

**City of Fenton, Michigan**  
**Annual Comprehensive Financial Report**  
**For the Fiscal Year Ended June 30, 2022**

Prepared by:  
Treasurer's Department

Jon Satkowiak Jr  
City Treasurer

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# 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 22, 2022

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 Annual Comprehensive Financial Report of the City of Fenton for the fiscal year ending June 30, 2022 (FY 2022). 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.

During Fiscal Year 2022 the pandemic began to wind down and has had a less of an impact on the way we conduct business. However, supply issues have become a common problem.

The City of Fenton has ended the fiscal year in a stable financial condition. In FY 2022 the General Fund had a \$320,793 surplus. The city currently has a General Fund Balance of \$5,251,858 which is about 76.4% of annual expenditures. The Sewer Fund shows a net cash increase of about \$555,855. During FY 2022 the Water Fund continued to make investments in water main and replacing lead service leads. Overall, both enterprise funds ended the fiscal year in relatively good shape. Although, we will be keeping our attention on the Water Fund. We may be looking at a possible rate increase in the near future.

Several commercial properties made improvements. New home construction continued to improve. The local housing market became very hot and has resulted in increased values. Reported total construction value was just under \$12 million.

The 2020 decennial census count showed a population gain of 2.6% in the previous 10 years. The current population of the City of Fenton is 12,050. The City of Fenton's population growth is an unusual trend in the State of Michigan. Population growth continued during the Great Recession and projections by Genesee County indicate that growth in the City of Fenton will continue through at least 2035. With all of the business activity in the city, the daytime population is estimated at 50,000. There is a continued 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 northwestern 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 when possible. 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, homeland security grants and grants for cultural/art events.

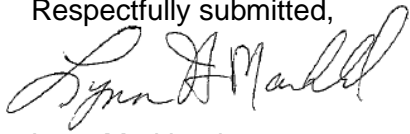
It should be noted that the preparation of this Annual Comprehensive Financial Report could not have been accomplished without the efforts of our City Treasurer, Jon Satkowiak and the Deputy City Treasurer Cassandra Coulter. Their continued efforts to upgrade the City's accounting, financial

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 and the public at a City Council Work Session.

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 22, 2022

To the Citizens of the City of Fenton:

The annual comprehensive financial report of the **City of Fenton** for the fiscal year ended June 30, 2022, 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.

*Member Michigan Municipal League*

## **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.

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 2020 U.S. Census was 12,050, a population increase of 2.6% or 296 persons from 2010.

Standard and Poors reviewed the City of Fenton credit rating in 2022. 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.

Silver Lake Road was resurfaced from just east of the US 23 on/off ramps to the west city limits.

The water department continued to replace the lead service leads into houses and business as required by the State of Michigan.

The city electorate voted to pass a Local Street Improvement program. This allowed the city to sell bonds, which will be sold in 3 series to complete resurfacing and reconstruction on Non Federal Aid eligible streets. The city will sell 24 million dollars' worth of bonds that will be used in the 10 year program.

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 facade 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 first phase of the Local Street program will be complete in the spring of 2023, with year two of improvements also beginning in the spring of 2023. New Watermains will also be installed during the work done on State Road and in the Elmwood Subdivision.

The Torrey Road and Main Street project will both be completed in the Fall of 2022, both projects utilized Federal Aid to be completed.

The Millpond Park area is scheduled to be renovated. This includes Gazebo repairs, Dam repairs, and reconstruction of the walkway around the Gazebo and over the river.

New HVAC units will be installed at both City Hall and the DPW Garage.

## **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 annual comprehensive financial report for the fiscal year ended Jun 30, 2021. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

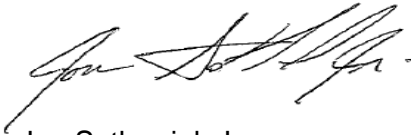
In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized annual comprehensive financial report, whose contents conform to program standards. The ACFR must satisfy both generally accepted accounting principles and applicable legal 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-two 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 annual comprehensive 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 Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2021

*Christopher P. Morill*

Executive Director/CEO

**City of Fenton**  
**List of City Officials**  
**June 30, 2022**

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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

Jennifer Kienast, City Clerk

Jon Satkowiak Jr, City Treasurer

Jason Payne, Building & Zoning Administrator

Robert Cairnduff, Fire Chief

Jeffery Cross, Interim Police Chief

Daniel Brisson, Director of Public Works

Chris Clonts, Communications Coordinator

# 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  
Brownfield Redevelopment Authority  
City Manager

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

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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



800.968.0010 | yeoandyeo.com

## Independent Auditors' Report

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

### Report on the Financial Statements

#### Opinions

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

In our opinion, the 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 as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### Basis for Opinions

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

#### Management's Responsibility for the Financial Statements

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

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

## **Auditors' Responsibilities for the Audit of the Financial Statements**

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

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

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

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

## **Required Supplementary Information**

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

**Supplementary Information**

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

**Other Information**

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

*Yeo & Yeo, P.C.*

Auburn Hills, MI  
December 22, 2022

**City of Fenton**  
**Management's Discussion and Analysis**  
**June 30, 2022**

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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, 2022**

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The City of Fenton maintains 19 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 17 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**  
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**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>Government-wide</b>	<b>Governmental Funds</b>	<b>Proprietary Funds</b>	<b>Fiduciary Funds</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**  
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**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	
	2021	2022	2021	2022	2021	2022
Current & other assets	\$ 10.6	\$ 21.9	\$ 5.3	\$ 9.5	\$ 15.9	\$ 31.4
Capital assets	20.3	20.1	29.8	29.2	50.1	49.3
<b>Total assets</b>	<b>30.9</b>	<b>42.0</b>	<b>35.1</b>	<b>38.7</b>	<b>66.0</b>	<b>80.7</b>
Deferred outflows of resources	2.7	2.7	0.7	0.8	3.4	3.5
Long-term liabilities	13.2	19.3	6.0	9.2	19.2	28.5
Other liabilities	2.3	4.9	1.5	1.5	3.8	6.4
<b>Total liabilities</b>	<b>15.5</b>	<b>24.2</b>	<b>7.5</b>	<b>10.7</b>	<b>23.0</b>	<b>34.9</b>
Deferred inflows of resources	0.6	2.5	0.2	0.6	0.8	3.1
Net position:						
Net investment in capital assets	19.3	18.3	25.4	21.0	44.7	39.3
Restricted	0.7	1.3	0.5	0.0	1.2	1.3
Unrestricted	(2.5)	(1.6)	2.2	7.2	(0.3)	5.6
<b>Total net position</b>	<b>\$ 17.5</b>	<b>\$ 18.0</b>	<b>\$ 28.1</b>	<b>\$ 28.2</b>	<b>\$ 45.6</b>	<b>\$ 46.2</b>

The City's combined net position increased 1.3 percent from a year ago, increasing from \$45.6 million to \$46.2 million. A review of the governmental activities, separate from the business-type activities, shows the net position increased from \$17.5 million to \$18.0 million during fiscal year 2022. 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 \$(1.6) million at June 30, 2022. The business-type activities experienced an increase in net position of approximately \$0.1 million or 0.4 percent.

**City of Fenton**  
**Management's Discussion and Analysis**  
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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	
	2021	2022	2021	2022	2021	2022
<b>Revenue</b>						
Program revenue:						
Charges for services	\$ 2.0	\$ 2.0	\$ 5.7	\$ 5.9	\$ 7.7	\$ 7.9
Operating grants and Contributions	1.9	1.7	0.0	0.0	1.9	1.7
Capital grants and Contributions	0.1	0.0	0.3	0.0	0.0	0.0
General revenue:						
Property taxes	4.3	4.4	0.0	0.0	4.3	4.4
State-shared revenue	1.2	1.4	0.0	0.0	1.2	1.4
Unrestricted Miscellaneous	0.2	0.5	0.1	0.1	0.4	0.6
<b>Total revenue</b>	<b>9.7</b>	<b>10.0</b>	<b>6.1</b>	<b>6.0</b>	<b>15.8</b>	<b>16.0</b>
<b>Program Expenses</b>						
General government	1.9	1.4	0.0	0.0	1.9	1.4
Public safety	3.9	4.0	0.0	0.0	3.9	4.0
Public works	3.1	3.1	0.0	0.0	3.1	3.1
Parks & recreation	0.3	0.7	0.0	0.0	0.0	0.7
Community service	0.1	0.1	0.0	0.0	0.1	0.1
Interest	0.0	0.2	0.0	0.0	0.0	0.2
Water	0.0	0.0	3.0	3.1	3.0	3.1
Sewer	0.0	0.0	3.3	2.8	3.3	2.8
<b>Total program expenses</b>	<b>9.2</b>	<b>9.5</b>	<b>6.2</b>	<b>5.9</b>	<b>15.5</b>	<b>15.4</b>
<b>Change in Net Position</b>	<b>0.5</b>	<b>0.5</b>	<b>(0.1)</b>	<b>0.1</b>	<b>0.4</b>	<b>0.6</b>
<b>Net position</b>						
Beginning of year	17.0	17.5	28.2	28.1	45.2	45.6
<b>Ending Net Position</b>	<b>\$ 17.5</b>	<b>\$ 18.0</b>	<b>\$ 28.1</b>	<b>\$ 28.2</b>	<b>\$ 45.6</b>	<b>\$ 46.2</b>

**City of Fenton**  
**Management's Discussion and Analysis**  
**June 30, 2022**

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**Governmental Activities**

The City's total governmental revenues increased by about \$0.3 million.

Expenses increased by approximately \$0.3 million, or 3.1 percent, from last fiscal year. General Government expenses were the largest portion decreasing by roughly \$500,000.

**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 decreased approximately \$100,000 from FY 2021.

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 decreased approximately \$500,000 from FY 2021. During FY 2022, \$145,540 in operating loss was incurred in the Sewer Fund and \$540,848 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 2022 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 \$4.3 million in 2022. The general operating millage levied by the City supports these two services. FY 2022 revenues increased in the General Fund by \$212,706, mainly due to proceeds of \$140,000 from the sale of land and increase in taxable values. The General expenditures, excluding transfers out, increased by \$84,701. A majority of the increase was due to increase in wages. Fund Balance in the General Fund increased by \$320,793.

The Major Street Fund pays funds the operations of the major streets. FY 2022 revenues increased in the Major Street Fund by \$75,512, mainly due to the increase in ACT 51 monies. The Major Street expenditures, excluding transfers out, decreased by \$24,181. A majority of the decrease was due to less projects in the current fiscal year. Fund Balance in the Major Street Fund increased by \$38,577.

**City of Fenton**  
**Management's Discussion and Analysis**  
**June 30, 2022**

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The Local Street Improvement Fund was created in the current year to fund capital improvement projects specifically related to infrastructure. The fund was a result of a \$9.15M bond issuance with \$171,124 in related expenditures to that issuance and \$850,000 for funds transferred to local street improvement projects in 2022.

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 over budget by \$63,006. Expenditures were \$221,410 under budget. Various departments contributed to the positive budget variance.

**Capital Assets and Debt Administration**

At the end of fiscal 2022, the City had \$49.8 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 \$10.5 million and \$9.7 million for fiscal 2021 and 2022, respectively.

	Governmental Activities	Business- Type Activities	Component Unit Activities	Total
Land	\$ 1,605,104	\$ 190,930	\$ 425,000	\$ 2,221,034
Construction in progress	1,317,609	-	-	1,317,609
Buildings, net	4,498,152	-	-	4,498,152
Building and land improvements, net	770,115	5,859,604	-	6,629,719
Machinery, vehicles and equipment, net	2,272,870	660,451	-	2,933,321
Road, lights, and bridges, net	9,672,953	-	-	9,672,953
Sewer and water lines, net	-	22,573,540	-	22,573,540
Capital assets, net	<u>\$ 20,136,803</u>	<u>\$ 29,284,525</u>	<u>\$ 425,000</u>	<u>\$ 49,846,328</u>

At the end of the 2022 fiscal year, the City of Fenton (primary government) had net outstanding debt of \$19,830,221. 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 increased by \$13,731,021 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**  
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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:

	2021	2022
Net direct bonded debt	\$ 275,000	\$ 9,370,000
Ratio of debt to assessed valuation	0.0006	0.0201
Debt per capita	\$ 23	\$ 798

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 2021 the City levied 9.88 mills and 2022, 9.84 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 2022 under Proposal A was 3.3 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 2023 is structured so that revenues will exceed expenditures and increase fund balance. This is done to allow the ability to increase the Capital Improvement Fund balance. 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, 2022**

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>Assets</b>				
Current assets				
Cash	\$ 20,155,502	\$ 7,524,938	\$ 27,680,440	\$ 4,419,239
Receivables				
Taxes	90,138	-	90,138	-
Customers	309,303	2,192,738	2,502,041	12,000
Special assessments	148,771	-	148,771	-
Accrued interest and other	-	-	-	10,465
Due from other units of government	861,678	-	861,678	-
Internal balances	246,080	(246,080)	-	-
Inventories	40,560	43,876	84,436	-
Prepaid items	54,030	17,142	71,172	4,534
Total current assets	<u>21,906,062</u>	<u>9,532,614</u>	<u>31,438,676</u>	<u>4,446,238</u>
Noncurrent assets				
Restricted assets				
Cash	-	8,073	8,073	-
Capital assets not being depreciated	2,922,713	190,930	3,113,643	425,000
Capital assets, net of accumulated depreciation	17,214,090	29,093,595	46,307,685	-
Total noncurrent assets	<u>20,136,803</u>	<u>29,292,598</u>	<u>49,429,401</u>	<u>425,000</u>
 Total assets	 <u>42,042,865</u>	 <u>38,825,212</u>	 <u>80,868,077</u>	 <u>4,871,238</u>
<b>Deferred Outflows of Resources</b>				
Deferred amount relating to net pension liability	1,749,457	603,470	2,352,927	-
Deferred amount relating to total OPEB liability	962,297	141,886	1,104,183	-
Deferred charges on refunding of bonds	-	30,229	30,229	-
Total deferred outflows of resources	<u>2,711,754</u>	<u>775,585</u>	<u>3,487,339</u>	<u>-</u>
 Total assets and deferred outflows of resources	 <u>44,754,619</u>	 <u>39,600,797</u>	 <u>84,355,416</u>	 <u>4,871,238</u>

See Accompanying Notes to the Financial Statements

**City of Fenton**  
**Statement of Net Position**  
**June 30, 2022**

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>Liabilities</b>				
Current liabilities				
Accounts payable	\$ 933,736	\$ 606,149	\$ 1,539,885	\$ 75,618
Accrued and other liabilities	202,437	76,347	278,784	35,072
Due to other units of government	4,893	-	4,893	87,724
Due to individuals and agencies	76,470	-	76,470	-
Deposits payable	966,983	-	966,983	-
Unearned revenue	1,214,637	-	1,214,637	-
Current portion of long-term debt	1,392,541	833,365	2,225,906	320,000
Current portion of compensated absences	105,913	18,344	124,257	-
Total current liabilities	<u>4,897,610</u>	<u>1,534,205</u>	<u>6,431,815</u>	<u>518,414</u>
Noncurrent liabilities				
Noncurrent portion of long-term debt	9,481,985	7,493,431	16,975,416	2,953,719
Noncurrent portion of compensated absences	423,650	73,376	497,026	-
Net pension liability	3,924,106	958,318	4,882,424	-
Total OPEB liability	<u>5,438,760</u>	<u>700,809</u>	<u>6,139,569</u>	<u>-</u>
Total noncurrent liabilities	<u>19,268,501</u>	<u>9,225,934</u>	<u>28,494,435</u>	<u>2,953,719</u>
Total liabilities	<u>24,166,111</u>	<u>10,760,139</u>	<u>34,926,250</u>	<u>3,472,133</u>
<b>Deferred Inflows of Resources</b>				
Deferred amount relating to net pension liability	886,187	413,432	1,299,619	-
Deferred amount relating to total OPEB liability	<u>1,657,645</u>	<u>210,308</u>	<u>1,867,953</u>	<u>-</u>
Total deferred inflows of resources	<u>2,543,832</u>	<u>623,740</u>	<u>3,167,572</u>	<u>-</u>
Total liabilities and deferred inflows of resources	<u>26,709,943</u>	<u>11,383,879</u>	<u>38,093,822</u>	<u>3,472,133</u>
<b>Net Position</b>				
Net investment in capital assets	18,311,238	20,987,958	39,299,196	425,000
Restricted for				
Highways and streets	1,261,807	-	1,261,807	-
Public safety	8,522	-	8,522	-
Bond reserve	-	8,073	8,073	-
Debt service	54,739	-	54,739	-
Unrestricted (deficit)	<u>(1,591,630)</u>	<u>7,220,887</u>	<u>5,629,257</u>	<u>974,105</u>
Total net position	<u>\$ 18,044,676</u>	<u>\$ 28,216,918</u>	<u>\$ 46,261,594</u>	<u>\$ 1,399,105</u>

See Accompanying Notes to the Financial Statements

**City of Fenton**  
**Statement of Activities**  
**For the Year Ended June 30, 2022**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Component Units
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total	
					Governmental Activities	Business-type Activities		
<b>Primary government</b>								
Governmental activities								
General government	\$ 1,448,878	\$ 499,331	\$ 11,341	\$ -	\$ (938,206)	\$ -	\$ (938,206)	\$ -
Public safety	3,915,604	842,828	16,866	-	(3,055,910)	-	(3,055,910)	-
Public works	3,097,362	602,783	1,659,169	-	(835,410)	-	(835,410)	-
Community and economic development	22,449	-	-	3,307	(19,142)	-	(19,142)	-
Recreation and culture	652,741	37,850	6,335	-	(608,556)	-	(608,556)	-
Interest and fiscal charges on long-term debt	263,080	-	-	-	(263,080)	-	(263,080)	-
Total governmental activities	<u>9,400,114</u>	<u>1,982,792</u>	<u>1,693,711</u>	<u>3,307</u>	<u>(5,720,304)</u>	<u>-</u>	<u>(5,720,304)</u>	<u>-</u>
Business-type activities								
Sewer	2,756,073	2,546,290	-	-	-	(209,783)	(209,783)	-
Water	3,152,558	3,381,187	-	-	-	228,629	228,629	-
Total business-type activities	<u>5,908,631</u>	<u>5,927,477</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,846</u>	<u>18,846</u>	<u>-</u>
Total primary government	<u>\$ 15,308,745</u>	<u>\$ 7,910,269</u>	<u>\$ 1,693,711</u>	<u>\$ 3,307</u>	<u>(5,720,304)</u>	<u>18,846</u>	<u>(5,701,458)</u>	<u>-</u>
<b>Component units</b>								
Downtown Development Authority	\$ 1,360,936	\$ -	\$ -	\$ -	-	-	-	(1,360,936)
Local Development Finance Authority	87,891	-	-	-	-	-	-	(87,891)
Brownfield Redevelopment Authority	142,856	-	-	-	-	-	-	(142,856)
Total component unit activities	<u>\$ 1,591,683</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,591,683)</u>
<b>General revenues</b>								
Property taxes - unrestricted					4,395,379	-	4,395,379	2,471,809
State-shared revenue - unrestricted					1,357,716	-	1,357,716	-
Unrestricted investment earnings					8,023	3,188	11,211	2,698
Gain on sale of land					139,733	-	139,733	-
Miscellaneous					379,141	82,736	461,877	-
Total general revenues					<u>6,279,992</u>	<u>85,924</u>	<u>6,365,916</u>	<u>2,474,507</u>
Change in net position					559,688	104,770	664,458	882,824
Net position - beginning of year					<u>17,484,988</u>	<u>28,112,148</u>	<u>45,597,136</u>	<u>516,281</u>
Net position - end of year					<u>\$ 18,044,676</u>	<u>\$ 28,216,918</u>	<u>\$ 46,261,594</u>	<u>\$ 1,399,105</u>

See Accompanying Notes to the Financial Statements

**City of Fenton  
Governmental Funds  
Balance Sheet  
June 30, 2022**

	General	Major Street	Local Street Improvement	Nonmajor Governmental Funds	Total
<b>Assets</b>					
Cash	\$ 5,215,831	\$ 586,395	\$ 9,048,983	\$ 4,797,496	\$ 19,648,705
Receivables					
Taxes	90,138	-	-	-	90,138
Customers	62,368	-	-	246,935	309,303
Special assessments	41,471	-	-	107,300	148,771
Due from other units of government	540,649	171,065	-	63,016	774,730
Due from other funds	820,296	-	-	200	820,496
Due from component unit	81,904	-	-	-	81,904
Inventories	40,560	-	-	-	40,560
Prepaid items	50,483	-	-	3,547	54,030
Total assets	<u>\$ 6,943,700</u>	<u>\$ 757,460</u>	<u>\$ 9,048,983</u>	<u>\$ 5,218,494</u>	<u>\$ 21,968,637</u>
<b>Liabilities</b>					
Accounts payable	\$ 456,115	\$ 265,338	\$ 22	\$ 189,138	\$ 910,613
Accrued and other liabilities	114,605	2,532	-	11,705	128,842
Due to other funds	161	26,978	-	540,721	567,860
Due to other units of government	4,893	-	-	-	4,893
Due to individuals and agencies	76,470	-	-	-	76,470
Deposits payable	966,983	-	-	-	966,983
Unearned revenue	-	-	-	1,214,637	1,214,637
Total liabilities	<u>1,619,227</u>	<u>294,848</u>	<u>22</u>	<u>1,956,201</u>	<u>3,870,298</u>
<b>Deferred Inflows of Resources</b>					
Unavailable revenue	72,615	-	-	105,957	178,572
<b>Fund Balances</b>					
Non-spendable	91,043	-	-	3,547	94,590
Restricted	-	462,612	9,048,961	934,820	10,446,393
Committed	-	-	-	2,217,969	2,217,969
Unassigned	5,160,815	-	-	-	5,160,815
Total fund balances	<u>5,251,858</u>	<u>462,612</u>	<u>9,048,961</u>	<u>3,156,336</u>	<u>17,919,767</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 6,943,700</u>	<u>\$ 757,460</u>	<u>\$ 9,048,983</u>	<u>\$ 5,218,494</u>	<u>\$ 21,968,637</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, 2022**

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<b>Total fund balances for governmental funds</b>	<b>\$ 17,919,767</b>
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.	16,354,659
Capital assets not being depreciated used in governmental activities are not financial resources and therefore are not reported in the funds.	2,922,713
Certain receivables are not available to pay for current period expenditures and, therefore, are deferred in the funds.	178,572
Certain liabilities are not due and payable in the current period and are not reported in the funds.	
Accrued interest	(72,364)
Bonds payable	(10,634,748)
Compensated absences	(312,081)
Net pension liability	(3,924,106)
Total OPEB liability	(5,438,760)
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	1,749,457
Deferred inflows of resources relating to the net pension liability	(886,187)
Deferred outflows of resources relating to the total OPEB liability	962,297
Deferred inflows of resources relating to the total OPEB liability	(1,657,645)
Internal service funds are included as part of governmental activities.	<u>883,102</u>
<b>Net position of governmental activities</b>	<b><u>\$ 18,044,676</u></b>

See Accompanying Notes to the Financial Statements

**City of Fenton**  
**Governmental Funds**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**For the Year Ended June 30, 2022**

	General	Major Street	Local Street Improvement	Nonmajor Governmental Funds	Total
<b>Revenues</b>					
Taxes	\$ 4,395,379	\$ -	\$ -	\$ -	\$ 4,395,379
Licenses and permits	470,172	-	-	-	470,172
Intergovernmental	1,369,057	1,203,163	-	472,029	3,044,249
Charges for services	525,157	-	-	855,373	1,380,530
Fines and forfeitures	67,783	-	-	-	67,783
Interest income	7,787	-	-	28,793	36,580
Proceeds from sale of land	139,733	-	-	-	139,733
Other	236,941	-	-	242,292	479,233
Total revenues	<u>7,212,009</u>	<u>1,203,163</u>	<u>-</u>	<u>1,598,487</u>	<u>10,013,659</u>
<b>Expenditures</b>					
Current					
General government	1,424,894	-	-	102,134	1,527,028
Public safety	4,332,948	-	-	427,524	4,760,472
Public works	195,580	1,114,586	-	1,144,171	2,454,337
Community and economic development	49,020	-	-	7,920	56,940
Recreation and culture	90,858	-	-	304,596	395,454
Other	285,982	-	-	6,852	292,834
Capital outlay	-	-	-	7,759	7,759
Debt service					
Principal retirement	37,846	-	-	96,312	134,158
Interest and fiscal charges	3,591	-	499	14,881	18,971
Bond issuance costs	-	-	170,625	-	170,625
Total expenditures	<u>6,420,719</u>	<u>1,114,586</u>	<u>171,124</u>	<u>2,112,149</u>	<u>9,818,578</u>
Excess (deficiency) of revenues over expenditures	<u>791,290</u>	<u>88,577</u>	<u>(171,124)</u>	<u>(513,662)</u>	<u>195,081</u>
<b>Other financing sources (uses)</b>					
Transfers in	-	-	-	1,405,000	1,405,000
Transfers out	(470,497)	(50,000)	(850,000)	-	(1,370,497)
Issuance of debt	-	-	9,150,000	-	9,150,000
Premium on issuance of debt	-	-	920,085	-	920,085
Total other financing sources (uses)	<u>(470,497)</u>	<u>(50,000)</u>	<u>9,220,085</u>	<u>1,405,000</u>	<u>10,104,588</u>
Net change in fund balances	320,793	38,577	9,048,961	891,338	10,299,669
Fund balances - beginning of year	<u>4,931,065</u>	<u>424,035</u>	<u>-</u>	<u>2,264,998</u>	<u>7,620,098</u>
Fund balances - end of year	<u>\$ 5,251,858</u>	<u>\$ 462,612</u>	<u>\$ 9,048,961</u>	<u>\$ 3,156,336</u>	<u>\$ 17,919,767</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, 2022**

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<b>Net change in fund balances - total governmental funds</b>	\$ 10,299,669
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	(1,253,659)
Capital outlay	1,004,637
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.	
Special assessments	(53,857)
Expenses are recorded when incurred in the statement of activities.	
Accrued interest	(67,136)
Compensated absences	(21,660)
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	830,334
Net change in the deferred outflows of resources related to the net pension liability	341,500
Net change in the deferred inflows of resources related to the net pension liability	(501,473)
Change in the total OPEB liability	1,823,735
Net change in the deferred outflows of resources related to the total OPEB liability	(333,396)
Net change in the deferred inflows of resources related to the total OPEB liability	(1,427,331)
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.	
Note proceeds	(10,070,085)
Repayments of long-term debt	134,158
Internal service funds are also included as governmental activities	(145,748)
<b>Change in net position of governmental activities</b>	<b>\$ 559,688</b>

See Accompanying Notes to the Financial Statements

**City of Fenton**  
**Proprietary Funds**  
**Statement of Net Position**  
**June 30, 2022**

	Enterprise Funds			Internal Service Funds
	Sewer	Water	Total	
<b>Assets</b>				
Current assets				
Cash	\$ 3,279,101	\$ 4,245,837	\$ 7,524,938	\$ 506,797
Receivables	936,362	1,256,376	2,192,738	-
Due from other funds	108,373	161	108,534	7,212
Due from component unit	-	-	-	5,044
Inventories	-	43,876	43,876	-
Prepaid items	5,805	11,337	17,142	-
Total current assets	4,329,641	5,557,587	9,887,228	519,053
Noncurrent assets				
Cash - restricted	-	8,073	8,073	-
Capital assets, net of accumulated depreciation	15,798,225	13,295,370	29,093,595	859,431
Capital assets not being depreciated	157,803	33,127	190,930	-
Total noncurrent assets	15,956,028	13,336,570	29,292,598	859,431
Total assets	20,285,669	18,894,157	39,179,826	1,378,484
<b>Deferred Outflows of Resources</b>				
Deferred amount relating to the net pension liability	164,285	439,185	603,470	-
Deferred amount relating to the total OPEB liability	11,042	130,844	141,886	-
Deferred amount relating to bond refunding	-	30,229	30,229	-
Total deferred outflows of resources	175,327	600,258	775,585	-

See Accompanying Notes to the Financial Statements

**City of Fenton**  
**Proprietary Funds**  
**Statement of Net Position**  
**June 30, 2022**

	Enterprise Funds			Internal Service Funds
	Sewer	Water	Total	
<b>Liabilities</b>				
Current liabilities				
Accounts payable	\$ 398,566	\$ 207,583	\$ 606,149	\$ 23,123
Accrued and other liabilities	13,134	63,213	76,347	1,231
Due to other funds	102,988	251,626	354,614	13,768
Current portion of long-term debt	90,000	743,365	833,365	41,336
Current portion of compensated absences	2,425	15,919	18,344	43,496
Total current liabilities	607,113	1,281,706	1,888,819	122,954
Noncurrent liabilities				
Net pension liability	-	958,318	958,318	-
Total OPEB liability	61,396	639,413	700,809	-
Noncurrent portion of long-term debt	929,397	6,564,034	7,493,431	198,442
Noncurrent portion of compensated absences	9,702	63,674	73,376	173,986
Total noncurrent liabilities	1,000,495	8,225,439	9,225,934	372,428
Total liabilities	1,607,608	9,507,145	11,114,753	495,382
<b>Deferred Inflows of Resources</b>				
Deferred amount relating to the net pension liability	125,802	287,630	413,432	-
Deferred amount relating to the total OPEB liability	18,678	191,630	210,308	-
Total deferred inflows of resources	144,480	479,260	623,740	-
<b>Net Position</b>				
Net investment in capital assets	14,936,631	6,051,327	20,987,958	859,431
Restricted for				
Bond reserve	-	8,073	8,073	-
Unrestricted (deficit)	3,772,277	3,448,610	7,220,887	23,671
Total net position	\$ 18,708,908	\$ 9,508,010	\$ 28,216,918	\$ 883,102

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, 2022**

	Enterprise Funds			Internal Service Funds
	Sewer	Water	Total	
<b>Operating revenue</b>				
Customer fees	\$ 2,443,090	\$ 3,362,437	\$ 5,805,527	\$ -
Billings to other funds	-	-	-	418,752
Connection fees	103,200	18,750	121,950	-
Other revenue	37,868	44,868	82,736	90,908
 Total operating revenue	 <u>2,584,158</u>	 <u>3,426,055</u>	 <u>6,010,213</u>	 <u>509,660</u>
<b>Operating expenses</b>				
Personnel services	488,710	1,338,382	1,827,092	45,046
Supplies	42,924	628,338	671,262	163,519
Professional services	1,503,056	5,549	1,508,605	-
Utilities	15,945	163,489	179,434	47,805
Repairs and maintenance	-	23,063	23,063	84,376
Other expenses	85,279	131,932	217,211	105,939
Depreciation and amortization	593,784	595,494	1,189,278	167,872
 Total operating expenses	 <u>2,729,698</u>	 <u>2,886,247</u>	 <u>5,615,945</u>	 <u>614,557</u>
 Operating income (loss)	 <u>(145,540)</u>	 <u>539,808</u>	 <u>394,268</u>	 <u>(104,897)</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, 2022**

	Enterprise Funds			Internal Service Funds
	Sewer	Water	Total	
<b>Nonoperating revenue (expenses)</b>				
Interest income	\$ 37	\$ 3,151	\$ 3,188	\$ -
Interest expense	<u>(26,375)</u>	<u>(97,026)</u>	<u>(123,401)</u>	<u>(6,348)</u>
Total nonoperating revenues (expenses)	<u>(26,338)</u>	<u>(93,875)</u>	<u>(120,213)</u>	<u>(6,348)</u>
Income (loss) before other financing sources and uses	(171,878)	445,933	274,055	(111,245)
<b>Other financing sources (uses)</b>				
Bond issuance costs	-	(169,285)	(169,285)	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>(34,503)</u>
Total other financing sources (uses)	<u>-</u>	<u>(169,285)</u>	<u>(169,285)</u>	<u>(34,503)</u>
Change in net position	(171,878)	276,648	104,770	(145,748)
Net position - beginning of year	<u>18,880,786</u>	<u>9,231,362</u>	<u>28,112,148</u>	<u>1,028,850</u>
Net position - end of year	<u>\$ 18,708,908</u>	<u>\$ 9,508,010</u>	<u>\$ 28,216,918</u>	<u>\$ 883,102</u>

See Accompanying Notes to the Financial Statements

**City of Fenton**  
**Proprietary Funds**  
**Statement of Cash Flows**  
**For the Year Ended June 30, 2022**

	Enterprise Funds			Governmental Activities
	Sewer	Water	Total	Internal Service Funds
<b>Cash flows from operating activities</b>				
Receipts from customers	\$ 2,533,532	\$ 3,235,592	\$ 5,769,124	\$ -
Receipts from interfund users	-	-	-	504,625
Payments from (to) other funds	415,898	(97,032)	318,866	-
Payments to suppliers	(1,626,559)	(949,900)	(2,576,459)	(311,324)
Payments to employees	(555,893)	(1,546,159)	(2,102,052)	(128,752)
Net cash provided by operating activities	<u>766,978</u>	<u>642,501</u>	<u>1,409,479</u>	<u>64,549</u>
<b>Cash flows from noncapital financing activities</b>				
Transfer from other funds	-	-	-	(34,503)
<b>Cash flows from capital and related financing activities</b>				
Proceeds from sale of bonds and notes	-	118,652	118,652	-
Purchases/construction of capital assets	(99,785)	(543,600)	(643,385)	(230,858)
Principal and interest paid on long-term debt	(111,375)	(986,311)	(1,097,686)	(46,730)
Net cash used by capital and related financing activities	<u>(211,160)</u>	<u>(1,411,259)</u>	<u>(1,622,419)</u>	<u>(277,588)</u>
<b>Cash flows from investing activities</b>				
Interest received	37	3,151	3,188	-
Net change in cash	555,855	3,734,393	4,290,248	(247,542)
Cash - beginning of year	2,723,246	520,557	3,243,803	754,339
Cash - end of year	<u>\$ 3,279,101</u>	<u>\$ 4,254,950</u>	<u>\$ 7,534,051</u>	<u>\$ 506,797</u>
<b>Reconciliation to the statement of net position</b>				
Cash	\$ 3,279,101	\$ 4,245,837	\$ 7,524,938	\$ 506,797
Cash - restricted	-	8,073	8,073	-
Cash - end of year	<u>\$ 3,279,101</u>	<u>\$ 4,253,910</u>	<u>\$ 7,533,011</u>	<u>\$ 506,797</u>

See Accompanying Notes to the Financial Statements

**City of Fenton**  
**Proprietary Funds**  
**Statement of Cash Flows**  
**For the Year Ended June 30, 2022**

	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)	\$ (145,540)	\$ 539,808	\$ 394,268	\$ (104,897)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities				
Depreciation/amortization expense	593,784	595,494	1,189,278	167,872
Changes in assets and liabilities				
Receivables	(50,626)	(190,463)	(241,089)	-
Due from other funds	323,117	-	323,117	(6,556)
Prepaid items	640	2,020	2,660	-
Deferred outflows of resources	(32,011)	(65,638)	(97,649)	-
Accounts payable	29,842	4,025	33,867	6,975
Accrued and other liabilities	(9,837)	(3,574)	(13,411)	(366)
Due to other funds	92,781	(97,032)	(4,251)	13,768
Deferred inflows of resources	68,545	311,767	380,312	-
Net pension liability	(85,149)	(250,185)	(335,334)	-
Total OPEB liability	(20,491)	(204,914)	(225,405)	-
Compensated absences	1,923	1,193	3,116	(7,203)
Net cash provided by operating activities	<u>\$ 766,978</u>	<u>\$ 642,501</u>	<u>\$ 1,409,479</u>	<u>\$ 64,549</u>

See Accompanying Notes to the Financial Statements

**City of Fenton**  
**Fiduciary Funds**  
**Statement of Fiduciary Net Position**  
**June 30, 2022**

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	<u>Custodial Funds</u>
<b>Assets</b>	
Cash	\$ 93,801
<b>Liabilities</b>	
Due to other units of government	37,230
Due to union groups	<u>9,300</u>
Total liabilities	<u>46,530</u>
<b>Net Position</b>	
Restricted for fiduciary activities	<u>\$ 47,271</u>

**City of Fenton**  
**Fiduciary Funds**  
**Statement of Changes in Fiduciary Net Position**  
**For the Year Ended June 30, 2022**

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	<u>Custodial Funds</u>
<b>Additions</b>	
Property tax collections for other governments	\$ 21,523,789
Miscellaneous	<u>10,000</u>
Total additions	21,533,789
<b>Deductions</b>	
Payments of property tax to other governments	<u>21,523,789</u>
Change in net position	10,000
Net position - beginning of year	<u>37,271</u>
Net position - end of year	<u><u>\$ 47,271</u></u>

**City of Fenton**  
**Component Units**  
**Combining Statement of Net Position**  
**June 30, 2022**

	Downtown Development Authority	Local Development Finance Authority	Brownfield Redevelopment Authority	Total
<b>Assets</b>				
Current assets				
Cash	\$ 2,393,466	\$ 1,823,286	\$ 202,487	\$ 4,419,239
Receivables				
Customers	12,000	-	-	12,000
Accrued interest and other	10,465	-	-	10,465
Prepaid items	2,587	1,947	-	4,534
Total current assets	2,418,518	1,825,233	202,487	4,446,238
Noncurrent assets				
Capital assets not being depreciated	425,000	-	-	425,000
Total assets	2,843,518	1,825,233	202,487	4,871,238
<b>Liabilities</b>				
Current liabilities				
Accounts payable	61,784	13,834	-	75,618
Accrued and other liabilities	34,516	556	-	35,072
Due to primary government	76,873	10,075	-	86,948
Due to other units of government	622	154	-	776
Debt due within one year	320,000	-	-	320,000
Total current liabilities	493,795	24,619	-	518,414
Noncurrent liabilities				
Debt due in more than one year	2,953,719	-	-	2,953,719
Total liabilities	3,447,514	24,619	-	3,472,133
<b>Net Position</b>				
Net investment in capital assets	425,000	-	-	425,000
Unrestricted (deficit)	(1,028,996)	1,800,614	202,487	974,105
Total net position	\$ (603,996)	\$ 1,800,614	\$ 202,487	\$ 1,399,105

See Accompanying Notes to the Financial Statements

**City of Fenton**  
**Component Units**  
**Combining Statement of Activities**  
**For the Year Ended June 30, 2022**

Functions/Programs	Expenses	Downtown Development Authority	Local Development Finance Authority	Brownfield Redevelopment Authority	Total
Downtown Development Authority					
Community and economic development	\$ 1,360,936	\$ (1,360,936)	\$ -	\$ -	\$ (1,360,936)
Local Development Finance Authority					
Community and economic development	87,891	-	(87,891)	-	(87,891)
Brownfield Redevelopment Authority					
Community and economic development	<u>142,856</u>	<u>-</u>	<u>-</u>	<u>(142,856)</u>	<u>(142,856)</u>
 Total component units	 <u>\$ 1,591,683</u>	 <u>(1,360,936)</u>	 <u>(87,891)</u>	 <u>(142,856)</u>	 <u>(1,591,683)</u>
General revenues					
Property taxes - unrestricted		2,034,899	265,568	171,342	2,471,809
Unrestricted investment earnings		<u>2,020</u>	<u>678</u>	<u>-</u>	<u>2,698</u>
Total general revenues		<u>2,036,919</u>	<u>266,246</u>	<u>171,342</u>	<u>2,474,507</u>
Change in net position		675,983	178,355	28,486	882,824
Net position - beginning of year		<u>(1,279,979)</u>	<u>1,622,259</u>	<u>174,001</u>	<u>516,281</u>
Net position - end of year		<u>\$ (603,996)</u>	<u>\$ 1,800,614</u>	<u>\$ 202,487</u>	<u>\$ 1,399,105</u>

See Accompanying Notes to the Financial Statements

**City of Fenton**  
**Notes to the Financial Statements**  
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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 2022.

**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.

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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.

Local Street Improvement Fund is used to account for the interest and principal payments the 2022 general obligation bond issuance.

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

**City of Fenton**  
**Notes to the Financial Statements**  
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taxes collected on their behalf and amounts withheld from employees' payroll related to union dues and other payments.

**Measurement Focus**

The government-wide, proprietary fund and custodial funds 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.

**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.

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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, 2022, the City levied 9.8822 mills per \$1,000 of taxable valuation for general governmental services. The total

**City of Fenton**  
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taxable value for the 2021 levy for property within the City was approximately \$481,398,000.

**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, 2022, 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, 2022, 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.

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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. The City of Fenton reports deferred inflows of resources as a result of pension and OPEB earnings. 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 net 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,

**City of Fenton**  
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and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

**Adoption of New Accounting Standards**

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.

Statement No. 92, *Omnibus 2020* enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics and includes specific provisions about the following: (1) The effective date of Statement No. 87, *Leases*, and Implementation Guide No. 2019-3, *Leases*, for interim financial reports (2) Reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan. (3) The applicability of Statements No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68*, and Amendments to Certain Provisions of GASB Statements 67 and 68, as amended, and No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, as amended, to reporting assets accumulated for postemployment benefits. (4) The applicability of certain requirements of Statement No. 84, *Fiduciary Activities*, to postemployment benefit arrangements. (5) Measurement of liabilities (and assets, if any) related to asset

retirement obligations (AROs) in a government acquisition. (6) Reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers. (7) Reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature. (8) Terminology used to refer to derivative instruments.

Statement No. 99, *2022 Omnibus* enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.

**Upcoming Accounting and Reporting Changes**

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

Statement No. 91, *Conduit Debt Obligations* provides a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. This statement is effective for the year ending June 30, 2023.

Statement No. 96, *Subscription-Based Information Technology Arrangements*, is based on the standards established in Statement No. 87 *Leases*. This statement (1) defines a SBITA as a contract that conveys control of the right to use a SBITA vendor's IT software, alone or in combination with tangible capital assets, as specified in the contract for a period of time in an exchange or exchange-like transaction (2) requires governments with SBITAs to recognize a right-

**City of Fenton**  
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to-use subscription asset, an intangible asset, and a corresponding subscription liability, and (3) provides guidance related to outlays other than subscription payments, including implementation costs, and requirements for note disclosures related to a SBITA. This statement is effective for the year ending June 30, 2023.

Statement No. 100, *Accounting Changes and Error Corrections*, improves the clarity of the accounting and financial reporting requirements for accounting changes and error corrections, which will result in greater consistency in application in practice. More understandable, reliable, relevant, consistent and comparable information will be provided to financial statement users for making decisions or assessing accountability. Additionally, the display and note disclosure requirements will result in more consistent, decision useful, understandable and comprehensive information for users about accounting changes and error corrections. This statement is effective for the year ending June 30, 2024.

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

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.

**Deposits**

As of June 30, 2022, the carrying amounts for each type of bank account are as follows:

	Primary Government	Fiduciary Funds	Component Units	Total
Bank deposits	\$ 27,451,895	\$ 93,801	\$ 4,419,239	\$ 31,964,935
Certificates of deposit	236,448	-	-	236,448
Petty cash	<u>170</u>	<u>-</u>	<u>-</u>	<u>170</u>
	<u>\$ 27,688,513</u>	<u>\$ 93,801</u>	<u>\$ 4,419,239</u>	<u>\$ 32,201,553</u>

**Credit Risk**

State law limits investments in certain types of investments to a prime or better rating issued by nationally recognized statistical rating

**City of Fenton**  
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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, 2022, 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, 2022, the City accounts were insured by the FDIC for \$986,446 and the amount of \$30,849,518 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, 2022:

	Cash and Cash Equivalents	Restricted Cash and Cash Equivalents	Total
Governmental activities	\$ 20,155,502	\$ -	\$ 20,155,502
Business-type activities	<u>7,524,938</u>	<u>8,073</u>	<u>7,533,011</u>
Total	27,680,440	8,073	27,688,513
Fiduciary funds	93,801	-	93,801
Component units	<u>4,419,239</u>	<u>-</u>	<u>4,419,239</u>
Total	<u>\$ 32,193,480</u>	<u>\$ 8,073</u>	<u>\$ 32,201,553</u>

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

The amount of interfund receivables and payables at June 30, 2022, are as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Internal Service Funds	\$ 13,768
General Fund	Nonmajor Funds	432,148
General Fund	Major Streets Fund	26,978
General Fund	Sewer Fund	96,987
General Fund	Water Fund	250,415
Sewer Fund	Nonmajor Funds	108,373
Internal Service Funds	Sewer Fund	6,001
Water Fund	General Fund	161
Internal Service Funds	Water Fund	1,211
Nonmajor Funds	Nonmajor Funds	200
		<u>\$ 936,242</u>

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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	\$ 470,497
Internal Service Fund	Nonmajor Funds	34,503
Local Street Improvement Fund	Nonmajor Funds	850,000
Major Street Fund	Nonmajor Funds	<u>50,000</u>
		<u>\$ 1,405,000</u>

The transfers from the General Fund to the nonmajor governmental funds were to fund current year operations. Transfers from the Internal Service Fund to the General Fund were for compensated absences. Transfers from the Local Street Improvement Fund to nonmajor governmental funds were for road projects. Transfers between the Major Street Fund and the nonmajor governmental funds were for operations.

**City of Fenton**  
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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	585,532	732,077	-	1,317,609
	<u>2,190,636</u>	<u>732,077</u>	<u>-</u>	<u>2,922,713</u>
Total capital assets not being depreciated				
Capital assets being depreciated				
Land improvements	1,149,384	258,964	-	1,408,348
Infrastructure	17,173,600	-	-	17,173,600
Buildings, additions and improvements	8,409,094	-	-	8,409,094
Machinery and equipment	7,036,908	244,454	511,385	6,769,977
	<u>33,768,986</u>	<u>503,418</u>	<u>511,385</u>	<u>33,761,019</u>
Total capital assets being depreciated				
Less accumulated depreciation for				
Land improvements	597,364	40,869	-	638,233
Infrastructure	6,672,229	828,418	-	7,500,647
Buildings, additions and improvements	3,713,528	197,414	-	3,910,942
Machinery and equipment	4,653,662	354,830	511,385	4,497,107
	<u>15,636,783</u>	<u>1,421,531</u>	<u>511,385</u>	<u>16,546,929</u>
Total accumulated depreciation				
Net capital assets being depreciated	<u>18,132,203</u>	<u>(918,113)</u>	<u>-</u>	<u>17,214,090</u>
Governmental activities capital assets, net	<u>\$ 20,322,839</u>	<u>\$ (186,036)</u>	<u>\$ -</u>	<u>\$ 20,136,803</u>

**City of Fenton**  
**Notes to the Financial Statements**  
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	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<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	543,600	-	9,439,051
Machinery and equipment	1,347,022	99,785	33,972	1,412,835
Water system	14,271,652	-	-	14,271,652
Sewer system	29,512,422	-	-	29,512,422
Total capital assets being depreciated	<u>54,026,547</u>	<u>643,385</u>	<u>33,972</u>	<u>54,635,960</u>
Less accumulated depreciation for				
Buildings, additions and improvements	3,355,682	223,765	-	3,579,447
Machinery and equipment	721,260	65,096	33,972	752,384
Water system	6,688,488	342,031	-	7,030,519
Sewer system	13,621,629	558,386	-	14,180,015
Total accumulated depreciation	<u>24,387,059</u>	<u>1,189,278</u>	<u>33,972</u>	<u>25,542,365</u>
Net capital assets being depreciated	<u>29,639,488</u>	<u>(545,893)</u>	<u>-</u>	<u>29,093,595</u>
Business-type capital assets, net	<u>\$ 29,830,418</u>	<u>\$ (545,893)</u>	<u>\$ -</u>	<u>\$ 29,284,525</u>

**City of Fenton**  
**Notes to the Financial Statements**  
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Depreciation expense was charged to the following:

**Governmental activities**

General government	\$ 125,288
Public safety	5,391
Public works	828,418
Recreation and culture	294,562
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	<u>167,872</u>
Total governmental activities	<u>1,421,531</u>

**Business-type activities**

Sewer	593,784
Water	<u>595,494</u>
Total business-type activities	<u>1,189,278</u>
Total primary government	<u>\$ 2,610,809</u>

**City of Fenton**  
**Notes to the Financial Statements**  
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Capital assets activity of the component units for the current year is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<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	31,859	2,281	-	34,140
Net capital assets being depreciated	2,281	(2,281)	-	-
Downtown Development Authority capital assets, net	<u>\$ 427,281</u>	<u>\$ (2,281)</u>	<u>\$ -</u>	<u>\$ 425,000</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	37,630	-	-	37,630
Local Development Financing Authority capital assets, net	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**City of Fenton**  
**Notes to the Financial Statements**  
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**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, 2022:

<b>Primary Government</b>	Amount of Issue	Maturity Date	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental activities</b>									
Bonds and notes payable									
General obligation bond									
2015 LTGO Special Assessment Bonds	\$ 555,000	4/1/2026	2.80% - 3.55%	\$55,000	\$ 275,000	\$ -	\$ 55,000	\$ 220,000	\$ 55,000
2022 Unlimited Tax General Obligation Bonds	9,150,000	4/1/2042	4.00% - 5.00%	\$600,000 - \$1,570,000	-	9,150,000	-	9,150,000	1,215,000
Notes from direct borrowing									
Installment purchase agreements									
Fire and Police Equipment	261,612	8/31/2024	2.810%	\$20,428 - \$40,018	137,209	-	37,846	99,363	38,917
Fire Truck	306,909	7/1/2027	2.350%	\$23,625 - \$46,431	286,612	-	41,312	245,300	42,288
Internal service fund obligations									
Notes from direct borrowing									
Installment purchase agreements									
Dump Trucks	300,000	9/1/2027	2.350%	\$23,094 - \$45,385	280,160	-	40,382	239,778	41,336
Plus deferred amounts									
For issuance premiums					-	920,085	-	920,085	-
Total					978,981	10,070,085	174,540	10,874,526	1,392,541
Compensated absences									
Total governmental activities					1,494,087	10,413,759	503,757	11,404,089	1,498,454
<b>Business-type activities</b>									
Bonds and notes payable									
Revenue bonds									
2002 Michigan Municipal Bond Authority	9,600,000	4/1/2023	2.500%	\$600,000	1,185,000	-	585,000	600,000	600,000
2009 Michigan Municipal Bond Authority	1,419,839	4/1/2030	2.500%	\$60,000 - \$72,031	557,031	-	55,000	502,031	60,000
2014 Michigan Finance Authority	935,000	10/1/2035	2.500%	\$30,000 - \$42,366	547,366	-	30,000	517,366	30,000
Capital improvement bonds									
2020 Capital Improvement Refunding Bonds	2,320,000	4/1/2035	2.000%	\$140,000 - \$175,000	2,180,000	-	135,000	2,045,000	140,000
2022 Capital Improvement Bonds	4,500,000	5/24/2032	4.000%	\$150,000 - \$365,000	-	4,500,000	-	4,500,000	-
Plus deferred amounts									
For issuance premiums					47,112	118,652	3,365	162,399	3,365
Total					4,516,509	4,618,652	808,365	8,326,796	833,365
Compensated absences									
Total business-type activities					88,604	62,653	59,537	91,720	18,344
Total primary government					4,605,113	4,681,305	867,902	8,418,516	851,709
					<u>\$ 6,099,200</u>	<u>\$ 15,095,064</u>	<u>\$ 1,371,659</u>	<u>\$ 19,822,605</u>	<u>\$ 2,350,163</u>

**City of Fenton**  
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<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									
2014 GOLT Development Bonds	\$ 3,650,000	10/1/2031	3.000% - 4.000%	\$250,000 - \$330,000	\$ 2,815,000	\$ -	\$240,000	\$2,575,000	\$250,000
2016 GOLT Development Bonds	1,000,000	10/1/2031	2.000% - 2.600%	\$70,000 - \$80,000	730,000	-	70,000	660,000	70,000
Direct borrowing									
Installment purchase agreement									
2012 DDA Dispatch Loan	260,000	4/1/2022	2.700%	\$26,000	26,000	-	26,000	-	-
Capitalized bond premium					<u>42,981</u>	<u>-</u>	<u>4,262</u>	<u>38,719</u>	<u>-</u>
Total component unit					<u>\$ 3,613,981</u>	<u>\$ -</u>	<u>\$ 340,262</u>	<u>\$ 3,273,719</u>	<u>\$ 320,000</u>
					<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	
Deferred amount on refunding - business-type activities					<u>\$ 32,554</u>	<u>\$ -</u>	<u>\$ 2,325</u>	<u>\$ 30,229</u>	

**City of Fenton**  
**Notes to the Financial Statements**  
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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 \$612,067 for governmental activities and \$99,336 for business-type activities at June 30, 2022. 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 \$615,000. During the current year, net revenues of the system were \$406,788 compared to the annual debt requirements of \$615,000.

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

Year Ending June 30,	Governmental Activities		Governmental Activities	
	Bonds		Notes from Direct Borrowing	
	Principal	Interest	Principal	Interest
2023	\$ 1,270,000	\$ 437,206	\$ 122,541	\$ 10,910
2024	1,515,000	389,570	125,618	8,935
2025	1,625,000	328,378	108,052	6,912
2026	655,000	247,202	89,696	4,840
2027	635,000	215,250	91,816	2,720
2028-2032	3,670,000	568,000	46,718	549
	<u>\$ 9,370,000</u>	<u>\$ 2,185,606</u>	<u>\$ 584,441</u>	<u>\$ 34,866</u>

Year Ending June 30,	Business-type Activities		Component Unit	
	Bonds		Bonds	
	Principal	Interest	Principal	Interest
2023	\$ 830,000	\$ 234,510	\$ 320,000	\$ 99,408
2024	385,000	240,897	325,000	90,488
2025	395,000	229,722	335,000	81,438
2026	400,000	218,247	345,000	71,912
2027	410,000	206,672	360,000	62,088
2028-2032	2,082,031	848,436	1,550,000	138,046
2033-2037	1,917,366	540,707	-	-
2038-2042	1,745,000	213,000	-	-
	<u>\$ 8,164,397</u>	<u>\$ 2,732,191</u>	<u>\$ 3,235,000</u>	<u>\$ 543,380</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.

**City of Fenton**  
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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

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, 2021 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	18
Active employees	46
	111

**City of Fenton**  
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**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, 2021, 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, 2021 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 3.00% in the long-term; 3) Investment rate of return of 7.00%, net of investment expense, including inflation. Although no specific price inflation assumptions are needed for the valuation, the 3.00% long-term wage inflation assumption would be consistent with a price inflation of 2.5%.

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%	7.75%	4.65%	2.50%	3.15%
Global fixed income	20.00%	3.75%	0.75%	2.50%	0.25%
Private Investments	20.00%	9.75%	1.95%	2.50%	1.45%
	<u>100.00%</u>		<u>7.35%</u>		<u>4.85%</u>

Discount rate – The discount rate used to measure the total pension liability is 7.25%. 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 plan's fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**City of Fenton**  
**Notes to the Financial Statements**  
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**Changes in Net Pension Liability**

**Total Pension Liability**

Service cost	\$ 298,220
Interest on the total pension liability	1,534,714
Experience differences	(162,220)
Changes in actuarial assumptions	874,113
Benefit payments and refunds	<u>(1,138,367)</u>

Net change in total pension liability	1,406,460
Total pension liability - beginning	<u>20,613,672</u>
Total pension liability - ending (a)	<u>\$ 22,020,132</u>

**Plan Fiduciary Net Position**

Pension plan net investment income (loss)	\$ 2,078,854
Employer contributions	1,506,983
Employee contributions	29,058
Benefit payments and refunds	(1,138,367)
Pension plan administrative expense	(23,845)
Other	<u>119,445</u>

Net change in plan fiduciary net position	2,572,128
Plan fiduciary net position - beginning	<u>14,565,580</u>

Plan fiduciary net position - ending (b)	<u>\$ 17,137,708</u>
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Net pension liability (a-b)	<u>\$ 4,882,424</u>
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Plan fiduciary net position as a percentage of total pension liability	77.83%
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Covered employee payroll	<u>\$ 3,312,416</u>
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Net pension liability as a percentage of covered employee payroll	147.40%
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Sensitivity of the net pension liability to changes in the discount rate – The following presents the net pension liability of the employer, calculated using the discount rate of 7.25%, as well as what the employer’s net pension liability would be using a discount rate that is 1% point lower (6.25%) or 1% higher (8.25%) than the current rate.

	1% decrease	Current Discount Rate	1% increase
Net pension liability	<u>\$ 7,728,258</u>	<u>\$ 4,882,424</u>	<u>\$ 2,527,767</u>

Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions – For the year ended June 30, 2022 the employer recognized pension expense of \$824,975. 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	\$ 176,605	\$ (129,776)	\$ 46,829
Differences in assumptions	1,355,986	-	1,355,986
Net difference between projected and actual earning on plan investments	-	(1,169,843)	(1,169,843)
Contributions subsequent to the measurement date*	<u>820,336</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 2,352,927</u>	<u>\$ (1,299,619)</u>	<u>\$ 232,972</u>

\*The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability for the year ending 2023.

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

Year ended,	
2023	\$ 314,595
2024	(1,941)
2025	(30,526)
2026	<u>(49,156)</u>
	<u>\$ 232,972</u>

The net pension liability is generally liquidated by the General Fund, Emergency 911 Fund, 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, 2021 (most recent actuarial valuation date), the plan membership consisted of the following:

Inactive employees or beneficiaries	
currently receiving benefits	34
Active employees	<u>37</u>
	<u>71</u>

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

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 \$327,705 for the year ended June 30, 2022. Plan members are not required to contribute to the plan.

Total OPEB liability – The total OPEB liability was measured as of June 30, 2022. The total OPEB liability was determined by an actuarial valuation as of December 31, 2021 and rolled forward to June 30, 2022.

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	17 years, closed
Asset valuation method	There are no assets.
Price inflation	2.50%
Wage inflation	3.00%
Salary increases	3.00 to 9.70%
Investment rate of return	3.50%, 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 Pub-2010 Retiree mortality table
Healthcare inflation rate	Initial trend of 8.25% gradually decreasing to an ultimate trend rate of 3.50% 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, 2022 measurement were based on valuation assumptions used in the December 31, 2021 actuarial valuation.

Discount rate – The discount rate used to measure the total OPEB liability was 1.92% (based on the daily rate closest to but not later than the measurement date of the Fidelity “20-Year Municipal GO AA Index”).

**City of Fenton**  
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**Changes in Total OPEB Liability**

**Total OPEB Liability**

Service cost	\$ 224,988
Interest on the total OPEB liability	156,237
Experience differences	(1,087,832)
Changes in actuarial assumptions	(1,014,828)
Other changes	-
Benefit payments and refunds	<u>(327,705)</u>
Net change in total OPEB liability	(2,049,140)
Total OPEB liability - beginning	<u>8,188,709</u>
Total OPEB liability - ending	<u>\$ 6,139,569</u>
Plan fiduciary net position as a percentage of total OPEB liability	- %
Covered payroll	<u>\$ 4,533,367</u>
Total OPEB liability as a percentage of covered payroll	135.43%

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 1.92%, 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
0.92%	1.92%	2.92%
<u>\$ 6,861,251</u>	<u>\$ 6,139,569</u>	<u>\$ 5,526,404</u>

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
<u>\$ 5,676,370</u>	<u>\$ 6,139,569</u>	<u>\$ 6,683,210</u>

OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB – For the year ended June 30, 2022 the employer recognized OPEB expense of \$256,909. 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	\$ 12,168	\$ (1,054,516)	\$ (1,042,348)
Differences in assumptions	<u>1,092,015</u>	<u>(813,437)</u>	<u>278,578</u>
Total	<u>\$ 1,104,183</u>	<u>\$ (1,867,953)</u>	<u>\$ (763,770)</u>

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

Year ended,	
2023	\$ (123,685)
2024	(131,332)
2025	(189,802)
2026	<u>(318,951)</u>
	<u>\$ (763,770)</u>

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

**City of Fenton**  
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**June 30, 2022**

**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, 2022 is as follows:

<b>Revenues</b>		
Building permits	\$	123,824
Zoning permits		<u>13,625</u>
Total Revenues		137,449
<b>Expenditures</b>		
Salaries and fringes		324,159
Supplies and other		16,472
Professional services		<u>115,972</u>
Total expenditures		<u>456,603</u>
Excess of revenues (under) expenditures		(319,154)
Prior cumulative excess of revenues (under) expenditures		<u>(2,673,887)</u>
Cumulative excess of revenues (under) expenditures	\$	<u><u>(2,993,041)</u></u>

**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 - Net Investment in Capital Assets**

The composition of net investment in capital assets as of June 30, 2022, was as follows:

	Governmental Activities	Business-type Activities	Component Unit
<b>Capital assets</b>			
Capital assets not being depreciated	\$ 2,922,713	\$ 190,930	\$ 425,000
Capital assets, net of accumulated depreciation	17,214,090	29,093,595	-
Total capital assets	<u>20,136,803</u>	<u>29,284,525</u>	<u>425,000</u>
<b>Unspent bond proceeds</b>			
Unamortized balance of capital-related deferred outflows of resources from refunding of outstanding capital debt	9,048,961	-	-
	<u>-</u>	<u>30,229</u>	<u>-</u>
<b>Related debt</b>			
General obligation bonds	9,370,000	-	-
Other bonds	-	8,164,397	-
Installment purchase agreements	344,663	-	-
Notes from direct borrowing and direct placements	239,778	-	-
Unamortized bond premiums	920,085	162,399	-
Total related debt	<u>10,874,526</u>	<u>8,326,796</u>	<u>-</u>
Net investment in capital assets	<u>\$ 18,311,238</u>	<u>\$ 20,987,958</u>	<u>\$ 425,000</u>

**Note 12 - 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

**City of Fenton**  
**Notes to the Financial Statements**  
**June 30, 2022**

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.

assigned, or unassigned. In the absence of such a policy, resources with the highest level of restriction will be used first.

	General Fund	Major Street Fund	Local Street Improvement Fund	Nonmajor Governmental Funds
Fund Balances				
Non-spendable				
Inventories	\$ 40,560	\$ -	\$ -	\$ -
Prepaid items	50,483	-	-	3,547
Restricted for				
Streets and highways	-	462,612	9,048,961	799,195
Public communications	-	-	-	8,522
Debt service	-	-	-	127,103
Committed for				
Parks and recreation	-	-	-	90,546
Cemetery	-	-	-	255,249
Garbage collection	-	-	-	215,671
Narcotics enforcement	-	-	-	3,188
D.A.R.E.	-	-	-	22,880
Emergency 911	-	-	-	22,521
Neighborhood stabilization	-	-	-	58,077
Fire equipment	-	-	-	340,168
Fire truck equipment	-	-	-	167,534
Fire ladder truck	-	-	-	458,883
Improvements and technology	-	-	-	19,930
Capital projects	-	-	-	563,322
Unassigned	<u>5,160,815</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>\$ 5,251,858</u>	<u>\$ 462,612</u>	<u>\$ 9,048,961</u>	<u>\$ 3,156,336</u>

**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,

**Fund Deficit**

The City has an accumulated unrestricted net position deficit in the Sick Pay - Internal Service Fund in the amount of \$4,830 as of June 30, 2022. A deficit elimination plan is not necessary for this fund as current assets exceed current liabilities.

**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, 2022**

	Budgeted Amounts		Actual	Actual
	Original	Final		Over (Under)
				Final Budget
<b>Revenues</b>				
Taxes	\$ 4,316,186	\$ 4,379,196	\$ 4,395,379	\$ 16,183
Licenses and permits	469,300	445,300	470,172	24,872
Intergovernmental	1,108,807	1,325,807	1,369,057	43,250
Charges for services	359,500	508,500	525,157	16,657
Fines and forfeitures	60,000	60,000	67,783	7,783
Interest income	9,000	4,500	7,787	3,287
Proceeds from sale of land	-	140,000	139,733	(267)
Other revenue	146,700	285,700	236,941	(48,759)
Total revenues	<u>6,469,493</u>	<u>7,149,003</u>	<u>7,212,009</u>	<u>63,006</u>
<b>Expenditures</b>				
Legislative and executive	208,600	209,550	195,124	(14,426)
General services	1,492,798	1,522,864	1,571,030	48,166
Police	2,722,834	2,997,598	2,912,228	(85,370)
Fire	754,482	1,006,781	964,052	(42,729)
Protective inspections	469,800	493,200	501,692	8,492
Public service	203,600	185,136	195,580	10,444
Community service	150,500	227,000	81,013	(145,987)
Total expenditures	<u>6,002,614</u>	<u>6,642,129</u>	<u>6,420,719</u>	<u>(221,410)</u>
Excess (deficiency) of revenues over (under) expenditures	466,879	506,874	791,290	284,416
<b>Other financing sources (uses)</b>				
Transfers out	(835,000)	(530,000)	(470,497)	59,503
Net change in fund balance	(368,121)	(23,126)	320,793	343,919
Fund balance - beginning of year	4,931,065	4,931,065	4,931,065	-
Fund balance - end of year	<u>\$ 4,562,944</u>	<u>\$ 4,907,939</u>	<u>\$ 5,251,858</u>	<u>\$ 343,919</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, 2022**

	Budgeted Amounts		Actual	Actual
	Original	Final		Over (Under)
				Final Budget
<b>Revenues</b>				
Intergovernmental	\$ 1,115,640	\$ 1,125,364	\$ 1,203,163	\$ 77,799
<b>Expenditures</b>				
Current				
Public works	1,674,809	1,528,817	1,114,586	(414,231)
Excess (deficiency) of revenues over (under) expenditures	(559,169)	(403,453)	88,577	492,030
<b>Other financing (uses)</b>				
Transfers in	600,000	-	-	-
Transfers out	(50,000)	(50,000)	(50,000)	-
Total other financing sources (uses)	550,000	(50,000)	(50,000)	-
Net change in fund balance	(9,169)	(453,453)	38,577	492,030
Fund balance - beginning of year	424,035	424,035	424,035	-
Fund balance - end of year	\$ 414,866	\$ (29,418)	\$ 462,612	\$ 492,030

**City of Fenton**  
**Required Supplementary Information**  
**Municipal Employees Retirement System of Michigan**  
**Schedule of Changes in Net Pension Liability and Related Ratios**  
**June 30, 2022**

Measurement date December 31,	2021	2020	2019	2018	2017	2016	2015	2014
<b>Total Pension Liability</b>								
Service cost	\$ 298,220	\$ 284,714	\$ 272,243	\$ 265,288	\$ 272,740	\$ 272,063	\$ 253,276	\$ 251,037
Interest on the total pension liability	1,534,714	1,426,658	1,392,121	1,327,974	1,314,169	1,260,231	1,143,433	747,006
Experience differences	(162,220)	139,086	122,634	220,496	(453,504)	63,341	-	-
Changes in actuarial assumptions	874,113	666,600	641,840	-	-	-	-	-
Other changes	-	-	(9,119)	-	-	-	939,704	386,453
Benefit payments and refunds	(1,138,367)	(1,065,711)	(1,045,582)	(985,194)	(929,103)	(914,331)	(857,340)	(805,830)
Net change in total pension liability	1,406,460	1,451,347	1,374,137	828,564	204,302	681,304	1,479,073	578,666
Total pension liability - beginning	20,613,672	19,162,325	17,788,188	16,959,624	16,755,322	16,074,018	14,594,945	14,016,279
Total pension liability - ending (a)	<u>\$ 22,020,132</u>	<u>\$ 20,613,672</u>	<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)	\$ 2,078,854	\$ 1,681,597	\$ 1,504,441	\$ (453,265)	\$ 1,330,013	\$ 1,057,397	\$ (146,630)	\$ 603,787
Employer contributions	1,506,983	1,329,068	1,194,047	1,082,740	814,116	550,985	510,110	471,992
Employee contributions	29,058	29,217	30,505	27,653	27,255	23,809	22,633	22,830
Benefit payments and refunds	(1,138,367)	(1,065,711)	(1,045,582)	(985,194)	(929,103)	(914,331)	(857,340)	(805,830)
Pension plan administrative expense	(23,845)	(25,814)	(25,932)	(22,134)	(21,038)	(20,877)	(22,691)	(22,123)
Other changes	119,445	-	-	-	-	-	-	-
Net change in plan fiduciary net position	2,572,128	1,948,357	1,657,479	(350,200)	1,221,243	696,983	(493,918)	270,656
Plan fiduciary net position - beginning	14,565,580	12,617,223	10,959,744	11,309,944	10,088,701	9,391,718	9,885,636	9,614,980
Plan fiduciary net position - ending (b)	<u>\$ 17,137,708</u>	<u>\$ 14,565,580</u>	<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>\$ 4,882,424</u>	<u>\$ 6,048,092</u>	<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	77.83%	70.66%	65.84%	61.61%	66.69%	60.21%	58.43%	67.73%
Covered payroll	<u>\$ 3,312,416</u>	<u>\$ 3,425,872</u>	<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	147.40%	176.54%	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, 2022**

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%
6/30/2021	942,180	1,376,889	(434,709)	3,359,538	40.98%
6/30/2022	910,860	1,645,646	(734,786)	3,783,682	43.49%

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

Actuarial cost method	Individual entry-age
Amortization method	Level-dollar closed
Remaining amortization period	9-18 years
Asset valuation method	5-year smoothed value of assets
Inflation	2.50%
Salary increases	3.00%
Investment rate of return	7.35%
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, 2022**

Measurement date June 30,	2020	2021	2020	2019	2018
<b>Total OPEB Liability</b>					
Service cost	\$ 224,988	\$ 241,668	\$ 185,710	\$ 175,103	\$ 180,894
Interest on the total OPEB liability	156,237	186,790	206,645	224,838	219,460
Experience differences	(1,087,832)	(10,039)	(366,715)	30,620	18,093
Changes in actuarial assumptions	(1,014,828)	494,400	1,338,643	329,265	(39,380)
Other changes	-	(57,586)	-	-	-
Benefit payments and refunds	<u>(327,705)</u>	<u>(339,583)</u>	<u>(400,867)</u>	<u>(347,273)</u>	<u>(312,286)</u>
Net change in total OPEB liability	(2,049,140)	515,650	963,416	412,553	66,781
Total OPEB liability - beginning	<u>8,188,709</u>	<u>7,673,059</u>	<u>6,709,643</u>	<u>6,297,090</u>	<u>6,230,309</u>
Total OPEB liability - ending	<u>\$ 6,139,569</u>	<u>\$ 8,188,709</u>	<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>\$ 4,533,367</u>	<u>\$ 4,227,231</u>	<u>\$ 3,782,214</u>	<u>\$ 2,900,995</u>	<u>\$ 2,958,408</u>
Total OPEB liability as a percentage of covered-employee payroll	135.43%	193.71%	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, 2022**

Fiscal Year Ended	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered -employee 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%
6/30/2021	607,790	339,583	268,207	4,227,231	8.03%
6/30/2022	626,024	327,705	298,319	4,533,367	7.23%

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

Actuarial cost method	Entry-age normal
Amortization method	Level percent of payroll
Remaining amortization period	17 years, closed
Asset valuation method	There are no assets
Inflation	2.50%
Wage inflation	3.00%
Salary increases	3.00% to 9.70%
Investment rate of return	3.50%, 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 Pub-2010 mortality table
Health care trend rates	Initial trend of 8.25% gradually decreasing to an ultimate trend rate of 3.50% 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, 2022**

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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 departmental (activity) 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, 2022, the City incurred expenditures in excess of the amounts appropriated as follows:

	Amounts <u>Appropriated</u>	<u>Expended</u>	<u>Variance</u>
General Fund			
General services	\$ 1,522,864	\$ 1,571,030	\$ 48,166
Protective inspections	493,200	501,692	8,492
Public service	185,136	195,580	10,444
Local Street Improvement Fund	850,000	1,021,124	171,124
Parks and Recreation Fund	154,372	162,673	8,301
Public Communications Fund	17,700	18,852	1,152

**Note 2: Retiree Health Care Plan**

There are no assets accumulated in a trust that meets the criteria of GASB Codification P22.101 or P52.101 to pay related benefits for the Plan.

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

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**Special Revenue Funds**

American Rescue Plan Act Fund - To account for the activity of the City's federal funds provided by the Coronavirus State and Local Fiscal Recovery Funds which are subject to the requirements specified in the Final Rule released by Treasury on January 6, 2022.

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.

Non-motorized Trail Fund - To account for the activity related to community trail.

**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, 2022**

	Special Revenue Funds					
	American Rescue Plan Act	Local Street	Parks and Recreation	Cemetery	CDBG	Garbage Collection
<b>Assets</b>						
Cash	\$ 1,198,327	\$ 832,068	\$ 145,050	\$ 264,380	\$ -	\$ 204,884
Receivables						
Customers	-	-	-	14,282	-	165,062
Special assessments	-	-	-	-	-	-
Due from other units of government	-	63,016	-	-	-	-
Due from other funds	-	-	-	-	-	-
Prepaid items	-	-	1,020	-	-	-
	<u>1,198,327</u>	<u>895,084</u>	<u>146,070</u>	<u>278,662</u>	<u>-</u>	<u>369,946</u>
Total assets	<u>\$ 1,198,327</u>	<u>\$ 895,084</u>	<u>\$ 146,070</u>	<u>\$ 278,662</u>	<u>\$ -</u>	<u>\$ 369,946</u>
<b>Liabilities</b>						
Accounts payable	\$ -	\$ 50,858	\$ 27,978	\$ 7,103	\$ -	\$ 42,029
Accrued and other liabilities	-	3,459	3,290	-	-	172
Due to other funds	-	41,572	23,236	-	-	112,074
Unearned revenue	1,198,327	-	-	16,310	-	-
	<u>1,198,327</u>	<u>95,889</u>	<u>54,504</u>	<u>23,413</u>	<u>-</u>	<u>154,275</u>
Total liabilities	<u>1,198,327</u>	<u>95,889</u>	<u>54,504</u>	<u>23,413</u>	<u>-</u>	<u>154,275</u>
<b>Deferred Inflows of Resources</b>						
Unavailable revenue	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances</b>						
Non-spendable						
Prepaid items	-	-	1,020	-	-	-
Restricted	-	799,195	-	-	-	-
Committed	-	-	90,546	255,249	-	215,671
	<u>-</u>	<u>799,195</u>	<u>91,566</u>	<u>255,249</u>	<u>-</u>	<u>215,671</u>
Total fund balances	<u>-</u>	<u>799,195</u>	<u>91,566</u>	<u>255,249</u>	<u>-</u>	<u>215,671</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,198,327</u>	<u>\$ 895,084</u>	<u>\$ 146,070</u>	<u>\$ 278,662</u>	<u>\$ -</u>	<u>\$ 369,946</u>

**City of Fenton**  
**Other Supplementary Information**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2022**

	Special Revenue Funds					Capital Projects Funds		
	Narcotics Enforcement	D.A.R.E.	Emergency 911	Non-motorized Trail	Public Communications	Fire Equipment	Police Equipment	Fire Ladder Truck
<b>Assets</b>								
Cash	\$ 3,188	\$ 22,880	\$ 335,856	\$ 101,663	\$ 4,922	\$ 340,168	\$ 167,534	\$ 458,883
Receivables								
Customers	-	-	63,991	-	3,600	-	-	-
Special assessments	-	-	-	-	-	-	-	-
Due from other units of government	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-
Prepaid items	-	-	2,527	-	-	-	-	-
<b>Total assets</b>	<u>\$ 3,188</u>	<u>\$ 22,880</u>	<u>\$ 402,374</u>	<u>\$ 101,663</u>	<u>\$ 8,522</u>	<u>\$ 340,168</u>	<u>\$ 167,534</u>	<u>\$ 458,883</u>
<b>Liabilities</b>								
Accounts payable	\$ -	\$ -	\$ 8,903	\$ 43,586	\$ -	\$ -	\$ -	\$ -
Accrued and other liabilities	-	-	4,784	-	-	-	-	-
Due to other funds	-	-	363,639	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-	-
<b>Total liabilities</b>	<u>-</u>	<u>-</u>	<u>377,326</u>	<u>43,586</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Deferred Inflows of Resources</b>								
Unavailable revenue	-	-	-	-	-	-	-	-
<b>Fund Balances</b>								
Non-spendable								
Prepaid items	-	-	2,527	-	-	-	-	-
Restricted	-	-	-	-	8,522	-	-	-
Committed	3,188	22,880	22,521	58,077	-	340,168	167,534	458,883
<b>Total fund balances</b>	<u>3,188</u>	<u>22,880</u>	<u>25,048</u>	<u>58,077</u>	<u>8,522</u>	<u>340,168</u>	<u>167,534</u>	<u>458,883</u>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<u>\$ 3,188</u>	<u>\$ 22,880</u>	<u>\$ 402,374</u>	<u>\$ 101,663</u>	<u>\$ 8,522</u>	<u>\$ 340,168</u>	<u>\$ 167,534</u>	<u>\$ 458,883</u>

**City of Fenton**  
**Other Supplementary Information**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2022**

	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	\$ 306,925	\$ 24,796	\$ 202,480	\$ 57,532	\$ 125,960	\$ 4,797,496
Receivables						
Customers	-	-	-	-	-	246,935
Special assessments	-	-	8	-	107,292	107,300
Due from other units of government	-	-	-	-	-	63,016
Due from other funds	-	-	-	200	-	200
Prepaid items	-	-	-	-	-	3,547
<b>Total assets</b>	<u>\$ 306,925</u>	<u>\$ 24,796</u>	<u>\$ 202,488</u>	<u>\$ 57,732</u>	<u>\$ 233,252</u>	<u>\$ 5,218,494</u>
<b>Liabilities</b>						
Accounts payable	\$ -	\$ 4,866	\$ -	\$ 3,815	\$ -	\$ 189,138
Accrued and other liabilities	-	-	-	-	-	11,705
Due to other funds	-	-	-	-	200	540,721
Unearned revenue	-	-	-	-	-	1,214,637
<b>Total liabilities</b>	<u>-</u>	<u>4,866</u>	<u>-</u>	<u>3,815</u>	<u>200</u>	<u>1,956,201</u>
<b>Deferred Inflows of Resources</b>						
Unavailable revenue	-	-	8	-	105,949	105,957
<b>Fund Balances</b>						
Non-spendable						
Prepaid items	-	-	-	-	-	3,547
Restricted	-	-	-	-	127,103	934,820
Committed	306,925	19,930	202,480	53,917	-	2,217,969
<b>Total fund balances</b>	<u>306,925</u>	<u>19,930</u>	<u>202,480</u>	<u>53,917</u>	<u>127,103</u>	<u>3,156,336</u>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<u>\$ 306,925</u>	<u>\$ 24,796</u>	<u>\$ 202,488</u>	<u>\$ 57,732</u>	<u>\$ 233,252</u>	<u>\$ 5,218,494</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, 2022**

	Special Revenue Funds					
	American Rescue Plan Act	Local Street	Parks and Recreation	Cemetery	CDBG	Garbage Collection
<b>Revenues</b>						
Intergovernmental	\$ -	\$ 456,006	\$ -	\$ -	\$ 3,307	\$ -
Charges for services	-	-	33,130	43,048	-	532,041
Interest income	-	-	4,720	-	-	-
Other revenue	-	-	6,935	-	-	-
<b>Total revenues</b>	<u>-</u>	<u>456,006</u>	<u>44,785</u>	<u>43,048</u>	<u>3,307</u>	<u>532,041</u>
<b>Expenditures</b>						
Current						
General government	-	-	-	102,134	-	-
Public safety	-	-	-	-	-	-
Public works	-	689,749	-	-	-	454,422
Community and economic development	-	-	-	-	3,307	-
Recreation and culture	-	-	162,673	-	-	-
Other functions	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Principal retirement	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>689,749</u>	<u>162,673</u>	<u>102,134</u>	<u>3,307</u>	<u>454,422</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(233,743)</u>	<u>(117,888)</u>	<u>(59,086)</u>	<u>-</u>	<u>77,619</u>
<b>Other financing sources (uses)</b>						
Transfers in	-	900,000	120,000	20,000	-	-
<b>Net change in fund balances</b>	<u>-</u>	<u>666,257</u>	<u>2,112</u>	<u>(39,086)</u>	<u>-</u>	<u>77,619</u>
Fund balances - beginning of year	-	132,938	89,454	294,335	-	138,052
Fund balances - end of year	<u>\$ -</u>	<u>\$ 799,195</u>	<u>\$ 91,566</u>	<u>\$ 255,249</u>	<u>\$ -</u>	<u>\$ 215,671</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, 2022**

	Special Revenue Funds					Capital Projects Funds		
	Narcotics Enforcement	D.A.R.E.	Emergency 911	Non-motorized Trail	Public Communications	Fire Equipment	Police Equipment	Fire Ladder Truck
<b>Revenues</b>								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 12,716	\$ -	\$ -	\$ -
Charges for services	-	-	247,154	-	-	-	-	-
Interest income	-	-	-	-	-	-	-	-
Other revenue	-	-	-	200,000	-	-	-	-
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>247,154</b>	<b>200,000</b>	<b>12,716</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Expenditures</b>								
Current								
General government	-	-	-	-	-	-	-	-
Public safety	-	758	410,516	-	16,250	-	-	-
Public works	-	-	-	-	-	-	-	-
Community and economic development	-	-	-	-	-	-	-	-
Recreation and culture	-	-	-	141,923	-	-	-	-
Other functions	-	-	-	-	2,602	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Principal retirement	-	-	-	-	-	41,312	-	-
Interest and fiscal charges	-	-	-	-	-	6,493	-	-
<b>Total expenditures</b>	<b>-</b>	<b>758</b>	<b>410,516</b>	<b>141,923</b>	<b>18,852</b>	<b>47,805</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of revenues over (under) expenditures	-	(758)	(163,362)	58,077	(6,136)	(47,805)	-	-
<b>Other financing sources (uses)</b>								
Transfers in	-	-	175,000	-	5,000	150,000	15,000	-
<b>Net change in fund balances</b>	<b>-</b>	<b>(758)</b>	<b>11,638</b>	<b>58,077</b>	<b>(1,136)</b>	<b>102,195</b>	<b>15,000</b>	<b>-</b>
Fund balances - beginning of year	3,188	23,638	13,410	-	9,658	237,973	152,534	458,883
Fund balances - end of year	<b>\$ 3,188</b>	<b>\$ 22,880</b>	<b>\$ 25,048</b>	<b>\$ 58,077</b>	<b>\$ 8,522</b>	<b>\$ 340,168</b>	<b>\$ 167,534</b>	<b>\$ 458,883</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, 2022**

	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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 472,029
Charges for services	-	-	-	-	-	855,373
Interest income	-	-	-	-	24,073	28,793
Other revenue	-	-	-	-	35,357	242,292
<b>Total revenues</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>59,430</u>	<u>1,598,487</u>
<b>Expenditures</b>						
Current						
General government	-	-	-	-	-	102,134
Public safety	-	-	-	-	-	427,524
Public works	-	-	-	-	-	1,144,171
Community and economic development	-	-	4,613	-	-	7,920
Recreation and culture	-	-	-	-	-	304,596
Other functions	-	-	-	4,250	-	6,852
Capital outlay	-	7,759	-	-	-	7,759
Principal retirement	-	-	-	-	55,000	96,312
Interest and fiscal charges	-	-	-	-	8,388	14,881
<b>Total expenditures</b>	<u>-</u>	<u>7,759</u>	<u>4,613</u>	<u>4,250</u>	<u>63,388</u>	<u>2,112,149</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(7,759)</u>	<u>(4,613)</u>	<u>(4,250)</u>	<u>(3,958)</u>	<u>(513,662)</u>
<b>Other financing sources (uses)</b>						
Transfers in	-	20,000	-	-	-	1,405,000
<b>Net change in fund balances</b>	<u>-</u>	<u>12,241</u>	<u>(4,613)</u>	<u>(4,250)</u>	<u>(3,958)</u>	<u>891,338</u>
Fund balances - beginning of year	306,925	7,689	207,093	58,167	131,061	2,264,998
<b>Fund balances - end of year</b>	<u>\$ 306,925</u>	<u>\$ 19,930</u>	<u>\$ 202,480</u>	<u>\$ 53,917</u>	<u>\$ 127,103</u>	<u>\$ 3,156,336</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, 2022**

**Local Street 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>				
Intergovernmental	\$ 414,866	\$ 414,866	\$ 456,006	\$ 41,140
<b>Expenditures</b>				
Current				
Public works	<u>530,260</u>	<u>1,333,970</u>	<u>689,749</u>	<u>(644,221)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(115,394)</u>	<u>(919,104)</u>	<u>(233,743)</u>	<u>685,361</u>
<b>Other financing sources</b>				
Transfers in	<u>50,000</u>	<u>900,000</u>	<u>900,000</u>	<u>-</u>
Net change in fund balance	(65,394)	(19,104)	666,257	685,361
Fund balance - beginning of year	<u>132,938</u>	<u>132,938</u>	<u>132,938</u>	<u>-</u>
Fund balance - end of year	<u>\$ 67,544</u>	<u>\$ 113,834</u>	<u>\$ 799,195</u>	<u>\$ 685,361</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, 2022**

**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	\$ 32,000	\$ 32,000	\$ 33,130	\$ 1,130
Interest income	6,000	6,000	4,720	(1,280)
Other revenue	<u>1,600</u>	<u>7,400</u>	<u>6,935</u>	<u>(465)</u>
Total revenues	<u>39,600</u>	<u>45,400</u>	<u>44,785</u>	<u>(615)</u>
<b>Expenditures</b>				
Current				
Recreation and culture	<u>177,750</u>	<u>154,372</u>	<u>162,673</u>	<u>8,301</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(138,150)</u>	<u>(108,972)</u>	<u>(117,888)</u>	<u>(8,916)</u>
<b>Other financing sources</b>				
Transfers in	<u>70,000</u>	<u>120,000</u>	<u>120,000</u>	<u>-</u>
Net change in fund balance	(68,150)	11,028	2,112	(8,916)
Fund balance - beginning of year	<u>89,454</u>	<u>89,454</u>	<u>89,454</u>	<u>-</u>
Fund balance - end of year	<u>\$ 21,304</u>	<u>\$ 100,482</u>	<u>\$ 91,566</u>	<u>\$ (8,916)</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, 2022**

**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	\$ 21,900	\$ 38,400	\$ 43,048	\$ 4,648
<b>Expenditures</b>				
Current				
General government	<u>66,450</u>	<u>103,505</u>	<u>102,134</u>	<u>(1,371)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(44,550)</u>	<u>(65,105)</u>	<u>(59,086)</u>	<u>6,019</u>
<b>Other financing sources (uses)</b>				
Transfers in	-	20,000	20,000	-
Transfers out	<u>(2,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources	<u>(2,000)</u>	<u>20,000</u>	<u>20,000</u>	<u>-</u>
Net change in fund balance	(46,550)	(45,105)	(39,086)	6,019
Fund balance - beginning of year	<u>294,335</u>	<u>294,335</u>	<u>294,335</u>	<u>-</u>
Fund balance - end of year	<u>\$ 247,785</u>	<u>\$ 249,230</u>	<u>\$ 255,249</u>	<u>\$ 6,019</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, 2022**

<b>CDBG Fund</b>	Budgeted Amounts		Actual	Actual
	Original	Final		Over (Under)
				Final
				Budget
<b>Revenues</b>				
Intergovernmental	\$ 81,542	\$ 81,542	\$ 3,307	\$ (78,235)
<b>Expenditures</b>				
Current				
Community and economic development	81,542	81,542	3,307	(78,235)
Net change in fund balance	-	-	-	-
Fund balance - beginning of year	-	-	-	-
Fund balance - end of year	\$ -	\$ -	\$ -	\$ -

**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, 2022**

**Garbage Collection 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	\$ 536,250	\$ 517,862	\$ 532,041	\$ 14,179
<b>Expenditures</b>				
Current				
Public works	<u>577,661</u>	<u>456,500</u>	<u>454,422</u>	<u>(2,078)</u>
Net change in fund balance	(41,411)	61,362	77,619	16,257
Fund balance - beginning of year	<u>138,052</u>	<u>138,052</u>	<u>138,052</u>	<u>-</u>
Fund balance - end of year	<u>\$ 96,641</u>	<u>\$ 199,414</u>	<u>\$ 215,671</u>	<u>\$ 16,257</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, 2022**

**Narcotics Enforcement 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>	\$ -	\$ -	\$ -	\$ -
<b>Expenditures</b>				
Current				
Public safety	<u>\$ 500</u>	<u>\$ 500</u>	<u>\$ -</u>	<u>\$ (500)</u>
Net change in fund balance	(500)	(500)	-	500
Fund balance - beginning of year	<u>3,188</u>	<u>3,188</u>	<u>3,188</u>	<u>-</u>
Fund balance - end of year	<u>\$ 2,688</u>	<u>\$ 2,688</u>	<u>\$ 3,188</u>	<u>\$ 500</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, 2022**

**D.A.R.E. 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>				
Current				
Public safety	<u>500</u>	<u>500</u>	<u>758</u>	<u>258</u>
Net change in fund balance	(500)	(500)	(758)	(258)
Fund balance - beginning of year	<u>23,638</u>	<u>23,638</u>	<u>23,638</u>	<u>-</u>
Fund balance - end of year	<u>\$ 23,138</u>	<u>\$ 23,138</u>	<u>\$ 22,880</u>	<u>\$ (258)</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, 2022**

Emergency 911 Fund	Budgeted Amounts		Actual	Actual
	Original	Final		Over (Under) Final Budget
<b>Revenues</b>				
Charges for services	\$ 227,775	\$ 244,775	\$ 247,154	\$ 2,379
<b>Expenditures</b>				
Current				
Public safety	359,600	410,850	410,516	(334)
Excess (deficiency) of revenues over (under) expenditures	(131,825)	(166,075)	(163,362)	2,713
<b>Other financing sources</b>				
Transfers in	140,000	175,000	175,000	-
Net change in fund balance	8,175	8,925	11,638	2,713
Fund balance - beginning of year	13,410	13,410	13,410	-
Fund balance - end of year	\$ 21,585	\$ 22,335	\$ 25,048	\$ 2,713

**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, 2022**

**Public Communications Fund**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Actual Over (Under)
	<u>Original</u>	<u>Final</u>		Final Budget
<b>Revenues</b>				
Intergovernmental	\$ 13,000	\$ 13,000	\$ 12,716	\$ (284)
<b>Expenditures</b>				
Current				
Public safety	15,000	15,000	16,250	1,250
Other functions	<u>2,700</u>	<u>2,700</u>	<u>2,602</u>	<u>(98)</u>
Total expenditures	<u>17,700</u>	<u>17,700</u>	<u>18,852</u>	<u>1,152</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,700)</u>	<u>(4,700)</u>	<u>(6,136)</u>	<u>(1,436)</u>
<b>Other financing sources</b>				
Transfers in	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>-</u>
Net change in fund balance	300	300	(1,136)	(1,436)
Fund balance - beginning of year	<u>9,658</u>	<u>9,658</u>	<u>9,658</u>	<u>-</u>
Fund balance - end of year	<u>\$ 9,958</u>	<u>\$ 9,958</u>	<u>\$ 8,522</u>	<u>\$ (1,436)</u>

**City of Fenton**  
**Other Supplementary Information**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Non-motorized Trail Fund**  
**For the Year Ended June 30, 2022**

Non-motorized Trail Fund	Budgeted Amounts		Actual	Actual
	Original	Final		Over (Under)
				Final Budget
<b>Revenues</b>				
Other revenue	\$ -	\$ 200,000	\$ 200,000	\$ -
<b>Expenditures</b>				
Current				
Recreation and culture	-	120,000	141,923	21,923
Net change in fund balance	-	80,000	58,077	(21,923)
Fund balance - beginning of year	-	-	-	-
Fund balance - end of year	\$ -	\$ 80,000	\$ 58,077	\$ (21,923)

**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, 2022**

**Fire Equipment Fund**

	Budgeted Amounts		Actual	Actual Over (Under) Final Budget
	Original	Final		
<b>Revenues</b>	\$ -	\$ -	\$ -	-
<b>Expenditures</b>				
Debt service				
Principal retirement	41,312	40,832	41,312	480
Interest and fiscal charges	6,495	6,975	6,493	(482)
Total expenditures	47,807	47,807	47,805	(2)
Excess (deficiency) of revenues over (under) expenditures	(47,807)	(47,807)	(47,805)	2
<b>Other financing sources (uses)</b>				
Transfers in	150,000	150,000	150,000	-
Net change in fund balance	102,193	102,193	102,195	2
Fund balance - beginning of year	237,973	237,973	237,973	-
Fund balance - end of year	<u>\$ 340,166</u>	<u>\$ 340,166</u>	<u>\$ 340,168</u>	<u>\$ 2</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, 2022**

<b>Police Equipment Fund</b>	Budgeted Amounts		<u>Actual</u>	Actual Over (Under)
	Original	Final		Final Budget
<b>Revenues</b>	\$ -	\$ -	\$ -	\$ -
<b>Other financing sources</b>				
Transfers in	25,000	15,000	15,000	-
Net change in fund balance	25,000	15,000	15,000	-
Fund balance - beginning of year	152,534	152,534	152,534	-
Fund balance - end of year	\$ 177,534	\$ 167,534	\$ 167,534	\$ -

**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, 2022**

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**Fire Ladder Truck Fund**

	Budgeted Amounts		Actual	Actual Over (Under) Final Budget
	Original	Final		
<b>Revenues</b>				
State-shared revenue	\$ 50,000	\$ 50,000	\$ -	\$ (50,000)
Net change in fund balance	50,000	50,000	-	(50,000)
Fund balance - beginning of year	458,883	458,883	458,883	-
Fund balance - end of year	\$ 508,883	\$ 508,883	\$ 458,883	\$ (50,000)

**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, 2022**

C.I.P. Fund	Budgeted Amounts		Actual	Actual
	Original	Final		Over (Under) Final Budget
<b>Revenues</b>	\$ -	\$ -	\$ -	\$ -
<b>Other financing uses</b>				
Transfers in	400,000	-	-	-
Transfers out	(600,000)	(200,000)	-	200,000
Total other financing sources and uses	(200,000)	(200,000)	-	200,000
Net change in fund balance	(200,000)	(200,000)	-	200,000
Fund balance - beginning of year	306,925	306,925	306,925	-
Fund balance - end of year	<u>\$ 106,925</u>	<u>\$ 106,925</u>	<u>\$ 306,925</u>	<u>\$ 200,000</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, 2022**

**Technology and Improvements**

	<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>				
Capital outlay	<u>\$ -</u>	<u>\$ 10,000</u>	<u>\$ 7,759</u>	<u>\$ (2,241)</u>
Excess (deficiency) of revenues over (under) expenditures	-	(10,000)	(7,759)	2,241
<b>Other financing sources</b>				
Transfers in	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>-</u>
Net change in fund balance	20,000	10,000	12,241	2,241
Fund balance - beginning of year	<u>7,689</u>	<u>7,689</u>	<u>7,689</u>	<u>-</u>
Fund balance - end of year	<u>\$ 27,689</u>	<u>\$ 17,689</u>	<u>\$ 19,930</u>	<u>\$ 2,241</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, 2022**

**Working Capital Fund**

	Budgeted Amounts		Actual	Actual Over (Under) Final Budget
	Original	Final		
<b>Revenues</b>				
Other revenue	\$ 3,075	\$ -	\$ -	\$ -
<b>Expenditures</b>				
Community and economic development	3,510	2,830	4,613	1,783
Excess (deficiency) of revenues over (under) expenditures	(435)	(2,830)	(4,613)	(1,783)
Fund balance - beginning of year	207,093	207,093	207,093	-
Fund balance - end of year	\$ 206,658	\$ 204,263	\$ 202,480	\$ (1,783)

**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, 2022**

**Eagles on Water SA Capital Fund**

	Budgeted Amounts		Actual	Actual
	Original	Final		Over (Under) Final Budget
<b>Revenues</b>	\$ -	\$ -	\$ -	\$ -
<b>Expenditures</b>				
Current				
Other functions	<u>\$ 5,000</u>	<u>\$ 5,000</u>	<u>\$ 4,250</u>	<u>\$ (750)</u>
Net change in fund balance	(5,000)	(5,000)	(4,250)	750
Fund balance - beginning of year	<u>58,167</u>	<u>58,167</u>	<u>58,167</u>	<u>-</u>
Fund balance - end of year	<u><u>\$ 53,167</u></u>	<u><u>\$ 53,167</u></u>	<u><u>\$ 53,917</u></u>	<u><u>\$ 750</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, 2022**

**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	\$ 8,500	\$ 6,939	\$ 24,073	\$ 17,134
Other revenue	<u>39,000</u>	<u>37,509</u>	<u>35,357</u>	<u>(2,152)</u>
Total revenues	<u>47,500</u>	<u>44,448</u>	<u>59,430</u>	<u>14,982</u>
<b>Expenditures</b>				
Debt service				
Principal retirement	55,000	55,000	55,000	-
Interest and fiscal charges	<u>8,388</u>	<u>8,388</u>	<u>8,388</u>	<u>-</u>
Total expenditures	<u>63,388</u>	<u>63,388</u>	<u>63,388</u>	<u>-</u>
Net change in fund balance	(15,888)	(18,940)	(3,958)	14,982
Fund balance - beginning of year	<u>131,061</u>	<u>131,061</u>	<u>131,061</u>	<u>-</u>
Fund balance - end of year	<u>\$ 115,173</u>	<u>\$ 112,121</u>	<u>\$ 127,103</u>	<u>\$ 14,982</u>

**City of Fenton**  
**Other Supplementary Information**  
**Budgetary Comparison Schedule**  
**Local Street Improvement Fund**  
**For the Year Ended June 30, 2022**

	Budgeted Amounts		Actual	Actual Over (Under) Final Budget
	Original	Final		
<b>Revenues</b>				
Bond/note proceeds	\$ -	\$ 10,000,000	\$ 9,150,000	\$ (850,000)
Premium on issuance of debt	-	-	920,085	920,085
Total revenues	-	10,000,000	10,070,085	70,085
<b>Expenditures</b>				
Debt service				
Interest and fiscal charges	-	-	499	499
Bond issuance costs	-	-	170,625	170,625
Transfers out	-	850,000	850,000	-
Total expenditures	-	850,000	1,021,124	171,124
Excess of revenues (deficiency) over expenditures	-	9,150,000	9,048,961	(101,039)
Fund balance - beginning of year	-	-	-	-
Fund balance - end of year	\$ -	\$ 9,150,000	\$ 9,048,961	\$ (101,039)

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

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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, 2022**

	<u>Equipment</u>	<u>Sick Pay</u>	<u>Total</u>
<b>Assets</b>			
Current assets			
Cash	\$ 294,145	\$ 212,652	\$ 506,797
Due from other funds	<u>7,212</u>	<u>-</u>	<u>7,212</u>
Total current assets	<u>306,401</u>	<u>212,652</u>	<u>519,053</u>
Noncurrent assets			
Capital assets, net of accumulated depreciation	<u>859,431</u>	<u>-</u>	<u>859,431</u>
Total assets	<u>1,165,832</u>	<u>212,652</u>	<u>1,378,484</u>
<b>Liabilities</b>			
Current liabilities			
Accounts payable	23,123	-	23,123
Accrued and other liabilities	1,231	-	1,231
Due to other funds	13,768	-	13,768
Current portion of installment purchase agreement	41,336	-	41,336
Current portion of compensated absences	<u>-</u>	<u>43,496</u>	<u>43,496</u>
Total current liabilities	<u>79,458</u>	<u>43,496</u>	<u>122,954</u>
Noncurrent liabilities			
Noncurrent portion of installment purchase agreement	198,442	-	198,442
Noncurrent portion of compensated absences	<u>-</u>	<u>173,986</u>	<u>173,986</u>
Total noncurrent liabilities	<u>198,442</u>	<u>173,986</u>	<u>372,428</u>
Total liabilities	<u>277,900</u>	<u>217,482</u>	<u>495,382</u>
<b>Net Position</b>			
Net investment in capital assets	859,431	-	859,431
Unrestricted (deficit)	<u>28,501</u>	<u>(4,830)</u>	<u>23,671</u>
Total net position (deficit)	<u>\$ 887,932</u>	<u>\$ (4,830)</u>	<u>\$ 883,102</u>

**City of Fenton**  
**Internal Service Funds**  
**Combining Statement of Revenues, Expenses and Changes in Net Position**  
**For the Year Ended June 30, 2022**

	<u>Equipment</u>	<u>Sick Pay</u>	<u>Total</u>
<b>Operating revenue</b>			
Billings to other funds	\$ 418,752	\$ -	\$ 418,752
Other revenue	<u>-</u>	<u>90,908</u>	<u>90,908</u>
Total operating revenue	<u>418,752</u>	<u>90,908</u>	<u>509,660</u>
<b>Operating expenses</b>			
Personnel services	45,046	-	45,046
Supplies	163,519	-	163,519
Utilities	47,805	-	47,805
Repairs and maintenance	84,376	-	84,376
Other expenses	22,233	83,706	105,939
Depreciation	<u>167,872</u>	<u>-</u>	<u>167,872</u>
Total operating expenses	<u>530,851</u>	<u>83,706</u>	<u>614,557</u>
Operating income (loss)	<u>(112,099)</u>	<u>7,202</u>	<u>(104,897)</u>
<b>Nonoperating revenue</b>			
Interest expense	<u>(6,348)</u>	<u>-</u>	<u>(6,348)</u>
Income (loss) before transfers	(118,447)	7,202	(111,245)
Transfers out	<u>-</u>	<u>(34,503)</u>	<u>(34,503)</u>
Change in net position	(118,447)	(27,301)	(145,748)
Net position - beginning of year	<u>1,006,379</u>	<u>22,471</u>	<u>1,028,850</u>
Net position (deficit) - end of year	<u>\$ 887,932</u>	<u>\$ (4,830)</u>	<u>\$ 883,102</u>

**City of Fenton**  
**Internal Service Funds**  
**Combining Statement of Cash Flows**  
**For the Year Ended June 30, 2022**

	<u>Equipment</u>	<u>Sick Pay</u>	<u>Total</u>
<b>Cash flows from operating activities</b>			
Receipts from interfund users	\$ 420,920	\$ 83,705	\$ 504,625
Payments to suppliers	(311,324)	-	(311,324)
Payments to employees	<u>(45,046)</u>	<u>(83,706)</u>	<u>(128,752)</u>
Net cash provided (used) by operating activities	<u>64,550</u>	<u>(1)</u>	<u>64,549</u>
<b>Cash flows from noncapital financing activities</b>			
Transfer to other funds	<u>-</u>	<u>(34,503)</u>	<u>(34,503)</u>
<b>Cash flows from capital and related financing activities</b>			
Purchases/construction of capital assets	(230,858)	-	(230,858)
Principal and interest paid on long-term debt	<u>(46,730)</u>	<u>-</u>	<u>(46,730)</u>
Net cash used by capital and related financing activities	<u>(277,588)</u>	<u>-</u>	<u>(277,588)</u>
Net change in cash	(213,038)	(34,504)	(247,542)
Cash - beginning of year	<u>507,183</u>	<u>247,156</u>	<u>754,339</u>
Cash - end of year	<u>\$ 294,145</u>	<u>\$ 212,652</u>	<u>\$ 506,797</u>

**City of Fenton**  
**Internal Service Funds**  
**Combining Statement of Cash Flows**  
**For the Year Ended June 30, 2022**

	<u>Equipment</u>	<u>Sick Pay</u>	<u>Total</u>
<b>Reconciliation of operating income (loss) to net cash provided by operating activities</b>			
Operating income (loss)	\$ (112,099)	\$ 7,202	\$ (104,897)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities			
Depreciation	167,872	-	167,872
Changes in assets and liabilities			
Due from other funds	(6,556)	-	(6,556)
Due from component unit	(5,044)	-	(5,044)
Accounts payable	6,975	-	6,975
Accrued and other liabilities	(366)	-	(366)
Due to other funds	13,768	-	13,768
Compensated absences	-	(7,203)	(7,203)
	<u>64,550</u>	<u>(1)</u>	<u>64,549</u>
Net cash provided (used) by operating activities	<u>\$ 64,550</u>	<u>\$ (1)</u>	<u>\$ 64,549</u>

**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, 2022**

	Custodial Funds			Total
	Tax Collection	Employees Union	Fenton Community Center	
<b>Assets</b>				
Cash	\$ 37,230	\$ 9,300	\$ 47,271	\$ 93,801
<b>Liabilities</b>				
Due to other units of government	37,230	-	-	37,230
Due to union groups	-	9,300	-	9,300
Total liabilities	37,230	9,300	-	46,530
<b>Net Position</b>				
Restricted for fiduciary activities	-	-	47,271	47,271
Total net position	\$ -	\$ -	\$ 47,271	\$ 47,271

**City of Fenton**  
**Fiduciary Funds**  
**Statement of Changes in Fiduciary Net Position**  
**For the Year Ended June 30, 2022**

	Custodial Funds			Total
	Tax Collection	Employees Union	Fenton Community Center	
Additions				
Property tax collections for other governments	\$ 21,523,789	\$ -	\$ -	\$ 21,523,789
Miscellaneous	-	-	10,000	10,000
Total additions	21,523,789	-	10,000	21,533,789
Deductions				
Payments of property tax to other governments	21,523,789	-	-	21,523,789
Change in net position	-	-	10,000	10,000
Net position - beginning of year	-	-	37,271	37,271
Net position - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 47,271</u>	<u>\$ 47,271</u>

**City of Fenton**  
**Component Unit Funds**  
**Combining Balance Sheet - Downtown Development Authority**  
**June 30, 2022**

	Special Revenue Fund	Capital Projects Fund	2013 Bond Construction Fund	Total
<b>Assets</b>				
Cash	\$ 1,733,054	\$ 577,803	\$ 82,609	\$ 2,393,466
Receivables				
Customers	-	-	12,000	12,000
Accrued interest and other	-	10,465	-	10,465
Prepaid items	-	2,587	-	2,587
Total assets	<u>\$ 1,733,054</u>	<u>\$ 590,855</u>	<u>\$ 94,609</u>	<u>\$ 2,418,518</u>
<b>Liabilities</b>				
Accounts payable	\$ -	\$ 61,784	\$ -	\$ 61,784
Accrued and other liabilities	-	7,962	-	7,962
Due to primary government	-	76,873	-	76,873
Due to other units of government	-	622	-	622
Total liabilities	<u>-</u>	<u>147,241</u>	<u>-</u>	<u>147,241</u>
<b>Deferred Inflows of Resources</b>				
Unavailable revenue	-	-	12,000	12,000
<b>Fund Balances</b>				
Non-spendable				
Prepaid items	-	2,587	-	2,587
Assigned	<u>1,733,054</u>	<u>441,027</u>	<u>82,609</u>	<u>2,256,690</u>
Total fund balances	<u>1,733,054</u>	<u>443,614</u>	<u>82,609</u>	<u>2,259,277</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,733,054</u>	<u>\$ 590,855</u>	<u>\$ 94,609</u>	<u>\$ 2,418,518</u>

**City of Fenton**  
**Component Unit Funds**  
**Reconciliation of the Combining Balance Sheet to the Statement**  
**of Net Position - Downtown Development Authority**  
**June 30, 2022**

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<b>Total fund balances - component unit</b>	<b>\$ 2,259,277</b>
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	(34,140)
Certain receivables are not available to pay for current period expenditures and, therefore are deferred in the funds.	
	12,000
Certain liabilities are not due and payable in the current period and are not reported in the funds.	
Accrued interest	(26,554)
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	(3,273,719)
<b>Net position of component unit activities</b>	<b>\$ (603,996)</b>

**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, 2022**

	Special Revenue Fund	Capital Projects Fund	2013 Bond Construction Fund	Total
<b>Revenues</b>				
Taxes	\$ 2,031,811	\$ -	\$ -	\$ 2,031,811
Interest income	2,020	-	-	2,020
Donations	-	3,088	12,000	15,088
Total revenues	<u>2,033,831</u>	<u>3,088</u>	<u>12,000</u>	<u>2,048,919</u>
<b>Expenditures</b>				
Current				
Community and economic development	-	1,254,074	-	1,254,074
Debt service				
Principal retirement	336,000	-	-	336,000
Interest and fiscal charges	109,188	-	-	109,188
Total expenditures	<u>445,188</u>	<u>1,254,074</u>	<u>-</u>	<u>1,699,262</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,588,643</u>	<u>(1,250,986)</u>	<u>12,000</u>	<u>349,657</u>
<b>Other financing sources (uses)</b>				
Transfers in	-	1,525,000	-	1,525,000
Transfers out	<u>(1,525,000)</u>	<u>-</u>	<u>-</u>	<u>(1,525,000)</u>
Total other financing sources (uses)	<u>(1,525,000)</u>	<u>1,525,000</u>	<u>-</u>	<u>-</u>
Net change in fund balances	63,643	274,014	12,000	349,657
Fund balances - beginning of year	<u>1,669,411</u>	<u>169,600</u>	<u>70,609</u>	<u>1,909,620</u>
Fund balances - end of year	<u>\$ 1,733,054</u>	<u>\$ 443,614</u>	<u>\$ 82,609</u>	<u>\$ 2,259,277</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, 2022**

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**Net change in fund balances - component unit** \$ 349,657

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 (2,281)

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 345

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 336,000

Amortization of deferred charge and premium 4,262

**Change in net position of component units** **\$ 675,983**

**City of Fenton**  
**Component Unit Funds**  
**Combining Balance Sheet - Local Development Finance Authority**  
**June 30, 2022**

	Special Revenue Fund	Capital Projects Fund	Total
<b>Assets</b>			
Cash	\$ 1,540,413	\$ 282,873	\$ 1,823,286
Prepaid items	-	1,947	1,947
	<u>1,540,413</u>	<u>284,820</u>	<u>1,825,233</u>
Total assets	<u>\$ 1,540,413</u>	<u>\$ 284,820</u>	<u>\$ 1,825,233</u>
<b>Liabilities</b>			
Accounts payable	\$ -	\$ 13,834	\$ 13,834
Accrued and other liabilities	-	556	556
Due to primary government	-	10,075	10,075
Due to other units of government	-	154	154
	<u>-</u>	<u>24,619</u>	<u>24,619</u>
Total liabilities	<u>-</u>	<u>24,619</u>	<u>24,619</u>
<b>Fund Balances</b>			
Non-spendable			
Prepaid items	-	1,947	1,947
Committed	1,540,413	258,254	1,798,667
	<u>1,540,413</u>	<u>260,201</u>	<u>1,800,614</u>
Total fund balances	<u>1,540,413</u>	<u>260,201</u>	<u>1,800,614</u>
	<u>\$ 1,540,413</u>	<u>\$ 284,820</u>	<u>\$ 1,825,233</u>
Total liabilities and fund balances	<u>\$ 1,540,413</u>	<u>\$ 284,820</u>	<u>\$ 1,825,233</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, 2022**

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<b>Total fund balances - component unit</b>	\$ 1,800,614
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>(37,630)</u>
<b>Net position of component unit activities</b>	<u>\$ 1,800,614</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, 2022.

**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, 2022**

	Special Revenue Fund	Capital Projects Fund	Total
<b>Revenues</b>			
Taxes	\$ 265,568	\$ -	\$ 265,568
Interest income	678	-	678
Total revenues	<u>266,246</u>	<u>-</u>	<u>266,246</u>
<b>Expenditures</b>			
Current			
Community and economic development	<u>-</u>	<u>87,891</u>	<u>87,891</u>
Excess (deficiency) of revenues over expenditures	<u>266,246</u>	<u>(87,891)</u>	<u>178,355</u>
<b>Other financing sources (uses)</b>			
Transfers in	-	150,000	150,000
Transfers out	<u>(150,000)</u>	<u>-</u>	<u>(150,000)</u>
Total other financing sources (uses)	<u>(150,000)</u>	<u>150,000</u>	<u>-</u>
Net change in fund balances	116,246	62,109	178,355
Fund balances - beginning of year	<u>1,424,167</u>	<u>198,092</u>	<u>1,622,259</u>
Fund balances - end of year	<u>\$ 1,540,413</u>	<u>\$ 260,201</u>	<u>\$ 1,800,614</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, 2022.

**City of Fenton**  
**Component Unit Funds**  
**Balance Sheet - Brownfield Redevelopment Authority**  
**June 30, 2022**

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	<u>Special Revenue Fund</u>
<b>Assets</b>	
Cash and cash equivalents	\$ <u>202,487</u>
<b>Fund Balance</b>	
Committed	\$ <u>202,487</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, 2022.

**City of Fenton**  
**Component Unit Funds**  
**Statement of Revenues, Expenditures and Changes in Fund Balances -**  
**Brownfield Redevelopment Authority**  
**For the Year Ended June 30, 2022**

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	<u>Special Revenue Fund</u>
<b>Revenues</b>	
Taxes	\$ 171,342
<b>Expenditures</b>	
Current	
Community and economic development	<u>142,856</u>
Excess (deficiency) of revenues over expenditures	28,486
Fund balance - beginning of year	<u>174,001</u>
Fund balance - end of year	<u><u>\$ 202,487</u></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, 2021.

## 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.

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#### **Financial Trend Information:**

These schedules contain trend information to assist the reader in understanding how the financial performance of the City has changed during recent years.

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Fund Balances, Governmental Funds	7 - 5
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#### **Revenue Capacity Information:**

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#### **Debt Capacity Information:**

These schedules present information to assist the reader in assessing the capacity for the City to support current debt and the ability to issue additional debt in the future.

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#### **Operating Information:**

These schedules contain information about the City's operations and resources to assist the reader to understand how the City's financial information relates to the services the City provides and the activities it performs.

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**City of Fenton**  
**Net Position by Component (Unaudited)**  
**2012 - 2021**

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Governmental activities</b>										
Net investment in capital assets	\$ 15,226,130	\$ 14,595,457	\$ 17,991,239	\$ 19,539,308	\$ 19,284,057	\$ 19,643,720	\$ 19,373,806	\$ 19,470,085	\$ 19,343,858	\$ 18,311,238
Restricted	342,981	325,746	466,969	646,525	22,058	12,697	147,939	524,574	692,464	1,325,068
Unrestricted	<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>	<u>(2,551,334)</u>	<u>(1,591,630)</u>
<b>Total governmental activities net position</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>\$ 17,484,988</b>	<b>\$ 18,044,676</b>
<b>Business-type activities</b>										
Net investment in capital assets	\$ 22,299,268	\$ 22,864,031	\$ 22,870,359	\$ 23,677,936	\$ 23,923,985	\$ 24,544,260	\$ 24,825,036	\$ 24,792,153	\$ 25,346,463	\$ 20,987,958
Restricted	902,777	903,659	718,141	497,023	497,524	498,022	511,144	519,555	520,557	8,073
Unrestricted	<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>	<u>2,245,128</u>	<u>7,220,887</u>
<b>Total business-type activities net position</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>\$ 28,112,148</b>	<b>\$ 28,216,918</b>
<b>Primary government in total</b>										
Net investment in capital assets	\$ 37,459,488	\$ 40,861,598	\$ 43,217,244	\$ 43,217,244	\$ 43,208,042	\$ 44,187,980	\$ 44,198,842	\$ 44,262,238	\$ 44,690,321	\$ 39,299,196
Restricted	1,229,405	1,185,110	1,143,548	1,143,548	519,582	510,719	659,083	1,044,129	1,213,021	1,333,141
Unrestricted	<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>	<u>(306,206)</u>	<u>5,629,257</u>
<b>Total primary government net position</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>	<b>\$ 45,597,136</b>	<b>\$ 46,261,594</b>

**City of Fenton**  
**Changes in Governmental Net Position (Unaudited)**  
**2012 - 2021**

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Expenses</b>										
General government	\$ 1,187,672	\$ 1,158,881	\$ 901,765	\$ 1,522,667	\$ 1,553,731	\$ 1,149,980	\$ 1,441,018	\$ 1,813,863	\$ 1,884,896	\$ 1,448,878
Public safety	3,537,017	3,862,440	3,435,808	3,806,701	3,816,834	3,543,104	4,140,400	3,997,176	3,945,251	3,915,604
Public works	1,617,226	1,941,813	1,674,754	2,662,804	2,530,687	2,694,296	2,802,480	3,430,739	3,054,905	3,097,362
Community and economic development	148,585	146,317	80,389	136,692	48,530	58,557	39,533	45,349	46,836	22,449
Recreation and culture	233,723	235,592	197,997	242,489	333,480	192,464	480,990	384,197	282,653	652,741
Interest on long-term debt	10,728	5,384	2,685	42,771	18,463	18,109	17,617	15,608	20,506	263,080
<b>Total governmental activities expenses</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>\$ 9,235,047</b>	<b>\$ 9,400,114</b>
<b>Program revenues</b>										
<b>Charges for services</b>										
General government	\$ 208,100	\$ 255,473	\$ 276,839	\$ 283,420	\$ 401,846	\$ 374,911	\$ 365,351	\$ 208,120	\$ 392,657	\$ 499,331
Public safety	657,777	791,750	640,201	593,827	688,795	724,721	851,108	816,384	950,643	842,828
Public works	482,083	504,184	515,954	564,705	444,023	641,271	657,832	531,576	628,841	602,783
Recreation and culture	36,439	35,040	33,609	48,837	39,641	44,124	37,275	39,397	46,319	37,850
<b>Total charges for services</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>	<b>2,018,460</b>	<b>1,982,792</b>
Operating grants and contributions	853,534	994,172	1,027,860	915,938	1,097,117	1,412,528	1,745,084	1,470,888	1,915,747	1,693,711
Capital grants and contributions	369,868	96,490	2,300,171	2,291,884	57,875	78,873	53,287	52,702	50,661	3,307
<b>Total program revenue</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>3,984,868</b>	<b>3,679,810</b>
<b>Net (expense) revenue</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>\$ (5,250,179)</b>	<b>\$ (5,720,304)</b>
<b>General revenues</b>										
Property taxes - unrestricted	\$ 3,262,058	\$ 3,322,738	\$ 3,424,206	\$ 3,534,843	\$ 3,708,882	\$ 3,778,621	\$ 3,917,821	\$ 4,113,868	\$ 4,274,590	\$ 4,395,379
State-shared revenues - unrestricted	891,798	926,059	934,921	928,933	1,000,935	1,036,963	1,083,898	1,078,056	1,222,224	1,357,716
Investment earnings - unrestricted	8,650	5,537	865	21,275	7,310	23,632	67,559	74,681	9,174	8,023
Gain from sale of land	-	-	-	-	1,023,390	212,726	-	-	-	139,733
Miscellaneous	39,777	24,711	79,943	161,161	141,781	32,422	164,672	116,498	205,720	379,141
<b>Total general revenues</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>5,711,708</b>	<b>6,279,992</b>
<b>Change in net position</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>461,529</b>	<b>559,688</b>
<b>Net position, beginning of the year</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>17,023,459</b>	<b>17,484,988</b>
<b>Net position, end of the year</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>	<b>\$ 17,484,988</b>	<b>\$ 18,044,676</b>

**City of Fenton**  
**Changes in Business-Type Net Position (Unaudited)**  
**2013 - 2022**

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Expenses</b>										
Water	\$ 2,550,571	\$ 2,520,564	\$ 2,798,558	\$ 2,814,340	\$ 2,818,907	\$ 2,854,236	\$ 2,779,415	\$ 3,158,884	\$ 3,283,528	\$ 3,152,558
Sewer	<u>2,120,388</u>	<u>2,350,065</u>	<u>2,443,606</u>	<u>2,362,559</u>	<u>2,416,564</u>	<u>2,392,440</u>	<u>2,530,069</u>	<u>3,180,274</u>	<u>2,960,922</u>	<u>2,756,073</u>
Total expenses	<u>\$ 4,670,959</u>	<u>\$ 4,870,629</u>	<u>\$ 5,242,164</u>	<u>\$ 5,176,899</u>	<u>\$ 5,235,471</u>	<u>\$ 5,246,676</u>	<u>\$ 5,309,484</u>	<u>\$ 6,339,158</u>	<u>\$ 6,244,450</u>	<u>\$ 5,908,631</u>
<b>Program revenues</b>										
<b>Charges for services</b>										
Water	\$ 2,902,028	\$ 2,789,912	\$ 2,682,329	\$ 2,699,712	\$ 2,829,006	\$ 2,962,146	\$ 2,853,820	\$ 2,928,889	\$ 3,034,238	\$ 3,381,187
Sewer	<u>2,530,529</u>	<u>2,701,837</u>	<u>2,775,942</u>	<u>2,632,951</u>	<u>2,868,472</u>	<u>2,859,433</u>	<u>2,534,790</u>	<u>2,559,769</u>	<u>2,673,906</u>	<u>2,546,290</u>
Total charges for services	5,432,557	5,491,749	5,458,271	5,332,663	5,697,478	5,821,579	5,388,610	5,488,658	5,708,144	5,927,477
<b>Operating grants and contributions</b>										
Water	-	-	-	8,377	4,566	-	3,034,238	14,081	13,337	-
<b>Capital grants and contributions</b>										
Water	-	1,155	-	-	-	-	-	-	-	-
Sewer	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>100,000</u>	<u>-</u>	<u>316,443</u>	<u>291,971</u>	<u>-</u>
Total capital grants and contributions	-	1,155	-	-	-	100,000	-	316,443	291,971	-
Total program revenue	<u>5,432,557</u>	<u>5,492,904</u>	<u>5,458,271</u>	<u>5,341,040</u>	<u>5,702,044</u>	<u>5,921,579</u>	<u>8,422,848</u>	<u>5,819,182</u>	<u>6,013,452</u>	<u>5,927,477</u>
Net (expense) revenue	<u>\$ 761,598</u>	<u>\$ 622,275</u>	<u>\$ 216,107</u>	<u>\$ 164,141</u>	<u>\$ 466,573</u>	<u>\$ 674,903</u>	<u>\$ 3,113,364</u>	<u>\$ (519,976)</u>	<u>\$ (230,998)</u>	<u>\$ 18,846</u>
<b>General revenues</b>										
Investment earnings	\$ 81,470	\$ 69,254	\$ 68,472	\$ 69,103	\$ 69,502	\$ 73,393	\$ 92,421	\$ 94,888	\$ 15,642	\$ 3,188
Miscellaneous	<u>118,958</u>	<u>122,872</u>	<u>106,024</u>	<u>119,447</u>	<u>103,756</u>	<u>88,283</u>	<u>107,416</u>	<u>62,674</u>	<u>118,300</u>	<u>82,736</u>
Total general revenues	<u>200,428</u>	<u>192,126</u>	<u>174,496</u>	<u>188,550</u>	<u>173,258</u>	<u>161,676</u>	<u>199,837</u>	<u>157,562</u>	<u>133,942</u>	<u>85,924</u>
Change in net position	<u>\$ 962,026</u>	<u>\$ 814,401</u>	<u>\$ 390,603</u>	<u>\$ 352,691</u>	<u>\$ 639,831</u>	<u>\$ 836,579</u>	<u>\$ 3,313,201</u>	<u>\$ (362,414)</u>	<u>\$ (97,056)</u>	<u>\$ 104,770</u>

**City of Fenton**  
**Fund Balances - Governmental Funds (Unaudited)**  
**2013 - 2022**

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund										
Nonspendable	\$ 114,866	\$ 128,536	\$ 205,844	\$ 225,256	\$ 113,258	\$ 245,912	\$ 133,975	\$ 112,653	\$ 96,833	\$ 91,043
Unassigned	<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>	<u>4,834,232</u>	<u>5,160,815</u>
Total General Fund	<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>	<u>\$ 4,931,065</u>	<u>\$ 5,251,858</u>
All other governmental funds										
Nonspendable	\$ 34,844	\$ 6,115	\$ 180,406	\$ -	\$ 5,200	\$ -	\$ 1,745	\$ -	\$ 3,938	\$ 3,547
Restricted	342,981	325,746	466,969	646,525	586,715	479,710	778,420	530,829	697,692	10,446,393
Committed	<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>	<u>1,987,403</u>	<u>2,217,969</u>
Total all other governmental funds	<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>	<u>\$ 2,689,033</u>	<u>\$ 12,667,909</u>

**City of Fenton**  
**Changes in Fund Balances - Governmental Funds (Unaudited)**  
**2013 - 2022**

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Revenues</b>										
Taxes	\$ 3,348,895	\$ 3,322,738	\$ 3,424,206	\$ 3,580,480	\$ 3,708,882	\$ 3,778,621	\$ 3,917,821	\$ 4,113,868	\$ 4,274,590	\$ 4,395,379
Licenses and permits	261,742	385,792	361,176	315,977	341,797	532,383	523,336	461,317	506,212	470,172
Federal grants	-	-	-	-	-	-	-	-	300,762	-
Intergovernmental	1,770,023	1,958,266	2,119,347	2,086,654	2,151,470	2,523,257	2,876,495	2,597,316	2,879,179	3,044,249
Charges for services	956,694	1,024,081	952,684	1,000,674	1,111,853	1,120,541	1,259,607	1,051,269	1,387,033	1,380,530
Fines and forfeitures	69,385	86,273	56,117	59,182	66,954	63,172	58,811	62,578	61,200	67,783
Interest and rents	75,167	71,163	65,576	87,428	88,505	106,417	91,579	89,441	22,267	36,580
Proceeds from sale of land	-	-	-	-	1,023,390	212,726	-	-	-	139,733
Other	138,420	107,841	115,488	163,121	213,991	119,600	272,574	236,233	303,634	479,233
<b>Total revenues</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>9,734,877</b>	<b>10,013,659</b>
<b>Expenditures</b>										
Current										
General government	931,392	978,534	1,036,510	1,191,988	1,409,092	1,313,739	1,150,655	1,245,170	1,519,746	1,527,028
Public safety	2,887,330	3,210,569	3,104,603	3,118,232	3,268,382	3,454,965	3,716,776	3,516,958	3,866,116	4,760,472
Public works	1,866,562	1,727,676	2,364,363	1,830,656	1,881,552	1,428,300	2,026,322	2,438,551	2,174,680	2,454,337
Community and economic development	121,515	120,753	112,344	119,269	48,776	66,613	37,718	42,217	47,384	56,940
Recreation and culture	193,117	197,247	238,822	209,242	328,020	210,858	452,128	350,565	272,306	395,454
Other	312,066	239,149	285,125	306,052	269,311	291,392	333,554	346,150	294,036	292,834
Capital outlay	-	-	38,088	692,752	52,172	1,351,681	641,219	1,114,841	1,311,477	7,759
Debt service										
Principal	95,710	110,023	113,579	71,087	97,055	72,002	89,806	90,791	117,101	134,158
Interest and fiscal charges	12,920	9,693	6,137	11,712	16,480	16,452	18,433	16,459	18,008	189,596
<b>Total Expenditures</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>	<b>9,620,854</b>	<b>9,818,578</b>
Excess (deficiency) of revenues over expenditures	199,714	362,510	(204,977)	(257,474)	1,336,002	250,715	533,612	(549,680)	114,023	195,081
<b>Other Financing Sources (Uses)</b>										
Debt issuance	8,623	41,315	-	543,900	-	-	-	-	-	920,085
Note proceeds	-	-	-	-	-	261,612	-	-	306,909	9,150,000
Transfers in	1,397,520	835,500	1,455,729	687,313	579,925	749,042	537,457	1,051,086	727,020	1,405,000
Transfers out	(1,397,520)	(835,500)	(1,455,614)	(722,854)	(601,457)	(749,042)	(515,065)	(1,140,383)	(664,830)	(1,370,497)
<b>Total other financing sources (uses)</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>	<b>369,099</b>	<b>10,104,588</b>
Net change in fund balances	208,337	403,825	(204,862)	250,885	1,314,470	512,327	556,004	(638,977)	483,122	10,299,669
Fund Balances - Beginning of year	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	7,620,098
Fund Balances - End of year	\$ 4,943,304	\$ 5,347,129	\$ 5,142,267	\$ 5,393,152	\$ 6,707,622	\$ 7,219,949	\$ 7,775,953	\$ 7,136,976	\$ 7,620,098	\$ 17,919,767
Debt service as a percentage of noncapital expenditures	1.91%	1.86%	2.18%	1.80%	1.70%	1.29%	1.38%	1.33%	1.63%	3.67%

**City of Fenton**  
**Taxable Value and Actual Value of Taxable Property (Unaudited)**  
**2013 - 2022**

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
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%
2020	2021	242,025,984	175,070,680	21,486,298	28,873,700	467,456,662	10.00	1,273,141,200	36.72%
2021	2022	254,997,947	178,731,975	21,323,727	26,431,000	481,484,649	9.88	1,316,605,172	36.57%

**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)**  
**2012 - 2021**

Tax Year	Millage Rates - Direct City Taxes				Overlapping taxes						Total tax rate	
	General Operating	Debt	Total Direct Taxes	County	Community College	Intermediate School District	Regional Parks	School Debt	School: Homestead	School: Non-homestead	Homestead	Non-homestead
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
2020	10.00	0.00	10.00	12.35	2.76	3.75	0.35	6.39	6.00	18.00	41.59	59.59
2021	9.88	0.00	9.88	13.21	2.75	3.72	0.35	5.98	6.00	18.00	41.89	59.89

**City of Fenton**  
**Principal Property Tax Payers (Unaudited)**  
**June 30, 2022 and 2013**

Taxpayer	2021 Taxable Value	Percentage of Total	2012 Taxable Value	Percentage of Total	2013 Rank
Georgetown HC2, LLC	\$ 16,490,769	3.25%	\$ 8,668,139	2.47%	1
Consumers Energy Co	9,846,400	1.94%	6,418,846	1.83%	3
Tilden Fundamental Holdings, LLC	6,368,445	1.25%	n/a	n/a	n/a
Fenton Real Estate Company LLC	5,387,270	1.06%	n/a	n/a	n/a
RRE Pier 38 Associates, LLC	5,248,156	1.03%	n/a	n/a	n/a
Thunderbird MHP LLC	5,180,000	1.02%	n/a	n/a	n/a
WalMart Properties	4,229,500	0.83%	7,352,888	2.09%	2
MIMG CXXVI Fairfield Condo	3,751,782	0.74%	n/a	n/a	n/a
Tilden Fundamental Holdings, LLC	3,624,742	0.71%	n/a	n/a	n/a
Centrro NP Holding 11 Spe, LLC	3,508,455	0.69%	4,104,071	1.17%	6

Note:

Source: Data provided by local assessment records.

**City of Fenton**  
**Property Tax Levies and Collections (Unaudited)**  
**2013 - 2022**

Tax Year	Fiscal Year June 30,	Total Levy	Current Collections	Percent Collected	Delinquent Collections	Total Tax Collections	Percent of Levy Collected
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%
2020	2021	4,608,581	4,464,252	96.9%	116,867	4,581,119	99.4%
2021	2022	4,762,065	4,606,095	96.7%	135,404	4,741,499	99.6%

Note:

Source: Data provided from local Treasurer's Department.

**City of Fenton**  
**Ratios of Outstanding Debt (Unaudited)**  
**2013 - 2022**

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Governmental Activities</b>										
General obligation bonds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,150,000
Installment purchase agreements	263,965	164,795	62,039	31,550	-	244,610	209,804	174,013	703,981	344,663
Special assessment bonds	-	-	-	555,000	500,000	445,000	390,000	335,000	275,000	220,000
Capital leases	7,903	54,141	22,604	10,505	-	-	-	-	-	-
<b>Total</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>978,981</b>	<b>9,714,663</b>
<b>Business-type Activities</b>										
General obligation bonds	4,319,824	3,385,039	2,406,770	1,402,874	935,249	465,055	-	-	-	-
Capital improvement bonds	2,625,000	2,585,000	2,545,000	2,505,000	2,465,000	2,420,000	2,375,000	2,370,477	2,227,112	6,545,000
Revenue bonds	6,865,790	6,260,790	5,635,790	5,865,790	4,927,133	4,318,156	3,589,397	2,944,397	2,289,397	1,619,397
<b>Total</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>4,516,509</b>	<b>8,164,397</b>
<b>Total debt of the government</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>\$ 5,495,490</b>	<b>\$ 17,879,060</b>
<b>Total Taxable Value</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>	<b>\$ 467,456,662</b>	<b>\$ 467,456,662</b>
Ratio of total debt to taxable value	4.92%	4.93%	3.05%	2.89%	3.96%	2.09%	1.60%	1.33%	1.18%	3.82%
Total Population <sup>(1)</sup>	11,746	11,746	11,746	11,746	11,746	11,746	11,746	12,050	12,050	12,050
Total debt per capita	\$ 1,495	\$ 1,292	\$ 1,447	\$ 1,452	\$ 1,275	\$ 672	\$ 559	\$ 483	\$ 456	\$ 1,484
Personal Income <sup>(1)</sup>	\$ 32,421	\$ 33,033	\$ 34,878	\$ 36,612	\$ 39,198	\$ 40,618	\$ 41,929	N/A	N/A	N/A
Ratio of total debt to personal income	3.70%	3.21%	2.61%	2.41%	1.92%	1.65%	2.22%	1.97%	1.77%	5.77%

**Note:**

Source: Actual 2010 Census Reports.

(1) Source: Bureau of Economic Analysis. For fiscal year 2021 percent of personal income, the divisor used was for 2020 since 2021 Personal income is not available at this time

**City of Fenton**  
**Ratios of General Bonded Debt Outstanding**  
**2013 - 2022**

<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>
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	1,929,144	851,507,232	0.23%	11,746	164
2017	-	-	-	1,435,249	1,321,073	936,157,572	0.14%	11,746	112
2018	-	-	-	910,055	765,443	1,074,987,500	0.07%	11,746	65
2019	-	-	-	390,000	245,484	1,077,182,300	0.02%	11,746	21
2020	-	-	-	335,000	180,117	1,185,461,800	0.02%	11,746	15
2021	-	-	-	275,000	135,285	1,185,461,800	0.01%	12,050	11
2022	-	-	-	9,150,000	9,024,040	1,273,141,200	0.71%	12,050	749

Note:

(1) Source: 2010 Census Reports.

**City of Fenton**  
**Direct and Overlapping Governmental Activities Debt (Unaudited)**  
**June 30, 2022**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated % Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Genesee County	\$ 277,968,105	4.56%	\$ 12,675,346
Mott Community College	58,785,000	4.28%	2,515,998
Holly School District	110,570,000	0.10%	110,570
Fenton School District	16,860,000	44.21%	7,453,806
Lake Fenton School District	12,475,000	4.50%	561,375
Genesee Intermediate School District	8,175,355	4.28%	349,905
Bishop Airport Authority	<u>4,510,000</u>	4.56%	<u>205,656</u>
 Total Overlapping Debt	 489,343,460		 23,872,656
 Direct City Debt	 <u>10,874,526</u>	 100.00%	 <u>10,874,526</u>
 Total Direct and Overlapping Debt	 <u>\$ 500,217,986</u>		 <u>\$ 34,747,182</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)**  
**2013 - 2022**

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Calculation of debt limit:										
State equalized valuation	\$ 364,095,325	\$ 385,963,385	\$ 391,535,901	\$ 425,753,616	\$ 468,078,786	\$ 535,493,750	\$ 538,591,150	\$ 586,768,909	\$ 628,253,609	\$ 658,302,586
10% of taxable value	36,409,532	38,596,338	39,153,590	42,575,361	46,807,878	53,549,375	53,859,115	58,676,891	62,825,361	65,830,259
Calculation of debt subject to limit:										
Total debt	17,166,930	15,206,058	17,000,316	17,055,819	14,972,382	13,904,223	11,619,834	9,955,000	9,713,181	23,096,324
Less: debt not subject to limit:										
Special assessment bonds	-	-	-	555,000	500,000	445,000	390,000	335,000	275,000	220,000
Revenue bonds	6,865,790	6,260,790	5,635,790	5,865,790	4,927,133	4,318,156	3,712,031	3,090,000	2,289,397	1,619,397
Net debt subject to limit	10,301,140	8,945,268	11,364,526	10,635,029	9,545,249	9,141,067	7,517,803	6,530,000	7,148,784	21,256,927
Legal debt margin	\$ 36,409,532	\$ 38,596,338	\$ 39,153,590	\$ 42,575,361	\$ 46,807,878	\$ 53,549,375	\$ 53,859,115	\$ 58,676,891	\$ 62,825,361	\$ 65,830,259
Net debt subject to limit as % of debt limit	28.29%	23.18%	29.03%	24.98%	20.39%	17.07%	13.96%	11.13%	11.38%	32.29%

**City of Fenton**  
**Pledged-Revenue Coverage (Unaudited)**  
**2013 - 2022**

Fiscal Year	Gross Revenues	Applicable Expenses	Net Revenues	Water Revenue Bonds		
				Debt service		Coverage
				Principal	Interest	
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	560,000	196,567	0.71
2021	3,146,039	2,713,160	432,879	570,000	78,734	0.67
2022	3,429,206	2,387,779	1,041,427	585,000	97,026	1.53

Fiscal Year	Gross Revenues	Applicable Expenses	Net Revenues	Sewer Revenue Bonds		
				Debt service		Coverage
				Principal	Interest	
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)
2021	3,024,245	2,385,087	639,158	85,000	28,500	5.63
2022	2,584,195	2,162,289	421,906	85,000	26,375	3.79

**City of Fenton**  
**Demographic and Economic Statistics (Unaudited)**  
**2013 - 2022**

Fiscal Year	Population <sup>(1)</sup>	Personal Income <sup>(2)</sup>	Per Capita <sup>(2)</sup> Personal Income	Unemployment Rate <sup>(3)</sup>
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	295,764,280	25,180	4.8
2020	12,050	309,929,956	25,720	9.4
2021	12,050	N/A	N/A	8.2
2022	12,050	398,722,450	33,089	6.5

Note:

- (1) Source: Actual 2010 Census Reports.
- (2) Source: Bureau of Economic Analysis. Note: 2021 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, 2022**

Industry	2022 Number of Jobs (1)	Percentage of Total	2013 Number of Jobs (1)	Percentage of Total
Trade, Transportation, and Utilities	26,600	20.72%	29,800	21.88%
Education and Health Services	24,900	19.39%	26,000	19.09%
Government	17,700	13.79%	18,700	13.73%
Manufacturing	13,300	10.36%	11,900	8.74%
Leisure and Hospitality	13,600	10.59%	14,800	10.87%
Professional and Business Services	16,300	12.69%	14,700	10.79%
Natural Resources, Mining, and Construction	5,500	4.28%	4,200	3.08%
Other Services	4,100	3.19%	5,500	4.04%
Financial Activities	5,500	4.28%	6,300	4.63%
Information	900	0.70%	4,300	3.16%
Total	<u>128,400</u>	<u>100%</u>	<u>136,200</u>	<u>100%</u>

**Note:**

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

**City of Fenton**  
**Full-Time Equivalent Government Employees (Unaudited)**  
**2013 - 2022**

Function/Program	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General government	13	12	14	12	13	13	11	10	11	11
Public safety:										
Police	15	17	16	16	16	17	17	18	17	17
Building inspection	1	1	2	2	2	2	3	3	3	3
Fire	1	1	1	1	1	1	1	1	1	1
Public works:										
DPW	8	8	8	8	11	10	12	11	9	11
Water and sewer	8	8	8	8	8	7	7	9	9	9
<b>Total</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>	<b>50</b>	<b>52</b>

**City of Fenton**  
**Operating Indicators (Unaudited)**  
**2013 - 2022**

Function/ program	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Election data</b>										
Registered voters	9,407	9,438	9,426	9,672	9,367	9,330	9,401	10,224	10,138	10,129
Voters (at the polls or absentee)	5,852	1,105	6,164	1,950	5,884	1,527	5,144	5,169	6,940	5,508
Percent voting	62.20%	11.71%	65.39%	20.16%	62.82%	16.37%	54.72%	50.56%	68.46%	54.38%
<b>Police</b>										
Physical arrests	664	470	247	305	502	423	307	407	367	330
Traffic violations	2,260	1,675	1,090	1,176	1,564	1,229	1,666	1,494	1,532	1,720
Investigations	8,818	10,767	8,440	9,303	8,859	10,586	10,164	11,496	11,542	11,402
<b>Fire</b>										
Fire runs	259	298	356	262	331	337	336	336	318	321
Emergency medical runs	181	198	143	170	178	200	195	173	138	204
Inspections	100	200	300	250	100	150	230	402	128	236
<b>Public works</b>										
Miles of street resurfaced	1.60	-	0.63	0.95	-	0.53	-	-	0.58	2
<b>Water</b>										
Number of customers billed	3,494	3,509	3,500	3,574	3,580	3,616	3,685	3,666	3,717	3,973
Total consumption*	320,124	287,802	294,545	374,579	299,856	308,211	288,958	278,947	303,926	290,433
Average consumption per user	91	82	84	105	84	85	78	76	82	73
<b>Sewer</b>										
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)**  
**2013 - 2022**

Function/ program	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Police</b>										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	9	9	9	9	11	11	11	9	9	9
<b>Fire</b>										
Stations	1	1	1	1	1	1	1	1	1	1
Fire response vehicles	8	8	8	8	10	9	9	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	18.68	18.68	19
Local streets	35.05	35.05	35.05	35.05	35.05	35.05	35.05	37.07	37.07	37
<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