011 Number of Jobs (1)	Percentage of Total
Trade, Transportation, and Utilities	28,200	22.49%	27,100	20.62%
Education and Health Services	23,500	18.74%	26,900	20.47%
Government	17,300	13.80%	21,500	16.36%
Manufacturing	10,700	8.53%	9,900	7.53%
Leisure and Hospitality	11,300	9.01%	13,500	10.27%
Professional and Business Services	14,900	11.88%	13,600	10.35%
Natural Resources, Mining, and Construction	5,600	4.47%	3,600	2.74%
Other Services	4,900	3.91%	5,900	4.49%
Financial Activities	5,800	4.63%	6,300	4.79%
Information	<u>3,200</u>	<u>2.55%</u>	<u>3,100</u>	<u>2.36%</u>
Total	<u>125,400</u>	<u>1.00</u>	<u>131,400</u>	<u>1.00</u>

Note:

(1) Source: Michigan Department of Technology, Management & Budget  
Data for Genesee County



**City of Fenton**  
**Full-Time Equivalent Government Employees (Unaudited)**  
**2011 - 2020**

Function/Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General government	11	10	13	12	14	12	13	13	11	10
Public safety:										
Police	16	15	15	17	16	16	16	17	17	18
Building inspection	1	1	1	1	2	2	2	2	3	3
Fire	1	1	1	1	1	1	1	1	1	1
Public works:										
DPW	8	8	8	8	8	8	11	10	12	11
Water and sewer	8	8	8	8	8	8	8	7	7	9
<b>Total</b>	<b>45</b>	<b>43</b>	<b>46</b>	<b>47</b>	<b>49</b>	<b>47</b>	<b>51</b>	<b>50</b>	<b>51</b>	<b>52</b>

**City of Fenton**  
**Operating Indicators (Unaudited)**  
**2011 - 2020**

Function/ program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Election data										
Registered voters	9,211	9,198	9,407	9,438	9,426	9,672	9,367	9,330	9,401	10,224
Voters (at the polls or absentee)	2,268	2,266	5,852	1,105	6,164	1,950	5,884	1,527	5,144	5,169
Percent voting	23.32%	23.33%	62.20%	11.71%	65.39%	20.16%	62.82%	16.37%	54.72%	50.56%
Police										
Physical arrests	633	481	664	470	247	305	502	423	307	407
Traffic violations	1,368	1,808	2,260	1,675	1,090	1,176	1,564	1,229	1,666	1,494
Investigations	10,458	9,603	8,818	10,767	8,440	9,303	8,859	10,586	10,164	11,496
Fire										
Fire runs	326	304	259	298	356	262	331	337	336	336
Emergency medical runs	140	150	181	198	143	170	178	200	195	173
Inspections	50	125	100	200	300	250	100	150	230	402
Public works										
Miles of street resurfaced	1.80	1.80	1.60	-	0.63	0.95	-	0.53	-	-
Water										
Number of customers billed	3,469	3,501	3,494	3,509	3,500	3,574	3,580	3,616	3,685	3,666
Total consumption*	295,980	307,881	320,124	287,802	294,545	374,579	299,856	308,211	288,958	278,947
Average consumption per user	85	88	91	82	84	105	84	85	78	76
Sewer										
Average daily sewage treatment**	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

\*Water consumption in thousand gallons

\*\*Sewer Plant is shared with other communities

N/A - data not available

**City of Fenton**  
**Capital Asset Statistics (Unaudited)**  
**2011 - 2020**

Function/ program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Police</b>										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	9	9	9	9	9	9	11	11	11	9
<b>Fire</b>										
Stations	1	1	1	1	1	1	1	1	1	1
Fire response vehicles	8	8	8	8	8	8	10	9	9	9
<b>Public works</b>										
Streets (miles)										
Major streets	18.69	18.69	18.69	18.69	18.69	18.69	18.69	18.69	18.69	18.68
Local streets	35.05	35.05	35.05	35.05	35.05	35.05	35.05	35.05	35.05	37.07
<b>Parks and recreation</b>										
Acreage	172	172	172	172	172	172	172	172	172	172
Developed parks/ playgrounds	17	17	17	17	17	17	17	17	17	17
Developed fields (soccer, baseball, etc.)	1	1	1	1	1	1	1	1	1	1
<b>Water</b>										
Mains (miles)	64	64	64	64	64	64	64	64	64	64
<b>Fire hydrants</b>										
Storage capacity	1.5 mil gal.	1.5 mil gal.	1.5 mil gal.	1.5 mil gal	1.5 mil gal	1.5 mil gal	1.5 mil gal	1.5 mil gal	1.5 mil gal	1.5 mil gal
<b>Sewer</b>										
Miles of sanitary sewers	56	56	56	56	56	56	56	56	56	56
Miles of storm sewers	39	39	39	39	39	39	39	39	39	39