

City of Fenton, Michigan
Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2023

Prepared by:
Treasurer's Department

Jon Satkowiak Jr
City Treasurer

Table of Contents

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

Table of Contents

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

Table of Contents

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

Table of Contents

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



City of Fenton

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

December 7, 2023

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, 2023 (FY 2023). Responsibility for the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rests with the City of Fenton. 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 state with some pride that for thirty-five 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.

The City of Fenton has ended the fiscal year in a stable financial condition. In FY 2023 the General Fund had a \$120,392 surplus. The city currently has a General Fund Balance of \$5,372,250 which is about 75% of annual expenditures. The Sewer Fund shows a net cash decrease of about \$93,033. The Sewer Fund has an end of the year cash balance of \$3,186,068, a very healthy financial position. During FY 2023 the Water Fund continued to make investments in water mains and replacing lead service leads. Overall, both enterprise funds ended the fiscal year in relatively good shape. We have commissioned a rate study and anticipate a rate increase for both services sometime in the calendar year 2024.

Several commercial properties made improvements. New home construction continued to improve. The local housing market continued to be very hot and has resulted in increased values. Reported total construction value was \$14.7 million.

In FY 2023, the City of Fenton began the Local Street Improvement Program that was approved by the electorate. Several streets have been improved and there will be more repaired/reconstructed in what has been planned as a 10-year improvement program.

The 2020 decennial census count showed a population gain of 2.6% in the previous 10 years. The current population as reported by the census 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 the business activity in the city, the daytime population is estimated at over 50,000. There is a continued level of interest for developing in Fenton, as reflected by activity from business and residential developers. The city's location near several major metropolitan markets and our relatively new position as the commercial and retail 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.

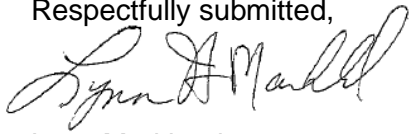
It should be noted that the preparation of this Annual Comprehensive Financial Report could not have been accomplished without the efforts of our City Treasurer, Jon Satkowiak and the Deputy City Treasurer Cassandra Coulter. Their continued efforts to upgrade the City's accounting, financial

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

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

December 7, 2023

To the City Council and Citizens of the City of Fenton:

The Annual Comprehensive Financial Report of the **City of Fenton** for the fiscal year ended June 30, 2023, 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 operation 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 and sanitary sewer system.

GOVERNMENTAL STRUCTURE AND LOCAL ECONOMY

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

Fenton is located conveniently near the many terrific amenities of the Mid-Michigan area. The city's corporate boundaries includes properties in Genesee, 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 views of the Shiawassee River, and a historic downtown, a solid industrial base and convenient freeway access. Periodic events and festivals such as the 4th of July Freedom Festival, Concerts in the Park, Farmers Markets, Art Walk, Back to the Bricks Tune up Party, Applefest, and Jinglefest contribute to Fenton's "small town" sense of community.

Many types 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 no vacant buildings with new businesses continuing to build in the area. 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. This has aided with increasing demand for property in the Industrial Park, along with the visibility from the 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-country 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 Headwater 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 middle school building, 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

The city began work on the first phase of the Local Street Improvement Program which will either rehabilitate or reconstruct many of the city’s local streets. This and future local street construction projects were made possible by the city residents voting to approve the city to sell bonds to make these projects happen.

Torrey Road and Main Street were both rehabilitated with the city applying and receiving Federal Grants to defray the costs of both projects.

The Water Department continues to replace lead service lines as well as completing water main projects in conjunction with the first phase of the Local Street Improvement program.

The DDA has continued their partnerships with the Southern Lakes Parks and Recreation Authority and the 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 also has continued to lease 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 five of the sculptures to be permanently displayed in the Downtown.

The DDA continued the façade improvement program, financially and professionally assisting businesses in improving the external portion of 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. The 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 Improvement Program will be completed early in Fiscal Year 2024, with the second phase already in progress. The city will continue to stay aggressive early on with the projects and expects to have the second phase complete late fall or early spring. The third phase will begin in late spring of 2024.

The city will complete the Freedom Park renovations and will be rebranded as the Veterans Memorial at Freedom Park. This new park will be lined with bricks honoring members of the Armed Forces as well as a Gold Mother Sculpture in bronze and a memorial pillar. The project is expected to have the dedication on Memorial Day of 2024.

The city will be resurfacing Owen Road between the US-23 expressway and Jennings Road. This area is high traffic and is in desperate need to rehabilitation. This work is expected to be completed in the Spring/Summer of 2024.

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 figures on a daily basis. Quarterly budget reports are provided to the 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 June 30, 2022. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

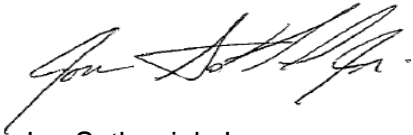
In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Annual Comprehensive Financial Report, whose contents conform to program standards. The ACFR must satisfy both generally accepted accounting principles and applicable legal 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-five 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 document.

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, 2022

Christopher P. Morill

Executive Director/CEO

City of Fenton
List of City Officials
June 30, 2023

City Council

Barbara Sue Osborn – Mayor

Patricia Lockwood – Mayor Pro Tem

Brad Jacob

David McDermott

Scott Grossmeyer

Sean Sage

Tracy Bottecelli

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, Police Chief

Daniel Brisson, Director of Public Works

Tessa Stickel, Communications Coordinator

City of Fenton, Michigan Organizational Chart

Citizens of the City of Fenton

Mayor and
City Council

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

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

Police
Chief

Fire
Chief

City
Clerk

Building and
Zoning
Administrator

City
Treasurer

City
Assessor

Public Works
Director

Assistant
City Manager

Support Staff



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, 2023, 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, 2023, 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 7, 2023

City of Fenton
Management's Discussion and Analysis
June 30, 2023

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, 2023

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
June 30, 2023

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

Type of Statements	<u>Government-wide</u>	<u>Governmental Funds</u>	<u>Proprietary Funds</u>	<u>Fiduciary Funds</u>
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"> • Statement of net position • Statement of activities 	<ul style="list-style-type: none"> • Balance Sheet • Statement of revenues, expenditures and changes in fund balances 	<ul style="list-style-type: none"> • Statement of net position • Statement of revenues, expenses and changes in fund net assets • Statement of cash flows 	<ul style="list-style-type: none"> • Statement of Fiduciary Net Position • Statement of Changes in Fiduciary Net Position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and no measurement focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter, no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term, the City's funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year, expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid	All additions and deductions during year, regardless of when cash is received or paid

City of Fenton
Management's Discussion and Analysis
June 30, 2023

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	
	2022	2023	2022	2023	2022	2023
Current & other assets	\$ 21.9	\$ 19.3	\$ 9.5	\$ 8.5	\$ 31.4	\$ 27.8
Capital assets	20.1	23.6	29.3	30.4	49.4	54.0
Total assets	42.0	42.9	38.8	38.9	80.8	81.8
Deferred outflows of resources	2.7	3.2	0.8	1.0	3.5	4.2
Long-term liabilities	19.3	19.1	9.2	9.5	28.5	28.6
Other liabilities	4.9	5.0	1.6	1.4	6.5	6.4
Total liabilities	24.2	24.1	10.8	10.9	35.0	35.0
Deferred inflows of resources	2.5	2.5	0.6	0.3	3.1	2.8
Net position:						
Net investment in capital assets	18.3	14.7	25.5	25.3	43.8	40.0
Restricted	1.3	6.8	0.0	0.0	1.3	6.8
Unrestricted	(1.6)	(0.9)	2.7	3.5	1.1	2.6
Total net position	<u>\$ 18.0</u>	<u>\$ 20.6</u>	<u>\$ 28.2</u>	<u>\$ 28.8</u>	<u>\$ 46.2</u>	<u>\$ 49.4</u>

The City's combined net position increased 6.9 percent from a year ago, increasing from \$46.2 million to \$49.4 million. A review of the governmental activities, separate from the business-type activities, shows the net position increased from \$18.0 million to \$20.6 million during fiscal year 2023. 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 \$(0.9) million at June 30, 2023. The business-type activities experienced an increase in net position of approximately \$0.6 million or 2.1 percent.

City of Fenton
Management's Discussion and Analysis
June 30, 2023

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	
	2022	2023	2022	2023	2022	2023
Revenue						
Program revenue:						
Charges for services	\$ 2.0	\$ 2.1	\$ 5.9	\$ 6.8	\$ 7.9	\$ 9.0
Operating grants and Contributions	1.7	1.8	0.0	0.0	1.7	1.8
Capital grants and Contributions	0.0	0.3	0.0	0.0	0.0	0.3
General revenue:						
Property taxes	4.4	6.4	0.0	0.0	4.4	6.4
State-shared revenue	1.4	1.4	0.0	0.0	1.4	1.4
Unrestricted Miscellaneous	0.5	0.9	0.1	0.3	0.6	1.2
Total revenue	10.0	12.9	6.0	7.2	16.0	20.1
Program Expenses						
General government	1.4	1.6	0.0	0.0	1.4	1.6
Public safety	4.0	2.9	0.0	0.0	4.0	2.9
Public works	3.1	4.9	0.0	0.0	3.1	4.9
Parks & recreation	0.7	0.6	0.0	0.0	0.0	0.6
Community service	0.1	0.0	0.0	0.0	0.1	0.0
Interest	0.2	0.3	0.0	0.0	0.2	0.3
Water	0.0	0.0	3.1	3.0	3.1	3.0
Sewer	0.0	0.0	2.8	3.6	2.8	3.6
Total program expenses	9.5	10.3	5.9	6.6	15.4	16.9
Change in Net Position	0.5	2.6	0.1	0.6	0.6	3.2
Net position						
Beginning of year	17.5	18.0	28.2	28.2	45.7	46.2
Ending Net Position	\$ 18.0	\$ 20.6	\$ 28.3	\$ 28.8	\$ 46.3	\$ 49.4

City of Fenton
Management's Discussion and Analysis
June 30, 2023

Governmental Activities

The City's total governmental revenues increased by about \$2.9 million.

Expenses increased by approximately \$0.8 million, or 8.4 percent, from last fiscal year. Public works expenses were the largest portion increasing by roughly \$1.8 million.

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 2022.

The City is a participant in a county-wide sanitary sewer construction program under Act 342 Michigan Compiled Laws. The City contracts with Genesee County Water and Waste Services for the operation of the plant. The City has pledged the full faith and credit of the City for the payment of the City's share of principal and interest payments. The assets and liabilities relating to those contracts have been recorded in the Sewer Fund. The City of Fenton, Fenton Township, and City of Linden share a plant located in Fenton Township. The City's proportionate share of the operating costs of the plant is covered by our sewer rates. The expenses for the Sewer Fund increased approximately \$800,000 from FY 2022. During FY 2023, \$188,969 in operating income was incurred in the Sewer Fund and \$415,650 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 2023 were the General Fund, Local Street Fund, Local Street Improvement Fund, American Rescue Plan Act 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 \$4.1 million in 2023. The general operating millage levied by the City supports these two services. Fiscal year 2023 revenues increased in the General Fund by \$52,854, mainly due an increase in taxable values. The General expenditures, excluding transfers out, decreased by \$36,748. Fund Balance in the General Fund increased by \$120,392.

The Major Street Fund pays funds the operations of the major streets. FY 2023 revenues increased in the Major Street Fund by \$57,073, mainly due to the increase in ACT 51 monies. The Major Street expenditures, excluding transfers out, increased by \$163,229. A majority of the increase was due to less projects in the current fiscal year. Fund Balance in the Major Street Fund decreased by \$67,579.

City of Fenton
Management's Discussion and Analysis
June 30, 2023

The Local Street Improvement Fund was created in fiscal year 2022 to fund capital improvement projects specifically related to infrastructure. The fund transferred \$9,048,460 to continue completing road projects in the Local Streets.

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 \$58,029. Expenditures were \$14,104 under budget. Various departments contributed to the positive budget variance.

Capital Assets and Debt Administration

At the end of fiscal 2023, the City had \$55.1 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 \$9.7 million and \$8.8 million for fiscal year 2022 and 2023, respectively.

	Governmental Activities	Business- Type Activities	Component Unit Activities	Total
Land	\$ 1,605,104	\$ 190,930	\$ 939,029	\$ 2,735,063
Construction in progress	5,706,023	2,277,608	155,900	8,139,531
Buildings, net	4,300,889	-	-	4,300,889
Building and land improvements, net	736,659	5,610,925	-	6,347,584
Machinery, vehicles and equipment, net	2,363,631	654,235	-	3,017,866
Road, lights, and bridges, net	8,844,535	-	-	8,844,535
Sewer and water lines, net	-	21,676,836	-	21,676,836
Capital assets, net	<u>\$ 23,556,841</u>	<u>\$ 30,410,534</u>	<u>\$ 1,094,929</u>	<u>\$ 55,062,304</u>

At the end of the 2023 fiscal year, the City of Fenton (primary government) had net outstanding debt of \$17,714,297. This entire amount comprises backed by the full faith and credit of the City of Fenton and the primary government's net assets. The City of Fenton's gross outstanding debt decreased by \$2,115,924 during the fiscal year.

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

City of Fenton
Management’s Discussion and Analysis
June 30, 2023

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:

	2022	2023
Net direct bonded debt	\$9,370,000	\$8,100,000
Ratio of debt to assessed valuation	0.0201	0.0174
Debt per capita	\$ 798	\$ 690

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 2023 under Proposal A was 5.0 percent. Property taxes make up 63 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 2024 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, 2023

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Current assets				
Cash	\$ 17,288,937	\$ 6,342,806	\$ 23,631,743	\$ 4,888,090
Receivables				
Taxes	111,667	-	111,667	-
Customers	281,075	2,355,901	2,636,976	-
Special assessments	143,759	-	143,759	-
Accrued interest and other	-	-	-	10,465
Due from other units of government	950,775	-	950,775	-
Due from component unit	58,167	-	58,167	-
Internal balances	328,171	(328,171)	-	-
Inventories	54,588	43,876	98,464	-
Prepaid items	142,627	59,190	201,817	21,263
Total current assets	<u>19,359,766</u>	<u>8,473,602</u>	<u>27,833,368</u>	<u>4,919,818</u>
Noncurrent assets				
Restricted assets				
Cash	-	8,077	8,077	-
Capital assets not being depreciated	7,311,127	2,468,538	9,779,665	1,094,929
Capital assets, net of accumulated depreciation	16,245,714	27,941,996	44,187,710	-
Total noncurrent assets	<u>23,556,841</u>	<u>30,418,611</u>	<u>53,975,452</u>	<u>1,094,929</u>
Total assets	<u>42,916,607</u>	<u>38,892,213</u>	<u>81,808,820</u>	<u>6,014,747</u>
Deferred Outflows of Resources				
Deferred amount relating to net pension liability	2,579,983	902,052	3,482,035	-
Deferred amount relating to total OPEB liability	642,675	102,382	745,057	-
Deferred charges on refunding of bonds	-	27,974	27,974	-
Total deferred outflows of resources	<u>3,222,658</u>	<u>1,032,408</u>	<u>4,255,066</u>	<u>-</u>

See Accompanying Notes to the Financial Statements

City of Fenton
Statement of Net Position
June 30, 2023

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Liabilities				
Current liabilities				
Accounts payable	\$ 959,210	\$ 1,028,478	\$ 1,987,688	\$ 34,805
Accrued and other liabilities	164,682	85,836	250,518	34,061
Due to primary government	-	-	-	58,167
Due to other units of government	13,946	-	13,946	776
Due to individuals and agencies	55,928	-	55,928	-
Deposits payable	1,055,458	-	1,055,458	-
Unearned revenue	1,020,977	-	1,020,977	-
Current portion of long-term debt	1,655,337	388,365	2,043,702	325,000
Current portion of compensated absences	115,993	21,189	137,182	-
Total current liabilities	<u>5,041,531</u>	<u>1,523,868</u>	<u>6,565,399</u>	<u>452,809</u>
Noncurrent liabilities				
Noncurrent portion of long-term debt	7,887,656	7,097,031	14,984,687	2,624,457
Noncurrent portion of compensated absences	463,970	84,756	548,726	-
Net pension liability	5,233,051	1,428,895	6,661,946	-
Total OPEB liability	5,464,550	703,997	6,168,547	-
Total noncurrent liabilities	<u>19,049,227</u>	<u>9,314,679</u>	<u>28,363,906</u>	<u>2,624,457</u>
Total liabilities	<u>24,090,758</u>	<u>10,838,547</u>	<u>34,929,305</u>	<u>3,077,266</u>
Deferred Inflows of Resources				
Deferred amount relating to net pension liability	134,682	143,259	277,941	-
Deferred amount relating to total OPEB liability	1,293,287	165,274	1,458,561	-
Total deferred inflows of resources	<u>1,427,969</u>	<u>308,533</u>	<u>1,736,502</u>	<u>-</u>
Net Position				
Net investment in capital assets	19,828,349	25,999,248	45,827,597	1,094,929
Restricted for				
Highways and streets	7,184,381	-	7,184,381	-
Public safety	14,882	-	14,882	-
Bond reserve	-	8,077	8,077	-
Debt service	106,232	-	106,232	-
Opioid settlement	45,127	-	45,127	-
Unrestricted (deficit)	<u>(6,558,433)</u>	<u>2,770,216</u>	<u>(3,788,217)</u>	<u>1,842,552</u>
Total net position	<u>\$ 20,620,538</u>	<u>\$ 28,777,541</u>	<u>\$ 49,398,079</u>	<u>\$ 2,937,481</u>

See Accompanying Notes to the Financial Statements

City of Fenton
Statement of Activities
For the Year Ended June 30, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Units
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-type Activities	Total	
Primary government								
Governmental activities								
General government	\$ 1,583,897	\$ 405,224	\$ 19,284	\$ -	\$ (1,159,389)	\$ -	\$ (1,159,389)	\$ -
Public safety	2,900,764	868,400	29,269	100,000	(1,903,095)	-	(1,903,095)	-
Public works	4,912,882	665,707	1,734,575	200,000	(2,312,600)	-	(2,312,600)	-
Community and economic development	30,126	150,000	310,000	4,300	434,174	-	434,174	-
Recreation and culture	623,086	40,615	15,541	-	(566,930)	-	(566,930)	-
Interest and fiscal charges on long-term debt	265,786	-	-	-	(265,786)	-	(265,786)	-
Total governmental activities	<u>10,316,541</u>	<u>2,129,946</u>	<u>2,108,669</u>	<u>304,300</u>	<u>(5,773,626)</u>	<u>-</u>	<u>(5,773,626)</u>	<u>-</u>
Business-type activities								
Sewer	2,975,655	3,081,081	-	-	-	105,426	105,426	-
Water	3,600,845	3,735,876	4,310	-	-	139,341	139,341	-
Total business-type activities	<u>6,576,500</u>	<u>6,816,957</u>	<u>4,310</u>	<u>-</u>	<u>-</u>	<u>244,767</u>	<u>244,767</u>	<u>-</u>
Total primary government	<u>\$ 16,893,041</u>	<u>\$ 8,946,903</u>	<u>\$ 2,112,979</u>	<u>\$ 304,300</u>	<u>(5,773,626)</u>	<u>244,767</u>	<u>(5,528,859)</u>	<u>-</u>
Component units								
Downtown Development Authority	\$ 923,690	\$ -	\$ -	\$ -	-	-	-	(923,690)
Local Development Finance Authority	158,813	-	-	-	-	-	-	(158,813)
Brownfield Redevelopment Authority	139,123	-	-	-	-	-	-	(139,123)
Total component unit activities	<u>\$ 1,221,626</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,221,626)</u>
General revenues								
Property taxes - unrestricted					6,372,943	-	6,372,943	2,702,346
State-shared revenue - unrestricted					1,375,368	-	1,375,368	-
Unrestricted investment earnings					338,781	177,271	516,052	57,656
Miscellaneous					262,396	138,585	400,981	-
Total general revenues					<u>8,349,488</u>	<u>315,856</u>	<u>8,665,344</u>	<u>2,760,002</u>
Change in net position					2,575,862	560,623	3,136,485	1,538,376
Net position - beginning of year					18,044,676	28,216,918	46,261,594	1,399,105
Net position - end of year					<u>\$ 20,620,538</u>	<u>\$ 28,777,541</u>	<u>\$ 49,398,079</u>	<u>\$ 2,937,481</u>

See Accompanying Notes to the Financial Statements

City of Fenton
Governmental Funds
Balance Sheet
June 30, 2023

	General	Local Street	Local Street Improvement	American Rescue Plan Act	Nonmajor Governmental Funds	Total
Assets						
Cash	\$ 5,572,688	\$ 6,662,595	\$ 410,932	\$ 998,327	\$ 3,334,973	\$ 16,979,515
Receivables						
Taxes	111,667	-	-	-	-	111,667
Customers	32,931	-	-	-	248,144	281,075
Special assessments	39,344	-	-	-	104,415	143,759
Due from other units of government	684,040	72,014	-	-	194,721	950,775
Due from other funds	393,653	82,929	-	-	200	476,782
Due from component unit	58,167	-	-	-	-	58,167
Inventories	54,588	-	-	-	-	54,588
Prepaid items	123,156	-	-	-	2,069	125,225
Total assets	<u>\$ 7,070,234</u>	<u>\$ 6,817,538</u>	<u>\$ 410,932</u>	<u>\$ 998,327</u>	<u>\$ 3,884,522</u>	<u>\$ 19,181,553</u>
Liabilities						
Accounts payable	\$ 418,507	\$ 402,799	\$ -	\$ -	\$ 119,393	\$ 940,699
Accrued and other liabilities	81,369	3,363	-	-	12,820	97,552
Due to other funds	161	32,960	-	-	112,928	146,049
Due to other units of government	13,946	-	-	-	-	13,946
Due to individuals and agencies	55,928	-	-	-	-	55,928
Deposits payable	1,055,458	-	-	-	-	1,055,458
Unearned revenue	-	-	-	998,327	22,650	1,020,977
Total liabilities	<u>1,625,369</u>	<u>439,122</u>	<u>-</u>	<u>998,327</u>	<u>267,791</u>	<u>3,330,609</u>
Deferred Inflows of Resources						
Unavailable revenue	72,615	-	-	-	71,389	144,004
Fund Balances						
Non-spendable	177,744	-	-	-	2,069	179,813
Restricted	-	6,378,416	410,932	-	555,116	7,344,464
Committed	-	-	-	-	2,988,157	2,988,157
Unassigned	5,194,506	-	-	-	-	5,194,506
Total fund balances	<u>5,372,250</u>	<u>6,378,416</u>	<u>410,932</u>	<u>-</u>	<u>3,545,342</u>	<u>15,706,940</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 7,070,234</u>	<u>\$ 6,817,538</u>	<u>\$ 410,932</u>	<u>\$ 998,327</u>	<u>\$ 3,884,522</u>	<u>\$ 19,181,553</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, 2023

Total fund balances for governmental funds	\$ 15,706,940
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.	15,263,664
Capital assets not being depreciated used in governmental activities are not financial resources and therefore are not reported in the funds.	7,311,127
Certain receivables are not available to pay for current period expenditures and, therefore, are deferred in the funds.	144,004
Certain liabilities are not due and payable in the current period and are not reported in the funds.	
Accrued interest	(65,223)
Bonds payable	(9,081,068)
Compensated absences	(333,885)
Net pension liability	(5,233,051)
Total OPEB liability	(5,464,550)
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	2,579,983
Deferred inflows of resources relating to the net pension liability	(134,682)
Deferred outflows of resources relating to the total OPEB liability	642,675
Deferred inflows of resources relating to the total OPEB liability	(1,293,287)
Internal service funds are included as part of governmental activities.	<u>577,891</u>
Net position of governmental activities	<u>\$ 20,620,538</u>

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, 2023

	General	Local Street	Local Street Improvement	American Rescue Plan Act	Nonmajor Governmental Funds	Total
Revenues						
Taxes	\$ 4,587,482	\$ -	\$ 1,785,461	\$ -	\$ -	\$ 6,372,943
Licenses and permits	537,949	-	-	-	-	537,949
Federal grants	-	-	-	200,000	-	200,000
Intergovernmental	1,394,652	476,926	-	-	1,282,724	3,154,302
Local contributions	-	-	-	-	250,000	250,000
Charges for services	426,081	-	-	-	899,011	1,325,092
Fines and forfeitures	59,646	-	-	-	-	59,646
Interest income	42,288	7,753	267,630	-	30,305	347,976
Other	216,765	-	-	-	461,121	677,886
Total revenues	<u>7,264,863</u>	<u>484,679</u>	<u>2,053,091</u>	<u>200,000</u>	<u>2,923,161</u>	<u>12,925,794</u>
Expenditures						
Current						
General government	1,653,621	-	-	-	115,404	1,769,025
Public safety	4,053,942	-	-	-	531,746	4,585,688
Public works	213,715	4,003,918	-	-	1,810,829	6,028,462
Community and economic development	55,933	-	-	-	6,610	62,543
Recreation and culture	104,858	-	-	-	458,770	563,628
Other	263,360	-	-	-	2,661	266,021
Capital outlay	-	-	-	-	48,358	48,358
Debt service						
Principal retirement	38,542	-	1,215,000	-	118,314	1,371,856
Interest and fiscal charges	-	-	427,660	-	15,380	443,040
Total expenditures	<u>6,383,971</u>	<u>4,003,918</u>	<u>1,642,660</u>	<u>-</u>	<u>3,108,072</u>	<u>15,138,621</u>
Excess (deficiency) of revenues over expenditures	<u>880,892</u>	<u>(3,519,239)</u>	<u>410,431</u>	<u>200,000</u>	<u>(184,911)</u>	<u>(2,212,827)</u>
Other financing sources (uses)						
Transfers in	-	9,098,460	-	-	960,500	10,058,960
Transfers out	(760,500)	-	(9,048,460)	(200,000)	(50,000)	(10,058,960)
Total other financing sources (uses)	<u>(760,500)</u>	<u>9,098,460</u>	<u>(9,048,460)</u>	<u>(200,000)</u>	<u>910,500</u>	<u>-</u>
Net change in fund balances	<u>120,392</u>	<u>5,579,221</u>	<u>(8,638,029)</u>	<u>-</u>	<u>725,589</u>	<u>(2,212,827)</u>
Fund balances - beginning of year	<u>5,251,858</u>	<u>799,195</u>	<u>9,048,961</u>	<u>-</u>	<u>2,819,753</u>	<u>17,919,767</u>
Fund balances - end of year	<u>\$ 5,372,250</u>	<u>\$ 6,378,416</u>	<u>\$ 410,932</u>	<u>\$ -</u>	<u>\$ 3,545,342</u>	<u>\$ 15,706,940</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, 2023

Net change in fund balances - total governmental funds	\$ (2,212,827)
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	(1,230,995)
Capital outlay	4,528,414
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.	
Special assessments	(34,568)
Expenses are recorded when incurred in the statement of activities.	
Accrued interest	7,141
Compensated absences	(21,804)
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	(1,308,945)
Net change in the deferred outflows of resources related to the net pension liability	830,526
Net change in the deferred inflows of resources related to the net pension liability	751,505
Change in the total OPEB liability	(25,790)
Net change in the deferred outflows of resources related to the total OPEB liability	(319,622)
Net change in the deferred inflows of resources related to the total OPEB liability	364,358
Bond proceeds are reported as financing sources in the governmental funds and thus contribute to the change in fund balance. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net position.	
Repayments of long-term debt	1,371,856
Amortization of premiums	181,824
Internal service funds are also included as governmental activities	(305,211)
Change in net position of governmental activities	\$ 2,575,862

See Accompanying Notes to the Financial Statements

City of Fenton
Proprietary Funds
Statement of Net Position
June 30, 2023

	Enterprise Funds			Internal Service Funds
	Sewer	Water	Total	
Assets				
Current assets				
Cash	\$ 3,186,068	\$ 3,156,738	\$ 6,342,806	\$ 309,422
Receivables	1,003,349	1,352,552	2,355,901	-
Due from other funds	-	161	161	9,784
Inventories	-	43,876	43,876	-
Prepaid items	19,516	39,674	59,190	17,402
Total current assets	4,208,933	4,593,001	8,801,934	336,608
Noncurrent assets				
Cash - restricted	-	8,077	8,077	-
Capital assets, net of accumulated depreciation	15,207,875	12,734,121	27,941,996	982,050
Capital assets not being depreciated	1,035,545	1,432,993	2,468,538	-
Total noncurrent assets	16,243,420	14,175,191	30,418,611	982,050
Total assets	20,452,353	18,768,192	39,220,545	1,318,658
Deferred Outflows of Resources				
Deferred amount relating to the net pension liability	228,480	673,572	902,052	-
Deferred amount relating to the total OPEB liability	7,451	94,931	102,382	-
Deferred amount relating to bond refunding	-	27,974	27,974	-
Total deferred outflows of resources	235,931	796,477	1,032,408	-

See Accompanying Notes to the Financial Statements

City of Fenton
Proprietary Funds
Statement of Net Position
June 30, 2023

	Enterprise Funds			Internal Service Funds
	Sewer	Water	Total	
Liabilities				
Current liabilities				
Accounts payable	\$ 439,345	\$ 589,133	\$ 1,028,478	\$ 18,511
Accrued and other liabilities	14,336	71,500	85,836	1,907
Due to other funds	143,954	184,378	328,332	12,346
Current portion of long-term debt	95,000	293,365	388,365	78,058
Current portion of compensated absences	4,870	16,319	21,189	49,216
Total current liabilities	<u>697,505</u>	<u>1,154,695</u>	<u>1,852,200</u>	<u>160,038</u>
Noncurrent liabilities				
Net pension liability	101,174	1,327,721	1,428,895	-
Total OPEB liability	61,686	642,311	703,997	-
Noncurrent portion of long-term debt	834,397	6,262,634	7,097,031	383,867
Noncurrent portion of compensated absences	19,480	65,276	84,756	196,862
Total noncurrent liabilities	<u>1,016,737</u>	<u>8,297,942</u>	<u>9,314,679</u>	<u>580,729</u>
Total liabilities	<u>1,714,242</u>	<u>9,452,637</u>	<u>11,166,879</u>	<u>740,767</u>
Deferred Inflows of Resources				
Deferred amount relating to the net pension liability	67,715	75,544	143,259	-
Deferred amount relating to the total OPEB liability	14,584	150,690	165,274	-
Total deferred inflows of resources	<u>82,299</u>	<u>226,234</u>	<u>308,533</u>	<u>-</u>
Net Position				
Net investment in capital assets	15,314,023	10,685,225	25,999,248	982,050
Restricted for				
Bond reserve	-	8,077	8,077	-
Unrestricted (deficit)	<u>3,577,720</u>	<u>(807,504)</u>	<u>2,770,216</u>	<u>(404,159)</u>
Total net position	<u>\$ 18,891,743</u>	<u>\$ 9,885,798</u>	<u>\$ 28,777,541</u>	<u>\$ 577,891</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, 2023

	Enterprise Funds			Internal Service Funds
	Sewer	Water	Total	
Operating revenue				
Customer fees	\$ 2,689,481	\$ 3,649,426	\$ 6,338,907	\$ -
Billings to other funds	-	-	-	358,674
Connection fees	391,600	86,450	478,050	-
State grants	-	4,310	4,310	-
Other revenue	66,007	72,578	138,585	29,393
	<u>3,147,088</u>	<u>3,812,764</u>	<u>6,959,852</u>	<u>388,067</u>
Total operating revenue				
Operating expenses				
Personnel services	579,158	1,448,896	2,028,054	80,744
Supplies	57,661	978,530	1,036,191	198,086
Professional services	1,635,364	2,708	1,638,072	-
Utilities	14,819	162,079	176,898	54,974
Repairs and maintenance	-	98,502	98,502	140,170
Other expenses	80,767	92,961	173,728	104,360
Depreciation and amortization	590,350	613,438	1,203,788	188,064
	<u>2,958,119</u>	<u>3,397,114</u>	<u>6,355,233</u>	<u>766,398</u>
Total operating expenses				
Operating income (loss)	<u>188,969</u>	<u>415,650</u>	<u>604,619</u>	<u>(378,331)</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, 2023

	Enterprise Funds			Internal Service Funds
	Sewer	Water	Total	
Nonoperating revenues (expenses)				
Interest income	\$ 17,913	\$ 159,358	\$ 177,271	\$ 1,177
Gain on sale of assets	140	6,511	6,651	83,654
Interest expense	(24,187)	(203,731)	(227,918)	(11,711)
 Total nonoperating revenues (expenses)	 (6,134)	 (37,862)	 (43,996)	 73,120
 Change in net position	 182,835	 377,788	 560,623	 (305,211)
 Net position - beginning of year	 18,708,908	 9,508,010	 28,216,918	 883,102
 Net position - end of year	 <u>\$ 18,891,743</u>	 <u>\$ 9,885,798</u>	 <u>\$ 28,777,541</u>	 <u>\$ 577,891</u>

See Accompanying Notes to the Financial Statements

City of Fenton
Proprietary Funds
Statement of Cash Flows
For the Year Ended June 30, 2023

	Enterprise Funds			Governmental Activities
	Sewer	Water	Total	Internal Service Funds
Cash flows from operating activities				
Receipts from customers	\$ 3,080,101	\$ 3,716,588	\$ 6,796,689	\$ -
Receipts from interfund users	-	-	-	417,713
Payments from (to) other funds	149,339	(67,248)	82,091	-
Payments to suppliers	(1,760,341)	(973,280)	(2,733,621)	(435,127)
Payments to employees	(588,256)	(1,526,093)	(2,114,349)	(164,545)
Net cash provided (used) by operating activities	<u>880,843</u>	<u>1,149,967</u>	<u>2,030,810</u>	<u>(181,959)</u>
Cash flows from capital and related financing activities				
Proceeds from issuance of debt	-	-	-	280,768
Purchases/construction of capital assets	(877,742)	(1,452,055)	(2,329,797)	(310,683)
Principal and interest paid on long-term debt	(114,187)	(952,876)	(1,067,063)	(70,332)
Proceeds from sale of capital assets	140	6,511	6,651	83,654
Net cash used by capital and related financing activities	<u>(991,789)</u>	<u>(2,398,420)</u>	<u>(3,390,209)</u>	<u>(16,593)</u>
Cash flows from investing activities				
Interest received	17,913	159,358	177,271	1,177
Net change in cash	(93,033)	(1,089,095)	(1,182,128)	(197,375)
Cash - beginning of year	3,279,101	4,253,910	7,533,011	506,797
Cash - end of year	<u>\$ 3,186,068</u>	<u>\$ 3,164,815</u>	<u>\$ 6,350,883</u>	<u>\$ 309,422</u>
Reconciliation to the statement of net position				
Cash	\$ 3,186,068	\$ 3,156,738	\$ 6,342,806	\$ 309,422
Cash - restricted	-	8,077	8,077	-
Cash - end of year	<u>\$ 3,186,068</u>	<u>\$ 3,164,815</u>	<u>\$ 6,350,883</u>	<u>\$ 309,422</u>

See Accompanying Notes to the Financial Statements

City of Fenton
Proprietary Funds
Statement of Cash Flows
For the Year Ended June 30, 2023

	Enterprise Funds			Governmental Activities
	Sewer	Water	Total	Internal Service Funds
Reconciliation of operating income (loss) to net cash provided (used) by operating activities				
Operating income (loss)	\$ 188,969	\$ 415,650	\$ 604,619	\$ (378,331)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities				
Depreciation/amortization expense	590,350	613,438	1,203,788	188,064
Changes in assets and liabilities				
Receivables	(66,987)	(96,176)	(163,163)	-
Due from other funds	108,373	-	108,373	(2,572)
Due from component unit	-	-	-	5,044
Prepaid items	(13,711)	(28,337)	(42,048)	(17,402)
Deferred outflows of resources	(60,604)	(198,474)	(259,078)	-
Accounts payable	40,779	381,550	422,329	(4,612)
Accrued and other liabilities	1,202	8,287	9,489	676
Due to other funds	40,966	(67,248)	(26,282)	(1,422)
Deferred inflows of resources	(62,181)	(253,026)	(315,207)	-
Net pension liability	101,174	369,403	470,577	-
Total OPEB liability	290	2,898	3,188	-
Compensated absences	12,223	2,002	14,225	28,596
Net cash provided (used) by operating activities	<u>\$ 880,843</u>	<u>\$ 1,149,967</u>	<u>\$ 2,030,810</u>	<u>\$ (181,959)</u>

See Accompanying Notes to the Financial Statements

City of Fenton
Fiduciary Funds
Statement of Fiduciary Net Position
June 30, 2023

	<u>Custodial Funds</u>
Assets	
Cash	\$ <u>93,390</u>
Liabilities	
Due to other units of government	23,549
Due to union groups	<u>12,570</u>
Total liabilities	<u>36,119</u>
Net Position	
Restricted for fiduciary activities	<u>\$ 57,271</u>

City of Fenton
Fiduciary Funds
Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2023

	<u>Custodial Funds</u>
Additions	
Property tax collections for other governments	\$ 21,523,789
Miscellaneous	<u>10,000</u>
Total additions	21,533,789
Deductions	
Payments of property tax to other governments	<u>21,523,789</u>
Change in net position	10,000
Net position - beginning of year	<u>47,271</u>
Net position - end of year	<u>\$ 57,271</u>

City of Fenton
Component Units
Combining Statement of Net Position
June 30, 2023

	Downtown Development Authority	Local Development Finance Authority	Brownfield Redevelopment Authority	Total
Assets				
Current assets				
Cash	\$ 2,664,920	\$ 2,003,386	\$ 219,784	\$ 4,888,090
Accrued interest and other	10,465	-	-	10,465
Prepaid items	20,128	1,135	-	21,263
Total current assets	2,695,513	2,004,521	219,784	4,919,818
Noncurrent assets				
Capital assets not being depreciated	1,094,929	-	-	1,094,929
Total assets	3,790,442	2,004,521	219,784	6,014,747
Liabilities				
Current liabilities				
Accounts payable	32,506	2,299	-	34,805
Accrued and other liabilities	33,342	719	-	34,061
Due to primary government	52,141	6,026	-	58,167
Due to other units of government	622	154	-	776
Debt due within one year	325,000	-	-	325,000
Total current liabilities	443,611	9,198	-	452,809
Noncurrent liabilities				
Debt due in more than one year	2,624,457	-	-	2,624,457
Total liabilities	3,068,068	9,198	-	3,077,266
Net Position				
Net investment in capital assets	1,094,929	-	-	1,094,929
Unrestricted (deficit)	(372,555)	1,995,323	219,784	1,842,552
Total net position	\$ 722,374	\$ 1,995,323	\$ 219,784	\$ 2,937,481

See Accompanying Notes to the Financial Statements

City of Fenton
Component Units
Combining Statement of Activities
For the Year Ended June 30, 2023

Functions/Programs	Expenses	Downtown Development Authority	Local Development Finance Authority	Brownfield Redevelopment Authority	Total
Downtown Development Authority					
Community and economic development	\$ 923,690	\$ (923,690)	\$ -	\$ -	\$ (923,690)
Local Development Finance Authority					
Community and economic development	158,813	-	(158,813)	-	(158,813)
Brownfield Redevelopment Authority					
Community and economic development	<u>139,123</u>	<u>-</u>	<u>-</u>	<u>(139,123)</u>	<u>(139,123)</u>
 Total component units	 <u>\$ 1,221,626</u>	 <u>(923,690)</u>	 <u>(158,813)</u>	 <u>(139,123)</u>	 <u>(1,221,626)</u>
General revenues					
Property taxes - unrestricted		2,219,184	326,742	156,420	2,702,346
Unrestricted investment earnings		<u>30,876</u>	<u>26,780</u>	<u>-</u>	<u>57,656</u>
Total general revenues		<u>2,250,060</u>	<u>353,522</u>	<u>156,420</u>	<u>2,760,002</u>
Change in net position		1,326,370	194,709	17,297	1,538,376
Net position - beginning of year		<u>(603,996)</u>	<u>1,800,614</u>	<u>202,487</u>	<u>1,399,105</u>
Net position - end of year		<u>\$ 722,374</u>	<u>\$ 1,995,323</u>	<u>\$ 219,784</u>	<u>\$ 2,937,481</u>

See Accompanying Notes to the Financial Statements

City of Fenton
Notes to the Financial Statements
June 30, 2023

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 2023.

Discretely Presented Component Units

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

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

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

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

City of Fenton
Notes to the Financial Statements
June 30, 2023

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 Local 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.

American Rescue Plan Act Fund is used to account for the activity of the City's federal funds provided by the Coronavirus State and Local Fiscal Recovery Funds.

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.

City of Fenton
Notes to the Financial Statements
June 30, 2023

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

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

City of Fenton
Notes to the Financial Statements
June 30, 2023

funds, as well as estimated total costs and proposed methods of financing all capital construction projects.

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.

City of Fenton
Notes to the Financial Statements
June 30, 2023

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, 2023, the City levied 9.8426 mills and 3.5000 mills per \$1,000 of taxable valuation for general governmental services and debt service. The total taxable value for the 2022 levy for property within the City was approximately \$504,907,531.

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, 2023, 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, 2023, the unused vacation days are recorded in the government-wide financial statements of the City.

City of Fenton
Notes to the Financial Statements
June 30, 2023

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.

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 assets 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 total OPEB liability are deferred and amortized over the expected remaining services lives of the employees and retirees in the plan.

Interfund Transactions

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

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

City of Fenton
Notes to the Financial Statements
June 30, 2023

Restricted Net Position

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

Use of Estimates

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

Adoption of New Accounting Standards

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-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.

Upcoming Accounting and Reporting Changes

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

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 Statements will have on its financial reporting.

Note 2 - Deposits and Investments

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)

City of Fenton
Notes to the Financial Statements
June 30, 2023

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 and Investments

As of June 30, 2023, the carrying amounts for each type of bank account are as follows:

	Primary Government	Fiduciary Funds	Component Units	Total
Bank deposits	\$ 15,142,463	\$ 93,390	\$ 4,888,090	\$ 20,123,943
Certificates of deposit	3,307,756	-	-	3,307,756
Investments	5,189,431	-	-	5,189,431
Petty cash	170	-	-	170
	<u>\$ 23,639,820</u>	<u>\$ 93,390</u>	<u>\$ 4,888,090</u>	<u>\$ 28,621,300</u>

Credit Risk

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

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.

As of year end, the City had the following investments:

Investment	Fair Value	Maturities	Rating	Rating Organization
Michigan Liquid Asset Funds	\$ 5,189,431	<60 days	AAAm	S&P Global Ratings

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.

Investment Type	Carrying Value	How Held
Michigan Liquid Asset Funds	\$ 5,189,431	By counterparty in the City's name

Custodial Credit 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, 2023, the City accounts were insured by the FDIC for \$1,000,000 and the amount of \$22,525,308 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.

City of Fenton
Notes to the Financial Statements
June 30, 2023

The following summarizes the categorization of these amounts as of June 30, 2023:

	Cash and Cash Equivalents	Restricted Cash and Cash Equivalents	Total
Governmental activities	\$ 17,288,937	\$ -	\$ 17,288,937
Business-type activities	6,342,806	8,077	6,350,883
Total	23,631,743	8,077	23,639,820
Fiduciary funds	93,390	-	93,390
Component units	4,888,090	-	4,888,090
Total	<u>\$ 28,613,223</u>	<u>\$ 8,077</u>	<u>\$ 28,621,300</u>

Note 3 - Fair Value Measurements

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

Investments in Entities that Calculate Net Asset Value per Share

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

At year end, the net asset value of the City's investment in Michigan Liquid Asset Funds was \$5,189,431. The investment pool had no unfunded commitments, specific redemption frequency or redemption notice period required. The Michigan Liquid Asset Funds investment pool invests in U.S. treasury obligations, federal agency obligations of the U.S. government, high-grade commercial paper (rated 'A-1' or better) collateralized bank deposits, repurchase agreements (collateralized at 102% by Treasuries and agencies), and approved money-market funds. The program seeks to provide safety, liquidity, convenience, and competitive rates of return, and is designed to meet the needs of Michigan public sector investors. It purchases securities that are legally permissible under state statutes and are available for investment by Michigan counties, cities, townships, school districts, authorities and other public agencies. It has a rating of AAAM from Standard and Poor's with a weighted average maturity of 60 days or less.

Note 4 - Interfund Receivables, Payable, and Transfers

The amount of interfund receivables and payables at June 30, 2023, are as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Local Street Fund	\$ 32,960
General Fund	Nonmajor Governmental Funds	112,728
General Fund	Water Fund	179,925
General Fund	Sewer Fund	55,694
General Fund	Internal Service Funds	12,346
Local Street Fund	Sewer Fund	82,929
Water Fund	General Fund	161
Internal Service Funds	Water Fund	4,453
Internal Service Funds	Sewer Fund	5,331
Nonmajor Governmental Funds	Nonmajor Governmental Funds	200
		<u>\$ 486,727</u>

City of Fenton
Notes to the Financial Statements
June 30, 2023

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	\$ 760,500
American Rescue Plan Act Fund	Nonmajor Funds	200,000
Local Street Improvement Fund	Local Street Fund	9,048,460
Nonmajor Funds	Local Street Fund	50,000
		<u>\$ 10,058,960</u>

The transfers from the General Fund to the nonmajor governmental funds were to fund current year operations. Transfers from the American Rescue Plan Act Fund to the nonmajor governmental were for lost revenues. Transfers from the Local Street Improvement Fund to Local Street Fund were for road projects. Transfers between the nonmajor governmental funds and the Local Street Fund were for road improvements.

Note 5 - Construction Commitments

The City entered into contracts for street and watermain projects in 2023. The total contract amount of those projects is \$13,121,737. At June 30, 2023, \$5,415,234 of construction is completed and \$7,706,503 remains a construction commitment at year-end.

City of Fenton
Notes to the Financial Statements
June 30, 2023

Note 6 - Capital Assets

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

Primary Government

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets not being depreciated				
Land	\$ 1,605,104	\$ -	\$ -	\$ 1,605,104
Construction-in-progress	1,317,609	4,388,414	-	5,706,023
Total capital assets not being depreciated	2,922,713	4,388,414	-	7,311,127
Capital assets being depreciated				
Land improvements	1,408,348	-	-	1,408,348
Infrastructure	17,173,600	-	-	17,173,600
Buildings, additions and improvements	8,409,094	-	-	8,409,094
Machinery and equipment	6,769,977	450,683	22,736	7,197,924
Total capital assets being depreciated	33,761,019	450,683	22,736	34,188,966
Less accumulated depreciation for				
Land improvements	638,233	33,456	-	671,689
Infrastructure	7,500,647	828,418	-	8,329,065
Buildings, additions and improvements	3,910,942	197,263	-	4,108,205
Machinery and equipment	4,497,107	359,922	22,736	4,834,293
Total accumulated depreciation	16,546,929	1,419,059	22,736	17,943,252
Net capital assets being depreciated	17,214,090	(968,376)	-	16,245,714
Governmental activities capital assets, net	\$ 20,136,803	\$ 3,420,038	\$ -	\$ 23,556,841

City of Fenton
Notes to the Financial Statements
June 30, 2023

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities				
Capital assets not being depreciated				
Land	\$ 190,930	\$ -	\$ -	\$ 190,930
Construction-in-progress	-	2,277,608	-	2,277,608
Total capital assets not being depreciated	<u>190,930</u>	<u>2,277,608</u>	<u>-</u>	<u>2,468,538</u>
Capital assets being depreciated				
Buildings, additions and improvements	9,439,051	-	-	9,439,051
Machinery and equipment	1,412,835	52,189	-	1,465,024
Water system	14,271,652	-	-	14,271,652
Sewer system	<u>29,512,422</u>	<u>-</u>	<u>-</u>	<u>29,512,422</u>
Total capital assets being depreciated	<u>54,635,960</u>	<u>52,189</u>	<u>-</u>	<u>54,688,149</u>
Less accumulated depreciation for				
Buildings, additions and improvements	3,579,447	248,679	-	3,828,126
Machinery and equipment	752,384	58,405	-	810,789
Water system	7,030,519	341,190	-	7,371,709
Sewer system	<u>14,180,015</u>	<u>555,514</u>	<u>-</u>	<u>14,735,529</u>
Total accumulated depreciation	<u>25,542,365</u>	<u>1,203,788</u>	<u>-</u>	<u>26,746,153</u>
Net capital assets being depreciated	<u>29,093,595</u>	<u>(1,151,599)</u>	<u>-</u>	<u>27,941,996</u>
Business-type capital assets, net	<u>\$ 29,284,525</u>	<u>\$ 1,126,009</u>	<u>\$ -</u>	<u>\$ 30,410,534</u>

City of Fenton
Notes to the Financial Statements
June 30, 2023

Depreciation expense was charged to the following:

Governmental activities

General government	\$ 160,217
Public works	828,418
Recreation and culture	242,360
Capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	<u>188,064</u>
Total governmental activities	<u>1,419,059</u>

Business-type activities

Sewer	590,350
Water	<u>613,438</u>
Total business-type activities	<u>1,203,788</u>
Total primary government	<u><u>\$ 2,622,847</u></u>

City of Fenton
Notes to the Financial Statements
June 30, 2023

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

	Beginning Balance	Increases	Decreases	Ending Balance
Downtown Development Authority				
Capital assets not being depreciated				
Land	\$ 425,000	\$ 514,029	\$ -	\$ 939,029
Construction-in-progress	<u>-</u>	<u>155,900</u>	<u>-</u>	<u>155,900</u>
Total capital assets not being depreciated	<u>425,000</u>	<u>669,929</u>	<u>-</u>	<u>1,094,929</u>
Capital assets being depreciated				
Machinery and equipment	<u>34,140</u>	<u>-</u>	<u>-</u>	<u>34,140</u>
Less accumulated depreciation for Machinery and equipment	<u>34,140</u>	<u>-</u>	<u>-</u>	<u>34,140</u>
Net capital assets being depreciated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Downtown Development Authority capital assets, net	<u><u>\$ 425,000</u></u>	<u><u>\$ 669,929</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,094,929</u></u>
Local Development Financing Authority				
Capital assets being depreciated				
Buildings, additions and improvements	<u>\$ 37,630</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 37,630</u>
Less accumulated depreciation for Buildings, additions and improvements	<u>37,630</u>	<u>-</u>	<u>-</u>	<u>37,630</u>
Local Development Financing Authority capital assets, net	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

City of Fenton
Notes to the Financial Statements
June 30, 2023

Note 7 - 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, 2023:

Primary Government	Amount of Issue	Maturity Date	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities									
Bonds and notes payable									
General obligation bonds									
2015 LTGO Special Assessment Bonds	\$ 555,000	4/1/2026	3.05% - 3.55%	\$55,000	\$ 220,000	\$ -	\$ 55,000	\$ 165,000	\$ 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	-	1,215,000	7,935,000	1,460,000
Notes from direct borrowing									
Installment purchase agreements									
Fire and Police Equipment	261,612	8/31/2024	2.810%	\$20,803 - \$40,018	99,363	-	38,542	60,821	40,018
Fire Truck	306,909	7/1/2027	2.350%	\$22,261 - \$46,431	245,300	-	63,314	181,986	22,261
Internal service fund obligations									
Notes from direct borrowing									
Installment purchase agreements									
Dump Trucks	300,000	9/1/2027	2.350%	\$23,094 - \$45,385	239,778	-	41,336	198,442	42,313
Dump Trucks	280,768	1/1/2030	4.500%	\$23,082 - \$44,653	-	280,768	17,285	263,483	35,745
Plus deferred amounts									
For issuance premiums					920,085	-	181,824	738,261	-
Total					<u>10,874,526</u>	<u>280,768</u>	<u>1,612,301</u>	<u>9,542,993</u>	<u>1,655,337</u>
Compensated absences									
Total governmental activities					<u>11,404,089</u>	<u>570,743</u>	<u>1,851,876</u>	<u>10,122,956</u>	<u>1,771,330</u>
Business-type activities									
Bonds and notes payable									
Revenue bonds									
2002 Michigan Municipal Bond Authority	9,600,000	4/1/2023	2.500%	\$600,000	600,000	-	600,000	-	-
2009 Michigan Municipal Bond Authority	1,419,839	4/1/2030	2.500%	\$60,000 - \$72,031	502,031	-	60,000	442,031	60,000
2014 Michigan Finance Authority	935,000	10/1/2035	2.500%	\$35,000 - \$42,366	517,366	-	30,000	487,366	35,000
Capital improvement bonds									
2020 Capital Improvement Refunding Bonds	2,320,000	4/1/2035	2.000%	\$140,000 - \$175,000	2,045,000	-	140,000	1,905,000	140,000
2022 Capital Improvement Bonds	4,500,000	5/24/2032	4.000%	\$150,000 - \$365,000	4,500,000	-	-	4,500,000	150,000
Plus deferred amounts									
For issuance premiums					162,399	-	11,400	150,999	3,365
Total					<u>8,326,796</u>	<u>-</u>	<u>841,400</u>	<u>7,485,396</u>	<u>388,365</u>
Compensated absences									
Total business-type activities					<u>91,720</u>	<u>79,532</u>	<u>65,307</u>	<u>105,945</u>	<u>21,189</u>
Total primary government					<u>\$ 19,822,605</u>	<u>\$ 650,275</u>	<u>\$ 2,758,583</u>	<u>\$ 17,714,297</u>	<u>\$ 2,180,884</u>

City of Fenton
Notes to the Financial Statements
June 30, 2023

Component unit	Amount of Issue	Maturity Date	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Downtown Development Authority									
General obligation bonds									
2014 GOLT Development Bonds	\$ 3,650,000	10/1/2031	3.000% - 4.000%	\$255,000 - \$330,000	\$ 2,575,000	\$ -	\$ 250,000	\$ 2,325,000	\$ 255,000
2016 GOLT Development Bonds	1,000,000	10/1/2031	2.000% - 2.600%	\$70,000 - \$80,000	660,000	-	70,000	590,000	70,000
Capitalized bond premium					38,719	-	4,262	34,457	-
Total component unit					<u>\$ 3,273,719</u>	<u>\$ -</u>	<u>\$ 324,262</u>	<u>\$ 2,949,457</u>	<u>\$ 325,000</u>
					<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	
Deferred amount on refunding - business-type activities					<u>\$ 30,299</u>	<u>\$ -</u>	<u>\$ 2,325</u>	<u>\$ 27,974</u>	

City of Fenton
Notes to the Financial Statements
June 30, 2023

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 \$579,963 for governmental activities and \$105,945 for business-type activities at June 30, 2023. 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.

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
2024	\$ 1,515,000	\$ 389,570	\$ 140,337	\$ 20,394
2025	1,625,000	328,378	145,799	16,744
2026	655,000	247,202	128,768	12,972
2027	635,000	215,250	132,666	9,074
2028	665,000	183,500	89,427	5,044
2029-2032	<u>3,005,000</u>	<u>384,500</u>	<u>67,735</u>	<u>3,071</u>
	<u>\$ 8,100,000</u>	<u>\$ 1,748,400</u>	<u>\$ 704,732</u>	<u>\$ 67,299</u>

Year Ending June 30,	Business-type Activities		Component Unit	
	Bonds		Bonds	
	Principal	Interest	Principal	Interest
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	420,000	194,697	370,000	51,812
2029-2033	2,067,031	786,897	1,180,000	86,234
2034-2038	1,842,366	477,348	-	-
2039-2043	<u>1,415,000</u>	<u>143,200</u>	<u>-</u>	<u>-</u>
	<u>\$ 7,334,397</u>	<u>\$ 2,497,680</u>	<u>\$ 2,915,000</u>	<u>\$ 443,972</u>

Note 8 - 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

City of Fenton
Notes to the Financial Statements
June 30, 2023

Michigan Municipal League (MML) risk pool for claims relating to worker's compensation; the City is uninsured for acts of God and environmental cleanup loss. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

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

Note 9 - 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.

City of Fenton
Notes to the Financial Statements
June 30, 2023

At the December 31, 2022 valuation date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	48
Inactive employees entitled to, but not yet receiving benefits	18
Active employees	<u>41</u>
	<u>107</u>

Contributions

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

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

Net pension liability

The employer's net pension liability was measured as of December 31, 2022, 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, 2022 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 Pub-2010 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%	7.00%	4.20%	2.50%	2.70%
Global fixed income	20.00%	4.50%	0.90%	2.50%	0.40%
Private Investments	<u>20.00%</u>	9.50%	<u>1.90%</u>	2.50%	<u>1.40%</u>
	<u>100.00%</u>		<u>7.00%</u>		<u>4.50%</u>

Discount rate – The discount rate used to measure the total pension liability is 7.25%. 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

City of Fenton
Notes to the Financial Statements
June 30, 2023

plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability

Total Pension Liability

Service cost	\$ 317,751
Interest on the total pension liability	1,563,284
Experience differences	(225,761)
Benefit payments and refunds	<u>(1,232,958)</u>
 Net change in total pension liability	 422,316
Total pension liability - beginning	<u>22,020,132</u>
 Total pension liability - ending (a)	 <u>\$ 22,442,448</u>

Plan Fiduciary Net Position

Pension plan net investment income (loss)	\$ (1,881,793)
Employer contributions	1,764,163
Employee contributions	29,363
Benefit payments and refunds	(1,232,958)
Pension plan administrative expense	(31,941)
Other	<u>(4,040)</u>
 Net change in plan fiduciary net position	 (1,357,206)
Plan fiduciary net position - beginning	<u>17,137,708</u>
 Plan fiduciary net position - ending (b)	 <u>\$ 15,780,502</u>
 Net pension liability (a-b)	 <u>\$ 6,661,946</u>
 Plan fiduciary net position as a percentage of total pension liability	 70.32%
Covered employee payroll	<u>\$ 3,193,954</u>
Net pension liability as a percentage of covered employee payroll	208.58%

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>\$ 9,570,498</u>	<u>\$ 6,661,946</u>	<u>\$ 4,255,788</u>

Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions – For the year ended June 30, 2023 the employer recognized pension expense of \$1,520,097. 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	\$ 80,161	\$ (277,941)	\$ (197,780)
Differences in assumptions	919,475	-	919,475
Net difference between projected and actual earning on plan investments	1,530,824	-	1,530,824
Contributions subsequent to the measurement date*	<u>951,575</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 3,482,035</u>	<u>\$ (277,941)</u>	<u>\$ 2,252,519</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 2024.

City of Fenton
Notes to the Financial Statements
June 30, 2023

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

Year ended,	
2024	\$ 581,595
2025	553,009
2026	534,381
2027	<u>583,534</u>
	<u>\$ 2,252,519</u>

The net pension liability is generally liquidated by the General Fund, Emergency 911 Fund, Sewer Fund, and Water Fund.

Note 10 - 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 \$279,340 for the year ended June 30, 2023. Plan members are not required to contribute to the plan.

Total OPEB liability – The total OPEB liability was measured as of June 30, 2023. The total OPEB liability was determined by an actuarial valuation as of December 31, 2021 and rolled forward to June 30, 2023.

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	16 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, 2023 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 3.69% (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
Notes to the Financial Statements
June 30, 2023

Changes in Total OPEB Liability

Total OPEB Liability

Service cost	\$ 165,867
Interest on the total OPEB liability	224,457
Experience differences	18,766
Changes in actuarial assumptions	(110,997)
Other changes	10,225
Benefit payments and refunds	<u>(279,340)</u>
Net change in total OPEB liability	28,978
Total OPEB liability - beginning	<u>6,139,569</u>
Total OPEB liability - ending	<u><u>\$ 6,168,547</u></u>
Plan fiduciary net position as a percentage of total OPEB liability	- %
Covered payroll	<u>\$ 4,551,256</u>
Total OPEB liability as a percentage of covered payroll	135.54%

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 3.86%, 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
2.86%	3.86%	4.86%
<u>\$ 6,867,386</u>	<u>\$ 6,168,547</u>	<u>\$ 5,572,266</u>

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

Current Healthcare Care Cost		
<u>1% Decrease</u>	<u>Trend Rate Assumption</u>	<u>1% Increase</u>
<u>\$ 5,682,563</u>	<u>\$ 6,168,547</u>	<u>\$ 6,738,910</u>

OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB – For the year ended June 30, 2023 the employer recognized OPEB expense of \$258,052. 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	\$ 19,284	\$ (769,337)	\$ (750,053)
Differences in assumptions	<u>725,773</u>	<u>(689,224)</u>	<u>36,549</u>
Total	<u>\$ 745,057</u>	<u>\$ (1,458,561)</u>	<u>\$ (713,504)</u>

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

Year ended,	
2024	\$ (150,144)
2025	(208,614)
2026	(337,763)
2027	<u>(16,983)</u>
	<u>\$ (713,504)</u>

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

City of Fenton
Notes to the Financial Statements
June 30, 2023

Note 11 - 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, 2023 is as follows:

Revenues	
Building permits	\$ 212,430
Zoning permits	<u>9,580</u>
Total Revenues	222,010
Expenditures	
Salaries and fringes	286,259
Supplies and other	19,089
Professional services	<u>81,105</u>
Total expenditures	<u>386,453</u>
Excess of revenues (under) expenditures	(164,443)
Prior cumulative excess of revenues (under) expenditures	<u>(2,993,041)</u>
Cumulative excess of revenues (under) expenditures	<u>\$ (3,157,484)</u>

Note 12 - 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 13 - Net Investment in Capital Assets

The composition of net investment in capital assets as of June 30, 2023, was as follows:

	Governmental Activities	Business-type Activities	Component Unit
Capital assets			
Capital assets not being depreciated	\$ 7,311,127	\$ 2,468,538	\$ 1,094,929
Capital assets, net of accumulated depreciation	<u>16,245,714</u>	<u>27,941,996</u>	<u>-</u>
Total capital assets	<u>23,556,841</u>	<u>30,410,534</u>	<u>1,094,929</u>
Unspent bond proceeds	5,814,501	3,046,136	-
Unamortized balance of capital-related deferred outflows of resources from refunding of outstanding capital debt	<u>-</u>	<u>27,974</u>	<u>-</u>
Related debt			
General obligation bonds	8,100,000	-	-
Other bonds	-	7,334,397	-
Installment purchase agreements	242,807	-	-
Notes from direct borrowing and direct placements	461,925	-	-
Unamortized bond premiums	<u>738,261</u>	<u>150,999</u>	<u>-</u>
Total related debt	<u>9,542,993</u>	<u>7,485,396</u>	<u>-</u>
Net investment in capital assets	<u>\$ 19,828,349</u>	<u>\$ 25,999,248</u>	<u>\$ 1,094,929</u>

Note 14 - 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, 2023

not expected to be converted to cash in the near term. It also includes funds that are legally or contractually required to be maintained intact such as the corpus of a permanent fund or foundation.

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

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

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

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

Fund Balance Classification Policies and Procedures

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

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

The City of Fenton has not adopted a policy that defines the order of usage for fund balance amounts classified as restricted, committed,

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

	General Fund	Local Street Fund	Local Street Improvement Fund	Nonmajor Governmental Funds
Fund Balances				
Non-spendable				
Inventories	\$ 54,588	\$ -	\$ -	\$ -
Prepaid items	123,156	-	-	2,069
Restricted for				
Streets and highways	-	6,378,416	410,932	395,033
Opioid settlement	-	-	-	45,127
Public communications	-	-	-	14,882
Debt service	-	-	-	100,074
Committed for				
Parks and recreation	-	-	-	294,323
Cemetery	-	-	-	257,212
Garbage collection	-	-	-	246,784
Narcotics enforcement	-	-	-	3,188
D.A.R.E.	-	-	-	23,063
Emergency 911	-	-	-	3,466
Neighborhood stabilization	-	-	-	316,109
Fire equipment	-	-	-	421,815
Fire truck equipment	-	-	-	175,069
Fire ladder truck	-	-	-	613,766
Improvements and technology	-	-	-	65,955
Capital projects	-	-	-	567,407
Unassigned	<u>5,194,506</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>\$ 5,372,250</u>	<u>\$ 6,378,416</u>	<u>\$ 410,932</u>	<u>\$ 3,545,342</u>

Fund Deficit

The City has accumulated unrestricted net position deficits in the Water Fund (\$807,504), Sick Pay Fund (\$82,757) and Downtown Development Authority component unit (\$372,555). Deficit Elimination Plans are not necessary.

City of Fenton
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual	Actual Over (Under)
	Original	Final		Final Budget
Revenues				
Taxes	\$ 4,693,200	\$ 4,592,284	\$ 4,587,482	\$ (4,802)
Licenses and permits	484,250	502,750	537,949	35,199
Intergovernmental	1,355,000	1,441,000	1,394,652	(46,348)
Charges for services	350,000	379,000	426,081	47,081
Fines and forfeitures	60,000	55,000	59,646	4,646
Interest income	6,500	11,000	42,288	31,288
Other revenue	251,900	225,800	216,765	(9,035)
Total revenues	<u>7,200,850</u>	<u>7,206,834</u>	<u>7,264,863</u>	<u>58,029</u>
Expenditures				
Legislative and executive	212,141	203,990	175,388	(28,602)
General services	1,615,438	1,688,962	1,780,333	91,371
Police	2,810,714	2,917,306	3,012,108	94,802
Fire	761,367	744,867	651,391	(93,476)
Protective inspections	486,250	473,250	441,853	(31,397)
Public service	195,600	199,500	213,715	14,215
Community service	245,000	170,200	109,183	(61,017)
Total expenditures	<u>6,326,510</u>	<u>6,398,075</u>	<u>6,383,971</u>	<u>(14,104)</u>
Excess (deficiency) of revenues over (under) expenditures	874,340	808,759	880,892	72,133
Other financing sources (uses)				
Transfers out	(504,000)	(805,500)	(760,500)	45,000
Net change in fund balance	370,340	3,259	120,392	117,133
Fund balance - beginning of year	5,251,858	5,251,858	5,251,858	-
Fund balance - end of year	<u>\$ 5,622,198</u>	<u>\$ 5,255,117</u>	<u>\$ 5,372,250</u>	<u>\$ 117,133</u>

City of Fenton
Required Supplementary Information
Budgetary Comparison Schedule
Local Street Fund
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual	Actual
	Original	Final		Over (Under)
				Final Budget
Revenues				
Intergovernmental	\$ 420,866	\$ 420,866	\$ 476,926	\$ 56,060
Interest income	-	4,500	7,753	3,253
Total revenues	<u>420,866</u>	<u>425,366</u>	<u>484,679</u>	<u>59,313</u>
Expenditures				
Current				
Public works	<u>6,020,458</u>	<u>4,376,542</u>	<u>4,003,918</u>	<u>(372,624)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,599,592)</u>	<u>(3,951,176)</u>	<u>(3,519,239)</u>	<u>431,937</u>
Other financing (uses)				
Transfers in	<u>5,564,000</u>	<u>9,098,460</u>	<u>9,098,460</u>	<u>-</u>
Net change in fund balance	(35,592)	5,147,284	5,579,221	431,937
Fund balance - beginning of year	<u>799,195</u>	<u>799,195</u>	<u>799,195</u>	<u>-</u>
Fund balance - end of year	<u>\$ 763,603</u>	<u>\$ 5,946,479</u>	<u>\$ 6,378,416</u>	<u>\$ 431,937</u>

City of Fenton
Required Supplementary Information
Budgetary Comparison Schedule
Local Street Improvement Fund
For the Year Ended June 30, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	Actual Over (Under)
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
Revenues				
Taxes	\$ 1,785,263	\$ 1,786,563	\$ 1,785,461	\$ (1,102)
Interest income	-	100,000	267,630	167,630
Total revenues	<u>1,785,263</u>	<u>1,886,563</u>	<u>2,053,091</u>	<u>166,528</u>
Expenditures				
Debt service				
Principal retirement	1,215,000	1,215,000	1,215,000	-
Interest and fiscal charges	427,660	427,660	427,660	-
Transfers out	<u>5,514,000</u>	<u>9,048,460</u>	<u>9,048,460</u>	<u>-</u>
Total expenditures	<u>7,156,660</u>	<u>10,691,120</u>	<u>10,691,120</u>	<u>-</u>
Net change in fund balance	(5,371,397)	(8,804,557)	(8,638,029)	166,528
Fund balance - beginning of year	<u>9,048,961</u>	<u>9,048,961</u>	<u>9,048,961</u>	<u>-</u>
Fund balance - end of year	<u>\$ 3,677,564</u>	<u>\$ 244,404</u>	<u>\$ 410,932</u>	<u>\$ 166,528</u>

City of Fenton
Required Supplementary Information
Budgetary Comparison Schedule
American Rescue Plan Act Fund
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual	Actual Over (Under) Final Budget
	Original	Final		
Revenues				
Federal grants	\$ -	\$ 200,000	\$ 200,000	\$ -
Expenditures				
Transfers out	-	200,000	200,000	-
Excess of revenues (deficiency) over expenditures	-	-	-	-
Fund balance - beginning of year	-	-	-	-
Fund balance - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

City of Fenton
Required Supplementary Information
Municipal Employees Retirement System of Michigan
Schedule of Changes in Net Pension Liability and Related Ratios
June 30, 2023

Measurement date December 31,	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability									
Service cost	\$ 317,751	\$ 298,220	\$ 284,714	\$ 272,243	\$ 265,288	\$ 272,740	\$ 272,063	\$ 253,276	\$ 251,037
Interest on the total pension liability	1,563,284	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	(225,761)	(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	(1,232,958)	(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	422,316	1,406,460	1,451,347	1,374,137	828,564	204,302	681,304	1,479,073	578,666
Total pension liability - beginning	22,020,132	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>\$ 22,442,448</u>	<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>
Plan Fiduciary Net Position									
Pension plan net investment income (loss)	\$ (1,762,347)	\$ 2,078,854	\$ 1,681,597	\$ 1,504,441	\$ (453,265)	\$ 1,330,013	\$ 1,057,397	\$ (146,630)	\$ 603,787
Employer contributions	1,764,163	1,506,983	1,329,068	1,194,047	1,082,740	814,116	550,985	510,110	471,992
Employee contributions	29,363	29,058	29,217	30,505	27,653	27,255	23,809	22,633	22,830
Benefit payments and refunds	(1,232,958)	(1,138,367)	(1,065,711)	(1,045,582)	(985,194)	(929,103)	(914,331)	(857,340)	(805,830)
Pension plan administrative expense	(31,941)	(23,845)	(25,814)	(25,932)	(22,134)	(21,038)	(20,877)	(22,691)	(22,123)
Other changes	(4,040)	119,445	-	-	-	-	-	-	-
Net change in plan fiduciary net position	(1,237,760)	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	17,018,262	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>\$ 15,780,502</u>	<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>\$ 6,661,946</u>	<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	70.32%	77.83%	70.66%	65.84%	61.61%	66.69%	60.21%	58.43%	67.73%
Covered payroll	<u>\$ 3,193,954</u>	<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	208.58%	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, 2023

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%
6/30/2023	952,404	1,895,402	(942,998)	2,678,942	70.75%

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Individual entry-age
Amortization method	Level-dollar closed
Remaining amortization period	8-18 years
Asset valuation method	5-year smoothed value of assets
Inflation	2.50%
Salary increases	3.00%
Investment rate of return	7.00%
Retirement age	60
Mortality	Pub-2010 Healthy Annuitant Mortality Tables - 50% male and 50% female blend Pub-2010 Employee Mortality Tables - 50% male and 50% female blend Pub-2010 Juvenile Mortality Tables - 50% male and 50% female blend Pub-2010 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, 2023

Measurement date June 30,	2023	2022	2021	2020	2019	2018
Total OPEB Liability						
Service cost	\$ 165,867	\$ 224,988	\$ 241,668	\$ 185,710	\$ 175,103	\$ 180,894
Interest on the total OPEB liability	224,457	156,237	186,790	206,645	224,838	219,460
Experience differences	18,766	(1,087,832)	(10,039)	(366,715)	30,620	18,093
Changes in actuarial assumptions	(110,997)	(1,014,828)	494,400	1,338,643	329,265	(39,380)
Other changes	10,225	-	(57,586)	-	-	-
Benefit payments and refunds	(279,340)	(327,705)	(339,583)	(400,867)	(347,273)	(312,286)
Net change in total OPEB liability	28,978	(2,049,140)	515,650	963,416	412,553	66,781
Total OPEB liability - beginning	<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>	<u>6,230,309</u>
Total OPEB liability - ending	<u>\$ 6,168,547</u>	<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>\$ 4,551,256</u>	<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	135.54%	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, 2023

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%
6/30/2023	690,961	279,340	411,621	4,551,256	6.14%

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry-age normal
Amortization method	Level percent of payroll
Remaining amortization period	16 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
Notes to Required Supplementary Information
For the Year Ended June 30, 2023

Note 1: Excess of expenditures over appropriations

Michigan Public Act 2 of 1968, 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, 2023, the City incurred expenditures in excess of the amounts appropriated as follows:

	<u>Amounts</u> <u>Appropriated</u>	<u>Expended</u>	<u>Variance</u>
General Fund			
General services	\$ 1,688,962	\$ 1,780,333	\$ 91,371
Police	2,917,306	3,012,108	94,802
Public service	199,500	213,715	14,215
Parks and Recreation Fund	363,852	404,210	40,358
Emergency 911 Fund	510,700	513,412	2,712
Public Communications Fund	17,700	20,995	3,295
Fire Equipment Fund	47,807	71,709	23,902

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
Other Supplementary Information
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2023

	Special Revenue Funds						
	Major Street	Parks and Recreation	Cemetery	CDBG	Opioid Settlement	Garbage Collection	Narcotics Enforcement
Assets							
Cash	\$ 228,579	\$ 352,631	\$ 282,877	\$ 209	\$ 45,127	\$ 128,824	\$ 3,188
Customers	-	-	16,952	820	-	163,887	-
Special assessments	-	-	-	-	-	-	-
Due from other units of government	194,721	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-
Prepaid items	-	595	-	-	-	-	-
Total assets	\$ 423,300	\$ 353,226	\$ 299,829	\$ 1,029	\$ 45,127	\$ 292,711	\$ 3,188
Liabilities							
Accounts payable	\$ 8,522	\$ 26,635	\$ 19,967	\$ 1,029	\$ -	\$ 43,600	\$ -
Accrued and other liabilities	2,903	3,804	-	-	-	227	-
Due to other funds	16,842	27,869	-	-	-	2,100	-
Unearned revenue	-	-	22,650	-	-	-	-
Total liabilities	28,267	58,308	42,617	1,029	-	45,927	-
Deferred Inflows of Resources							
Unavailable revenue	-	-	-	-	-	-	-
Fund Balances							
Non-spendable							
Prepaid items	-	595	-	-	-	-	-
Restricted	395,033	-	-	-	45,127	-	-
Committed	-	294,323	257,212	-	-	246,784	3,188
Total fund balances	395,033	294,918	257,212	-	45,127	246,784	3,188
Total liabilities, deferred inflows of resources, and fund balances	\$ 423,300	\$ 353,226	\$ 299,829	\$ 1,029	\$ 45,127	\$ 292,711	\$ 3,188

City of Fenton
Other Supplementary Information
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2023

	Special Revenue Funds				Capital Projects Funds		
	D.A.R.E.	Emergency 911	Non-motorized Trail	Public Communications	Fire Equipment	Police Equipment	Fire Ladder Truck
Assets							
Cash	\$ 23,063	\$ 22,956	\$ 320,252	\$ 10,082	\$ 421,815	\$ 175,069	\$ 613,766
Customers	-	61,685	-	4,800	-	-	-
Special assessments	-	-	-	-	-	-	-
Due from other units of government	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-
Prepaid items	-	1,474	-	-	-	-	-
Total assets	<u>\$ 23,063</u>	<u>\$ 86,115</u>	<u>\$ 320,252</u>	<u>\$ 14,882</u>	<u>\$ 421,815</u>	<u>\$ 175,069</u>	<u>\$ 613,766</u>
Liabilities							
Accounts payable	\$ -	\$ 9,372	\$ 4,143	\$ -	\$ -	\$ -	\$ -
Accrued and other liabilities	-	5,886	-	-	-	-	-
Due to other funds	-	65,917	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>81,175</u>	<u>4,143</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources							
Unavailable revenue	-	-	-	-	-	-	-
Fund Balances							
Non-spendable							
Prepaid items	-	1,474	-	-	-	-	-
Restricted	-	-	-	14,882	-	-	-
Committed	23,063	3,466	316,109	-	421,815	175,069	613,766
Total fund balances	<u>23,063</u>	<u>4,940</u>	<u>316,109</u>	<u>14,882</u>	<u>421,815</u>	<u>175,069</u>	<u>613,766</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 23,063</u>	<u>\$ 86,115</u>	<u>\$ 320,252</u>	<u>\$ 14,882</u>	<u>\$ 421,815</u>	<u>\$ 175,069</u>	<u>\$ 613,766</u>

City of Fenton
Other Supplementary Information
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2023

	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	
Assets						
Cash	\$ 309,386	\$ 65,955	\$ 206,414	\$ 57,532	\$ 67,248	\$ 3,334,973
Customers	-	-	-	-	-	248,144
Special assessments	-	-	8	-	104,407	104,415
Due from other units of government	-	-	-	-	-	194,721
Due from other funds	-	-	-	200	-	200
Prepaid items	-	-	-	-	-	2,069
Total assets	<u>\$ 309,386</u>	<u>\$ 65,955</u>	<u>\$ 206,422</u>	<u>\$ 57,732</u>	<u>\$ 171,655</u>	<u>\$ 3,884,522</u>
Liabilities						
Accounts payable	\$ -	\$ -	\$ 2,310	\$ 3,815	\$ -	\$ 119,393
Accrued and other liabilities	-	-	-	-	-	12,820
Due to other funds	-	-	-	-	200	112,928
Unearned revenue	-	-	-	-	-	22,650
Total liabilities	<u>-</u>	<u>-</u>	<u>2,310</u>	<u>3,815</u>	<u>200</u>	<u>267,791</u>
Deferred Inflows of Resources						
Unavailable revenue	-	-	8	-	71,381	71,389
Fund Balances						
Non-spendable						
Prepaid items	-	-	-	-	-	2,069
Restricted	-	-	-	-	100,074	555,116
Committed	<u>309,386</u>	<u>65,955</u>	<u>204,104</u>	<u>53,917</u>	<u>-</u>	<u>2,988,157</u>
Total fund balances	<u>309,386</u>	<u>65,955</u>	<u>204,104</u>	<u>53,917</u>	<u>100,074</u>	<u>3,545,342</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 309,386</u>	<u>\$ 65,955</u>	<u>\$ 206,422</u>	<u>\$ 57,732</u>	<u>\$ 171,655</u>	<u>\$ 3,884,522</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, 2023

	Special Revenue Funds						
	Major Street	Parks and Recreation	Cemetery	CDBG	Opioid Settlement	Garbage Collection	
Revenues							
Intergovernmental	\$ 1,257,649	\$ -	\$ -	\$ 4,300	\$ -	\$ -	\$ -
Local contributions	-	100,000	-	-	-	-	-
Charges for services	-	35,670	46,093	-	-	564,127	-
Interest income	2,587	7,776	2,274	-	-	-	-
Other revenue	-	29,116	-	-	45,127	-	-
Total revenues	<u>1,260,236</u>	<u>172,562</u>	<u>48,367</u>	<u>4,300</u>	<u>45,127</u>	<u>564,127</u>	<u>-</u>
Expenditures							
Current							
General government	-	-	115,404	-	-	-	-
Public safety	-	-	-	-	-	-	-
Public works	1,277,815	-	-	-	-	533,014	-
Community and economic development	-	-	-	4,300	-	-	-
Recreation and culture	-	404,210	-	-	-	-	-
Other functions	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Debt service							
Principal retirement	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-
Total expenditures	<u>1,277,815</u>	<u>404,210</u>	<u>115,404</u>	<u>4,300</u>	<u>-</u>	<u>533,014</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(17,579)</u>	<u>(231,648)</u>	<u>(67,037)</u>	<u>-</u>	<u>45,127</u>	<u>31,113</u>	<u>-</u>
Other financing sources (uses)							
Transfers in	-	435,000	69,000	-	-	-	-
Transfers out	(50,000)	-	-	-	-	-	-
Total other financing sources (uses)	<u>(50,000)</u>	<u>435,000</u>	<u>69,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>(67,579)</u>	<u>203,352</u>	<u>1,963</u>	<u>-</u>	<u>45,127</u>	<u>31,113</u>	<u>-</u>
Fund balances - beginning of year	<u>462,612</u>	<u>91,566</u>	<u>255,249</u>	<u>-</u>	<u>-</u>	<u>215,671</u>	<u>3,188</u>
Fund balances - end of year	<u>\$ 395,033</u>	<u>\$ 294,918</u>	<u>\$ 257,212</u>	<u>\$ -</u>	<u>\$ 45,127</u>	<u>\$ 246,784</u>	<u>\$ 3,188</u>

City of Fenton
Other Supplementary Information
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2023

	Special Revenue Funds				Capital Projects Funds		
	D.A.R.E.	Emergency 911	Non-motorized Trail	Public Communications	Fire Equipment	Police Equipment	Fire Ladder Truck
Revenues							
Intergovernmental	\$ -	\$ -	\$ -	\$ 20,775	\$ -	\$ -	\$ -
Local contributions	-	-	-	-	-	-	150,000
Charges for services	-	253,121	-	-	-	-	-
Interest income	183	183	2,592	80	3,356	1,393	4,883
Other revenue	-	-	310,000	-	-	40,000	-
Total revenues	<u>183</u>	<u>253,304</u>	<u>312,592</u>	<u>20,855</u>	<u>3,356</u>	<u>41,393</u>	<u>154,883</u>
Expenditures							
Current							
General government	-	-	-	-	-	-	-
Public safety	-	513,412	-	18,334	-	-	-
Public works	-	-	-	-	-	-	-
Community and economic development	-	-	-	-	-	-	-
Recreation and culture	-	-	54,560	-	-	-	-
Other functions	-	-	-	2,661	-	-	-
Capital outlay	-	-	-	-	-	43,858	-
Debt service							
Principal retirement	-	-	-	-	63,314	-	-
Interest and fiscal charges	-	-	-	-	8,395	-	-
Total expenditures	<u>-</u>	<u>513,412</u>	<u>54,560</u>	<u>20,995</u>	<u>71,709</u>	<u>43,858</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>183</u>	<u>(260,108)</u>	<u>258,032</u>	<u>(140)</u>	<u>(68,353)</u>	<u>(2,465)</u>	<u>154,883</u>
Other financing sources (uses)							
Transfers in	-	240,000	-	6,500	150,000	10,000	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>240,000</u>	<u>-</u>	<u>6,500</u>	<u>150,000</u>	<u>10,000</u>	<u>-</u>
Net change in fund balances	<u>183</u>	<u>(20,108)</u>	<u>258,032</u>	<u>6,360</u>	<u>81,647</u>	<u>7,535</u>	<u>154,883</u>
Fund balances - beginning of year	<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>
Fund balances - end of year	<u>\$ 23,063</u>	<u>\$ 4,940</u>	<u>\$ 316,109</u>	<u>\$ 14,882</u>	<u>\$ 421,815</u>	<u>\$ 175,069</u>	<u>\$ 613,766</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, 2023

	Capital Projects Fund			Debt Service Fund		Total
	C.I.P.	Technology and Improvements	Working Capital	Eagles on Water SA	Eagles on Water SA	
				Capital	Debt	
Revenues						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,282,724
Local contributions	-	-	-	-	-	250,000
Charges for services	-	-	-	-	-	899,011
Interest income	2,461	525	1,624	-	388	30,305
Other revenue	-	-	2,310	-	34,568	461,121
	<u>2,461</u>	<u>525</u>	<u>3,934</u>	<u>-</u>	<u>34,956</u>	<u>2,923,161</u>
Expenditures						
Current						
General government	-	-	-	-	-	115,404
Public safety	-	-	-	-	-	531,746
Public works	-	-	-	-	-	1,810,829
Community and economic development	-	-	2,310	-	-	6,610
Recreation and culture	-	-	-	-	-	458,770
Other functions	-	-	-	-	-	2,661
Capital outlay	-	4,500	-	-	-	48,358
Debt service						
Principal retirement	-	-	-	-	55,000	118,314
Interest and fiscal charges	-	-	-	-	6,985	15,380
	<u>-</u>	<u>4,500</u>	<u>2,310</u>	<u>-</u>	<u>61,985</u>	<u>3,108,072</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,461</u>	<u>(3,975)</u>	<u>1,624</u>	<u>-</u>	<u>(27,029)</u>	<u>(184,911)</u>
Other financing sources (uses)						
Transfers in	-	50,000	-	-	-	960,500
Transfers out	-	-	-	-	-	(50,000)
	<u>-</u>	<u>50,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>910,500</u>
Net change in fund balances	2,461	46,025	1,624	-	(27,029)	725,589
Fund balances - beginning of year	306,925	19,930	202,480	53,917	127,103	2,819,753
Fund balances - end of year	<u>\$ 309,386</u>	<u>\$ 65,955</u>	<u>\$ 204,104</u>	<u>\$ 53,917</u>	<u>\$ 100,074</u>	<u>\$ 3,545,342</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, 2023

Major Street Fund

	Budgeted Amounts		Actual	Actual Over (Under) Final Budget
	Original	Final		
Revenues				
Intergovernmental	\$ 1,196,320	\$ 1,215,874	\$ 1,257,649	\$ 41,775
Interest income	-	1,000	2,587	1,587
Total revenues	<u>1,196,320</u>	<u>1,216,874</u>	<u>1,260,236</u>	<u>43,362</u>
Expenditures				
Current				
Public works	<u>993,894</u>	<u>1,468,229</u>	<u>1,277,815</u>	<u>(190,414)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>202,426</u>	<u>(251,355)</u>	<u>(17,579)</u>	<u>233,776</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	<u>50,000</u>	<u>50,000</u>	<u>(50,000)</u>	<u>(100,000)</u>
Total other financing sources and uses	<u>50,000</u>	<u>50,000</u>	<u>(50,000)</u>	<u>(100,000)</u>
Net change in fund balance	252,426	(201,355)	(67,579)	133,776
Fund balance - beginning of year	<u>462,612</u>	<u>462,612</u>	<u>462,612</u>	<u>-</u>
Fund balance - end of year	<u>\$ 715,038</u>	<u>\$ 261,257</u>	<u>\$ 395,033</u>	<u>\$ 133,776</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, 2023

Parks and Recreation Fund

	<u>Budgeted Amounts</u>		<u>Actual</u>	Actual Over (Under)
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
Revenues				
Local contributions	\$ -	\$ 100,000	\$ 100,000	\$ -
Charges for services	32,000	32,000	35,670	3,670
Interest income	6,000	5,500	7,776	2,276
Other revenue	<u>8,500</u>	<u>23,000</u>	<u>29,116</u>	<u>6,116</u>
Total revenues	<u>46,500</u>	<u>160,500</u>	<u>172,562</u>	<u>12,062</u>
Expenditures				
Current				
Recreation and culture	<u>175,618</u>	<u>363,852</u>	<u>404,210</u>	<u>40,358</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(129,118)</u>	<u>(203,352)</u>	<u>(231,648)</u>	<u>(28,296)</u>
Other financing sources				
Transfers in	<u>85,000</u>	<u>435,000</u>	<u>435,000</u>	<u>-</u>
Net change in fund balance	(44,118)	231,648	203,352	(28,296)
Fund balance - beginning of year	<u>91,566</u>	<u>91,566</u>	<u>91,566</u>	<u>-</u>
Fund balance - end of year	<u>\$ 47,448</u>	<u>\$ 323,214</u>	<u>\$ 294,918</u>	<u>\$ (28,296)</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, 2023

Cemetery Fund

	<u>Budgeted Amounts</u>		<u>Actual</u>	Actual Over (Under)
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
Revenues				
Charges for services	\$ 33,100	\$ 46,100	\$ 46,093	\$ (7)
Interest income	<u>-</u>	<u>750</u>	<u>2,274</u>	<u>1,524</u>
Total revenues	<u>33,100</u>	<u>46,850</u>	<u>48,367</u>	<u>1,517</u>
Expenditures				
Current				
General government	<u>92,525</u>	<u>126,338</u>	<u>115,404</u>	<u>(10,934)</u>
Total expenditures	<u>92,525</u>	<u>126,338</u>	<u>115,404</u>	<u>(10,934)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(59,425)</u>	<u>(79,488)</u>	<u>(67,037)</u>	<u>12,451</u>
Other financing sources (uses)				
Transfers in	19,000	69,000	69,000	-
Transfers out	<u>(5,000)</u>	<u>(6,000)</u>	<u>-</u>	<u>6,000</u>
Total other financing sources	<u>14,000</u>	<u>63,000</u>	<u>69,000</u>	<u>6,000</u>
Net change in fund balance	(45,425)	(16,488)	1,963	18,451
Fund balance - beginning of year	<u>255,249</u>	<u>255,249</u>	<u>255,249</u>	<u>-</u>
Fund balance - end of year	<u>\$ 209,824</u>	<u>\$ 238,761</u>	<u>\$ 257,212</u>	<u>\$ 18,451</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, 2023

CDBG Fund	Budgeted Amounts		Actual	Actual
	Original	Final		Over (Under) Final Budget
Revenues				
Intergovernmental	\$ 81,542	\$ 81,542	\$ 4,300	\$ (77,242)
Expenditures				
Current				
Community and economic development	81,542	81,542	4,300	(77,242)
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, 2023

Opioid Settlement Fund

	<u>Budgeted Amounts</u>		<u>Actual</u>	Actual Over (Under)
	<u>Original</u>	<u>Final</u>		Final Budget
Revenues				
Other revenue	\$ -	\$ -	\$ 45,127	\$ 45,127
Expenditures				
Current				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	-	45,127	45,127
Fund balance - beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 45,127</u>	<u>\$ 45,127</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, 2023

Garbage Collection Fund

	<u>Budgeted Amounts</u>		<u>Actual</u>	Actual Over (Under)
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
Revenues				
Charges for services	\$ 550,750	\$ 550,750	\$ 564,127	\$ 13,377
Expenditures				
Current				
Public works	<u>533,150</u>	<u>533,200</u>	<u>533,014</u>	<u>(186)</u>
Net change in fund balance	17,600	17,550	31,113	13,563
Fund balance - beginning of year	<u>215,671</u>	<u>215,671</u>	<u>215,671</u>	<u>-</u>
Fund balance - end of year	<u>\$ 233,271</u>	<u>\$ 233,221</u>	<u>\$ 246,784</u>	<u>\$ 13,563</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, 2023

Narcotics Enforcement Fund

	<u>Budgeted Amounts</u>		<u>Actual</u>	Actual Over (Under)
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
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, 2023

D.A.R.E. Fund

	<u>Budgeted Amounts</u>		<u>Actual</u>	Actual
	<u>Original</u>	<u>Final</u>		Over (Under)
				<u>Final</u>
				<u>Budget</u>
Revenues	\$ -	\$ -	\$ 183	\$ 183
Expenditures				
Current				
Public safety	<u>750</u>	<u>750</u>	<u>-</u>	<u>(750)</u>
Net change in fund balance	(750)	(750)	183	933
Fund balance - beginning of year	<u>22,880</u>	<u>22,880</u>	<u>22,880</u>	<u>-</u>
Fund balance - end of year	<u>\$ 22,130</u>	<u>\$ 22,130</u>	<u>\$ 23,063</u>	<u>\$ 933</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, 2023

Emergency 911 Fund	Budgeted Amounts		Actual	Actual Over (Under) Final Budget
	Original	Final		
Revenues				
Charges for services	\$ 248,800	\$ 248,800	\$ 253,121	\$ 4,321
Interest income	-	-	183	183
Total revenues	248,800	248,800	253,304	4,504
Expenditures				
Current				
Public safety	422,700	510,700	513,412	2,712
Total expenditures	422,700	510,700	513,412	2,712
Excess (deficiency) of revenues over (under) expenditures	(173,900)	(261,900)	(260,108)	1,792
Other financing sources				
Transfers in	160,000	260,000	240,000	(20,000)
Net change in fund balance	(13,900)	(1,900)	(20,108)	(18,208)
Fund balance - beginning of year	25,048	25,048	25,048	-
Fund balance - end of year	\$ 11,148	\$ 23,148	\$ 4,940	\$ (18,208)

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, 2023

Non-motorized Trail Fund

	<u>Budgeted Amounts</u>		<u>Actual</u>	Actual Over (Under)
	<u>Original</u>	<u>Final</u>		Final Budget
Revenues				
Interest income	\$ -	\$ -	\$ 2,592	\$ 2,592
Other revenue	-	310,000	310,000	-
	<u>-</u>	<u>310,000</u>	<u>312,592</u>	<u>2,592</u>
Total revenues				
	<u>-</u>	<u>310,000</u>	<u>312,592</u>	<u>2,592</u>
Expenditures				
Current				
Recreation and culture	-	60,000	54,560	(5,440)
	<u>-</u>	<u>60,000</u>	<u>54,560</u>	<u>(5,440)</u>
Net change in fund balance	-	250,000	258,032	8,032
Fund balance - beginning of year	<u>58,077</u>	<u>58,077</u>	<u>58,077</u>	<u>-</u>
Fund balance - end of year	<u>\$ 58,077</u>	<u>\$ 308,077</u>	<u>\$ 316,109</u>	<u>\$ 8,032</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, 2023

Public Communications Fund

	<u>Budgeted Amounts</u>		<u>Actual</u>	Actual Over (Under)
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
Revenues				
Intergovernmental	\$ 13,000	\$ 12,720	\$ 20,775	\$ 8,055
Interest income	-	-	80	80
Total revenues	<u>13,000</u>	<u>12,720</u>	<u>20,855</u>	<u>8,135</u>
Expenditures				
Current				
Public safety	15,000	15,000	18,334	3,334
Other functions	<u>2,700</u>	<u>2,700</u>	<u>2,661</u>	<u>(39)</u>
Total expenditures	<u>17,700</u>	<u>17,700</u>	<u>20,995</u>	<u>3,295</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,700)</u>	<u>(4,980)</u>	<u>(140)</u>	<u>4,840</u>
Other financing sources				
Transfers in	<u>5,000</u>	<u>6,500</u>	<u>6,500</u>	-
Net change in fund balance	300	1,520	6,360	4,840
Fund balance - beginning of year	<u>8,522</u>	<u>8,522</u>	<u>8,522</u>	-
Fund balance - end of year	<u>\$ 8,822</u>	<u>\$ 10,042</u>	<u>\$ 14,882</u>	<u>\$ 4,840</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, 2023

Fire Equipment Fund

	<u>Budgeted Amounts</u>		<u>Actual</u>	Actual Over (Under)
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
Revenues				
Interest income	\$ -	\$ 1,000	\$ 3,356	\$ 2,356
Expenditures				
Debt service				
Principal retirement	42,289	41,797	63,314	21,517
Interest and fiscal charges	<u>5,517</u>	<u>6,010</u>	<u>8,395</u>	<u>2,385</u>
Total expenditures	<u>47,806</u>	<u>47,807</u>	<u>71,709</u>	<u>23,902</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(47,806)</u>	<u>(46,807)</u>	<u>(68,353)</u>	<u>(21,546)</u>
Other financing sources				
Transfers in	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>	<u>-</u>
Net change in fund balance	102,194	103,193	81,647	(21,546)
Fund balance - beginning of year	<u>340,168</u>	<u>340,168</u>	<u>340,168</u>	<u>-</u>
Fund balance - end of year	<u>\$ 442,362</u>	<u>\$ 443,361</u>	<u>\$ 421,815</u>	<u>\$ (21,546)</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, 2023

Police Equipment Fund

	<u>Budgeted Amounts</u>		<u>Actual</u>	Actual Over (Under)
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
Revenues				
Interest income	\$ -	\$ 250	\$ 1,393	\$ 1,143
Other revenue	-	40,000	40,000	-
Total revenues	<u>-</u>	<u>40,250</u>	<u>41,393</u>	<u>1,143</u>
Expenditures				
Current				
Capital outlay	<u>110,000</u>	<u>44,000</u>	<u>43,858</u>	<u>(142)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(110,000)</u>	<u>(3,750)</u>	<u>(2,465)</u>	<u>1,285</u>
Other financing sources				
Transfers in	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>-</u>
Net change in fund balance	(100,000)	6,250	7,535	1,285
Fund balance - beginning of year	<u>167,534</u>	<u>167,534</u>	<u>167,534</u>	<u>-</u>
Fund balance - end of year	<u>\$ 67,534</u>	<u>\$ 173,784</u>	<u>\$ 175,069</u>	<u>\$ 1,285</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, 2023

Fire Ladder Truck Fund

	<u>Budgeted Amounts</u>		<u>Actual</u>	Actual Over (Under)
	<u>Original</u>	<u>Final</u>		Final Budget
Revenues				
Intergovernmental	\$ 150,000	\$ 150,000	\$ 150,000	\$ -
Interest income	<u>-</u>	<u>1,500</u>	<u>4,883</u>	<u>3,383</u>
Total revenues	<u>150,000</u>	<u>151,500</u>	<u>154,883</u>	<u>3,383</u>
Expenditures				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	150,000	151,500	154,883	3,383
Fund balance - beginning of year	<u>458,883</u>	<u>458,883</u>	<u>458,883</u>	<u>-</u>
Fund balance - end of year	<u>\$ 608,883</u>	<u>\$ 610,383</u>	<u>\$ 613,766</u>	<u>\$ 3,383</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, 2023

C.I.P. Fund

	<u>Budgeted Amounts</u>		<u>Actual</u>	Actual Over (Under)
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
Revenues				
Interest income	\$ -	\$ -	\$ 2,461	\$ 2,461
Expenditures				
Current				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	-	2,461	2,461
Fund balance - beginning of year	<u>306,925</u>	<u>306,925</u>	<u>306,925</u>	<u>-</u>
Fund balance - end of year	<u>\$ 306,925</u>	<u>\$ 306,925</u>	<u>\$ 309,386</u>	<u>\$ 2,461</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, 2023

Technology and Improvements

	<u>Budgeted Amounts</u>		<u>Actual</u>	Actual Over (Under)
	<u>Original</u>	<u>Final</u>		Final Budget
Revenues				
Interest income	\$ -	\$ -	\$ 525	\$ 525
Expenditures				
Capital outlay	<u>35,000</u>	<u>35,000</u>	<u>4,500</u>	<u>(30,500)</u>
Excess (deficiency) of revenues over (under) expenditures	(35,000)	(35,000)	(3,975)	31,025
Other financing sources				
Transfers in	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>-</u>
Net change in fund balance	15,000	15,000	46,025	31,025
Fund balance - beginning of year	<u>19,930</u>	<u>19,930</u>	<u>19,930</u>	<u>-</u>
Fund balance - end of year	<u>\$ 34,930</u>	<u>\$ 34,930</u>	<u>\$ 65,955</u>	<u>\$ 31,025</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, 2023

Working Capital Fund

	<u>Budgeted Amounts</u>		<u>Actual</u>	Actual Over (Under)
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
Revenues				
Interest income	\$ -	\$ -	\$ 1,624	\$ 1,624
Other revenue	<u>3,075</u>	<u>3,075</u>	<u>2,310</u>	<u>(765)</u>
Total revenues	<u>3,075</u>	<u>3,075</u>	<u>3,934</u>	<u>859</u>
Expenditures				
Current				
Community and economic development	<u>3,075</u>	<u>3,075</u>	<u>2,310</u>	<u>(765)</u>
Net change in fund balance	-	-	1,624	1,624
Fund balance - beginning of year	<u>202,480</u>	<u>202,480</u>	<u>202,480</u>	<u>-</u>
Fund balance - end of year	<u>\$ 202,480</u>	<u>\$ 202,480</u>	<u>\$ 204,104</u>	<u>\$ 1,624</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, 2023

Eagles on Water SA Capital Fund

	<u>Budgeted Amounts</u>		<u>Actual</u>	Actual Over (Under)
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures				
Current				
Other functions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	-	-	-	-
Fund balance - beginning of year	<u>53,917</u>	<u>53,917</u>	<u>53,917</u>	<u>-</u>
Fund balance - end of year	<u>\$ 53,917</u>	<u>\$ 53,917</u>	<u>\$ 53,917</u>	<u>\$ -</u>

City of Fenton
Other Supplementary Information
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Nonmajor Debt Service Funds
For the Year Ended June 30, 2023

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>
Revenues				
Interest income	\$ 5,250	\$ 5,250	\$ 388	\$ (4,862)
Other revenue	<u>35,477</u>	<u>35,477</u>	<u>34,568</u>	<u>(909)</u>
Total revenues	<u>40,727</u>	<u>40,727</u>	<u>34,956</u>	<u>(5,771)</u>
Expenditures				
Debt service				
Principal retirement	55,000	55,000	55,000	-
Interest and fiscal charges	<u>5,446</u>	<u>6,985</u>	<u>6,985</u>	<u>-</u>
Total expenditures	<u>60,446</u>	<u>61,985</u>	<u>61,985</u>	<u>-</u>
Net change in fund balance	(19,719)	(21,258)	(27,029)	(5,771)
Fund balance - beginning of year	<u>127,103</u>	<u>127,103</u>	<u>127,103</u>	<u>-</u>
Fund balance - end of year	<u>\$ 107,384</u>	<u>\$ 105,845</u>	<u>\$ 100,074</u>	<u>\$ (5,771)</u>

City of Fenton
Internal Service Funds
Fund Descriptions

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

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

City of Fenton
Internal Service Funds
Combining Statement of Net Position
June 30, 2023

	<u>Equipment</u>	<u>Sick Pay</u>	<u>Total</u>
Assets			
Current assets			
Cash	\$ 146,101	\$ 163,321	\$ 309,422
Due from other funds	9,784	-	9,784
Prepaid items	<u>17,402</u>	<u>-</u>	<u>17,402</u>
Total current assets	173,287	163,321	336,608
Noncurrent assets			
Capital assets, net of accumulated depreciation	<u>982,050</u>	<u>-</u>	<u>982,050</u>
Total assets	<u>1,155,337</u>	<u>163,321</u>	<u>1,318,658</u>
Liabilities			
Current liabilities			
Accounts payable	18,511	-	18,511
Accrued and other liabilities	1,907	-	1,907
Due to other funds	12,346	-	12,346
Current portion of installment purchase agreement	78,058	-	78,058
Current portion of compensated absences	<u>-</u>	<u>49,216</u>	<u>49,216</u>
Total current liabilities	<u>110,822</u>	<u>49,216</u>	<u>160,038</u>
Noncurrent liabilities			
Noncurrent portion of installment purchase agreement	383,867	-	383,867
Noncurrent portion of compensated absences	<u>-</u>	<u>196,862</u>	<u>196,862</u>
Total noncurrent liabilities	<u>383,867</u>	<u>196,862</u>	<u>580,729</u>
Total liabilities	<u>494,689</u>	<u>246,078</u>	<u>740,767</u>
Net Position			
Net investment in capital assets	982,050	-	982,050
Unrestricted (deficit)	<u>(321,402)</u>	<u>(82,757)</u>	<u>(404,159)</u>
Total net position (deficit)	<u>\$ 660,648</u>	<u>\$ (82,757)</u>	<u>\$ 577,891</u>

City of Fenton
Internal Service Funds
Combining Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2023

	<u>Equipment</u>	<u>Sick Pay</u>	<u>Total</u>
Operating revenue			
Billings to other funds	\$ 358,674	\$ -	\$ 358,674
Other revenue	<u>23,519</u>	<u>5,874</u>	<u>29,393</u>
Total operating revenue	<u>382,193</u>	<u>5,874</u>	<u>388,067</u>
Operating expenses			
Personnel services	80,744	-	80,744
Supplies	198,086	-	198,086
Utilities	54,974	-	54,974
Repairs and maintenance	140,170	-	140,170
Other expenses	20,559	83,801	104,360
Depreciation	<u>188,064</u>	<u>-</u>	<u>188,064</u>
Total operating expenses	<u>682,597</u>	<u>83,801</u>	<u>766,398</u>
Operating income (loss)	<u>(300,404)</u>	<u>(77,927)</u>	<u>(378,331)</u>
Nonoperating revenues (expense)			
Interest income	1,177	-	1,177
Gain on sale of assets	83,654	-	83,654
Interest expense	<u>(11,711)</u>	<u>-</u>	<u>(11,711)</u>
Total nonoperating revenues (expense)	<u>73,120</u>	<u>-</u>	<u>73,120</u>
Change in net position	(227,284)	(77,927)	(305,211)
Net position (deficit) - beginning of year	<u>887,932</u>	<u>(4,830)</u>	<u>883,102</u>
Net position (deficit) - end of year	<u>\$ 660,648</u>	<u>\$ (82,757)</u>	<u>\$ 577,891</u>

City of Fenton
Internal Service Funds
Combining Statement of Cash Flows
For the Year Ended June 30, 2023

	Equipment	Sick Pay	Total
Cash flows from operating activities			
Receipts from interfund users	\$ 383,243	\$ 34,470	\$ 417,713
Payments to suppliers	(435,127)	-	(435,127)
Payments to employees	(80,744)	(83,801)	(164,545)
Net cash used by operating activities	(132,628)	(49,331)	(181,959)
Cash flows from capital and related financing activities			
Proceeds from capital long term debt	280,768	-	280,768
Purchases/construction of capital assets	(310,683)	-	(310,683)
Principal and interest paid on long-term debt	(70,332)	-	(70,332)
Proceeds from sale of capital assets	83,654	-	83,654
Net cash used by capital and related financing activities	(16,593)	-	(16,593)
Cash flows from investing activities			
Interest received	1,177	-	1,177
Net change in cash	(148,044)	(49,331)	(197,375)
Cash - beginning of year	294,145	212,652	506,797
Cash - end of year	\$ 146,101	\$ 163,321	\$ 309,422

City of Fenton
Internal Service Funds
Combining Statement of Cash Flows
For the Year Ended June 30, 2023

	Equipment	Sick Pay	Total
Reconciliation of operating income (loss) to net cash provided by operating activities			
Operating income (loss)	\$ (300,404)	\$ (77,927)	\$ (378,331)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities			
Depreciation	188,064	-	188,064
Changes in assets and liabilities			
Due from other funds	(2,572)	-	(2,572)
Due from component unit	5,044	-	5,044
Prepaid items	(17,402)	-	(17,402)
Accounts payable	(4,612)	-	(4,612)
Accrued and other liabilities	676	-	676
Due to other funds	(1,422)	-	(1,422)
Compensated absences	-	28,596	28,596
 Net cash provided (used) by operating activities	 \$ (132,628)	 \$ (49,331)	 \$ (181,959)

**City of Fenton
Fiduciary Funds
Fund Descriptions**

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, 2023

	Custodial Funds			Total
	Tax Collection	Employees Union	Fenton Community Center	
Assets				
Cash	\$ 23,549	\$ 12,570	\$ 57,271	\$ 93,390
Liabilities				
Due to other units of government	23,549	-	-	23,549
Due to union groups	-	12,570	-	12,570
Total liabilities	23,549	12,570	-	36,119
Net Position				
Restricted for fiduciary activities	\$ -	\$ -	\$ 57,271	\$ 57,271

City of Fenton
Fiduciary Funds
Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2023

	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	-	-	47,271	47,271
Net position - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 57,271</u>	<u>\$ 57,271</u>

City of Fenton
Component Unit Funds
Combining Balance Sheet - Downtown Development Authority
June 30, 2023

	Special Revenue Fund	Capital Projects Fund	2013 Bond Construction Fund	Total
Assets				
Cash	\$ 1,793,851	\$ 776,460	\$ 94,609	\$ 2,664,920
Accrued interest and other	-	10,465	-	10,465
Prepaid items	-	20,128	-	20,128
Total assets	<u>\$ 1,793,851</u>	<u>\$ 807,053</u>	<u>\$ 94,609</u>	<u>\$ 2,695,513</u>
Liabilities				
Accounts payable	\$ -	\$ 32,506	\$ -	\$ 32,506
Accrued and other liabilities	-	8,897	-	8,897
Due to primary government	-	52,141	-	52,141
Due to other units of government	-	622	-	622
Total liabilities	<u>-</u>	<u>94,166</u>	<u>-</u>	<u>94,166</u>
Fund Balances				
Non-spendable				
Prepaid items	-	20,128	-	20,128
Assigned	<u>1,793,851</u>	<u>692,759</u>	<u>94,609</u>	<u>2,581,219</u>
Total fund balances	<u>1,793,851</u>	<u>712,887</u>	<u>94,609</u>	<u>2,601,347</u>
Total liabilities and fund balances	<u>\$ 1,793,851</u>	<u>\$ 807,053</u>	<u>\$ 94,609</u>	<u>\$ 2,695,513</u>

City of Fenton
Component Unit Funds
Reconciliation of the Combining Balance Sheet to the Statement
of Net Position - Downtown Development Authority
June 30, 2023

Total fund balances - component unit	\$	2,601,347
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		1,129,069
Accumulated depreciation		(34,140)
Certain liabilities are not due and payable in the current period and are not reported in the funds.		
Accrued interest		(24,445)
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		<u>(2,949,457)</u>
Net position of component unit activities	\$	<u>722,374</u>

City of Fenton
Component Unit Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances -
Downtown Development Authority
For the Year Ended June 30, 2023

	Special Revenue Fund	Capital Projects Fund	2013 Bond Construction Fund	Total
Revenues				
Taxes	\$ 2,218,355	\$ -	\$ -	\$ 2,218,355
Interest income	13,329	17,547	-	30,876
Donations	-	829	12,000	12,829
Total revenues	<u>2,231,684</u>	<u>18,376</u>	<u>12,000</u>	<u>2,262,060</u>
Expenditures				
Current				
Community and economic development	-	1,499,103	-	1,499,103
Debt service				
Principal retirement	320,000	-	-	320,000
Interest and fiscal charges	100,887	-	-	100,887
Total expenditures	<u>420,887</u>	<u>1,499,103</u>	<u>-</u>	<u>1,919,990</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,810,797</u>	<u>(1,480,727)</u>	<u>12,000</u>	<u>342,070</u>
Other financing sources (uses)				
Transfers in	-	1,750,000	-	1,750,000
Transfers out	<u>(1,750,000)</u>	<u>-</u>	<u>-</u>	<u>(1,750,000)</u>
Total other financing sources (uses)	<u>(1,750,000)</u>	<u>1,750,000</u>	<u>-</u>	<u>-</u>
Net change in fund balances	60,797	269,273	12,000	342,070
Fund balances - beginning of year	<u>1,733,054</u>	<u>443,614</u>	<u>82,609</u>	<u>2,259,277</u>
Fund balances - end of year	<u>\$ 1,793,851</u>	<u>\$ 712,887</u>	<u>\$ 94,609</u>	<u>\$ 2,601,347</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, 2023

Net change in fund balances - component unit \$ 342,070

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.

Capital outlay 669,929

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 2,109

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 320,000

Amortization of premium 4,262

Change in net position of component units \$ 1,326,370

City of Fenton
Component Unit Funds
Combining Balance Sheet - Local Development Finance Authority
June 30, 2023

	Special Revenue Fund	Capital Projects Fund	Total
Assets			
Cash	\$ 1,117,630	\$ 885,756	\$ 2,003,386
Due from component unit	750,000	-	750,000
Prepaid items	-	1,135	1,135
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 1,867,630</u>	<u>\$ 886,891</u>	<u>\$ 2,754,521</u>
Liabilities			
Accounts payable	\$ -	\$ 2,299	\$ 2,299
Accrued and other liabilities	-	719	719
Due to component unit	-	750,000	750,000
Due to primary government	-	6,026	6,026
Due to other units of government	-	154	154
	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>-</u>	<u>759,198</u>	<u>759,198</u>
Fund Balances			
Non-spendable			
Prepaid items	-	1,135	1,135
Committed	1,867,630	126,558	1,994,188
	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>1,867,630</u>	<u>127,693</u>	<u>1,995,323</u>
	<u> </u>	<u> </u>	<u> </u>
Total liabilities and fund balances	<u>\$ 1,867,630</u>	<u>\$ 886,891</u>	<u>\$ 2,754,521</u>

City of Fenton
Component Unit Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances -
Local Development Finance Authority
For the Year Ended June 30, 2023

	Special Revenue Fund	Capital Projects Fund	Total
Revenues			
Taxes	\$ 326,742	\$ -	\$ 326,742
Interest income	475	26,305	26,780
Total revenues	<u>327,217</u>	<u>26,305</u>	<u>353,522</u>
Expenditures			
Current			
Community and economic development	<u>-</u>	<u>158,813</u>	<u>158,813</u>
Net change in fund balances	327,217	(132,508)	194,709
Fund balances - beginning of year	<u>1,540,413</u>	<u>260,201</u>	<u>1,800,614</u>
Fund balances - end of year	<u>\$ 1,867,630</u>	<u>\$ 127,693</u>	<u>\$ 1,995,323</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, 2023.

City of Fenton
Component Unit Funds
Balance Sheet - Brownfield Redevelopment Authority
June 30, 2023

	<u>Special Revenue Fund</u>
Assets	
Cash and cash equivalents	\$ <u>219,784</u>
Fund Balance	
Committed	\$ <u>219,784</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, 2023.

City of Fenton
Component Unit Funds
Statement of Revenues, Expenditures and Changes in Fund Balances -
Brownfield Redevelopment Authority
For the Year Ended June 30, 2023

	<u>Special Revenue Fund</u>
Revenues	
Taxes	\$ 156,420
Expenditures	
Current	
Community and economic development	<u>139,123</u>
Net change in fund balance	17,297
Fund balance - beginning of year	<u>202,487</u>
Fund balance - end of year	<u><u>\$ 219,784</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, 2023.

City of Fenton Statistical Section

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

Contents

Page

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.

Net Position by Component	7 - 2
Changes in Governmental Net Position	7 - 3
Changes in Business-Type Net Position	7 - 4
Fund Balances, Governmental Funds	7 - 5
Changes in Fund Balances, Governmental Funds	7 - 6

Revenue Capacity Information:

These schedules contain information to assist the reader to access the factors affecting the City's ability to generate revenue.

Taxable Value and Actual Value of Taxable Property	7 - 7
Direct and Overlapping Property Tax Rates	7 - 8
Principal Property Tax Payers	7 - 9
Property Tax Levies and Collections	7 - 10

Debt Capacity Information:

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.

Ratios of Outstanding Debt	7 - 11
Ratios of General Bonded Debt Outstanding	7 - 12
Direct and Overlapping Governmental Activities Debt	7 - 13
Legal Debt Margin	7 - 14
Pledged-Revenue Coverage	7 - 15

Demographic and Economic Information:

The schedules offer indicators to assist the reader to understand the environment within which the City's financial activities over time and with other governmental units.

Demographic and Economic Statistics	7 - 16
Principal Employment Industries	7 - 17

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.

Full-time Equivalent Government Employees	7 - 18
Operating Indicators	7 - 19
Capital Asset statistics	7 - 20

City of Fenton
Net Position by Component (Unaudited)
2014 - 2023

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental activities										
Net investment in capital assets	\$ 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	\$ 19,828,349
Restricted	325,746	466,969	646,525	22,058	12,697	147,939	524,574	692,464	1,325,068	7,305,495
Unrestricted	<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>	<u>(6,558,433)</u>
Total governmental activities net position	\$ 19,484,399	\$ 19,425,863	\$ 20,457,865	\$ 20,767,735	\$ 18,186,372	\$ 18,208,221	\$ 17,023,459	\$ 17,484,988	\$ 18,044,676	\$ 20,575,411
Business-type activities										
Net investment in capital assets	\$ 22,864,031	\$ 22,870,359	\$ 23,677,936	\$ 23,923,985	\$ 24,544,260	\$ 24,825,036	\$ 24,792,153	\$ 25,346,463	\$ 25,487,958	\$ 25,999,248
Restricted	903,659	718,141	497,023	497,524	498,022	511,144	519,555	520,557	8,073	8,077
Unrestricted	<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>2,720,887</u>	<u>2,770,216</u>
Total business-type activities net position	\$ 28,167,849	\$ 26,383,130	\$ 26,735,821	\$ 27,375,652	\$ 28,292,655	\$ 28,571,618	\$ 28,209,204	\$ 28,112,148	\$ 28,216,918	\$ 28,777,541
Primary government in total										
Net investment in capital assets	\$ 37,459,488	\$ 40,861,598	\$ 43,217,244	\$ 43,208,042	\$ 44,187,980	\$ 44,198,842	\$ 44,262,238	\$ 44,690,321	\$ 43,799,196	\$ 45,827,597
Restricted	1,229,405	1,185,110	1,143,548	519,582	510,719	659,083	1,044,129	1,213,021	1,333,141	7,313,572
Unrestricted	<u>8,963,355</u>	<u>3,762,285</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>1,129,257</u>	<u>(3,788,217)</u>
Total primary government net position	\$ 47,652,248	\$ 45,808,993	\$ 47,193,686	\$ 48,143,387	\$ 46,479,027	\$ 46,779,839	\$ 45,232,663	\$ 45,597,136	\$ 46,261,594	\$ 49,352,952

City of Fenton
Changes in Governmental Net Position (Unaudited)
2014 - 2023

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
General government	\$ 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	\$ 1,583,897
Public safety	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	2,900,764
Public works	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	4,912,882
Community and economic development	146,317	80,389	136,692	48,530	58,557	39,533	45,349	46,836	22,449	30,126
Recreation and culture	235,592	197,997	242,489	333,480	192,464	480,990	384,197	282,653	652,741	623,086
Interest on long-term debt	5,384	2,685	42,771	18,463	18,109	17,617	15,608	20,506	263,080	265,786
Total governmental activities expenses	\$ 7,350,427	\$ 6,293,398	\$ 8,414,124	\$ 8,301,725	\$ 7,656,510	\$ 8,922,038	\$ 9,686,932	\$ 9,235,047	\$ 9,400,114	\$ 10,316,541
Program revenues										
Charges for services										
General government	\$ 255,473	\$ 276,839	\$ 283,420	\$ 401,846	\$ 374,911	\$ 365,351	\$ 208,120	\$ 392,657	\$ 499,331	\$ 405,224
Public safety	791,750	640,201	593,827	688,795	724,721	851,108	816,384	950,643	842,828	868,400
Public works	504,184	515,954	564,705	444,023	641,271	657,832	531,576	628,841	602,783	665,707
Community and economic development	-	-	-	-	-	-	-	-	-	150,000
Recreation and culture	35,040	33,609	48,837	39,641	44,124	37,275	39,397	46,319	37,850	40,615
Total charges for services	1,586,447	1,466,603	1,490,789	1,574,305	1,785,027	1,911,566	1,595,477	2,018,460	1,982,792	2,129,946
Operating grants and contributions	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	2,108,669
Capital grants and contributions	96,490	2,300,171	2,291,884	57,875	78,873	53,287	52,702	50,661	3,307	304,300
Total program revenue	2,677,109	4,794,634	4,698,611	2,729,297	3,276,428	3,709,937	3,119,067	3,984,868	3,679,810	4,542,915
Net (expense) revenue	\$ (4,673,318)	\$ (1,498,764)	\$ (3,715,513)	\$ (5,572,428)	\$ (4,380,082)	\$ (5,212,101)	\$ (6,567,865)	\$ (5,250,179)	\$ (5,720,304)	\$ (5,773,626)
General revenues										
Property taxes - unrestricted	\$ 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	\$ 6,372,943
State-shared revenues - unrestricted	926,059	934,921	928,933	1,000,935	1,036,963	1,083,898	1,078,056	1,222,224	1,357,716	1,375,368
Investment earnings - unrestricted	5,537	865	21,275	7,310	23,632	67,559	74,681	9,174	8,023	338,781
Gain from sale of land	-	-	-	1,023,390	212,726	-	-	-	139,733	-
Miscellaneous	24,711	79,943	161,161	141,781	32,422	164,672	116,498	205,720	379,141	262,396
Total general revenues	4,279,045	4,439,935	4,646,212	5,882,298	5,084,364	5,233,950	5,383,103	5,711,708	6,279,992	8,349,488
Change in net position	(394,273)	2,941,171	930,699	309,870	704,282	21,849	(1,184,762)	461,529	559,688	2,575,862
Net position, beginning of the year	19,878,672	16,484,692	19,527,166	20,457,865	17,482,090	18,186,372	18,208,221	17,023,459	17,484,988	18,044,676
Net position, end of the year	\$ 19,484,399	\$ 19,425,863	\$ 20,457,865	\$ 20,767,735	\$ 18,186,372	\$ 18,208,221	\$ 17,023,459	\$ 17,484,988	\$ 18,044,676	\$ 20,620,538

City of Fenton
Changes in Business-Type Net Position (Unaudited)
2014 - 2023

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Water	\$ 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	\$ 3,600,845
Sewer	<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>	<u>2,975,655</u>
Total expenses	<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>	<u>\$ 6,576,500</u>
Program revenues										
Charges for services										
Water	\$ 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	\$ 3,735,876
Sewer	<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>	<u>3,081,081</u>
Total charges for services	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	6,816,957
Operating grants and contributions										
Water	-	-	8,377	4,566	-	3,034,238	14,081	13,337	-	4,310
Capital grants and contributions										
Water	1,155	-	-	-	-	-	-	-	-	-
Sewer	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>100,000</u>	<u>-</u>	<u>316,443</u>	<u>291,971</u>	<u>-</u>	<u>-</u>
Total capital grants and contributions	1,155	-	-	-	100,000	-	316,443	291,971	-	-
Total program revenue	<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>	<u>6,821,267</u>
Net (expense) revenue	<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>	<u>\$ 244,767</u>
General revenues										
Investment earnings	\$ 69,254	\$ 68,472	\$ 69,103	\$ 69,502	\$ 73,393	\$ 92,421	\$ 94,888	\$ 15,642	\$ 3,188	\$ 177,271
Miscellaneous	<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>	<u>138,585</u>
Total general revenues	<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>	<u>315,856</u>
Change in net position	<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>	<u>\$ 560,623</u>

City of Fenton
Fund Balances - Governmental Funds (Unaudited)
2014 - 2023

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Nonspendable	\$ 128,536	\$ 205,844	\$ 225,256	\$ 113,258	\$ 245,912	\$ 133,975	\$ 112,653	\$ 96,833	\$ 91,043	\$ 177,744
Unassigned	<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>	<u>5,194,506</u>
Total General Fund	<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>	<u>\$ 5,372,250</u>
All other governmental funds										
Nonspendable	\$ 6,115	\$ 180,406	\$ -	\$ 5,200	\$ -	\$ 1,745	\$ -	\$ 3,938	\$ 3,547	\$ 2,069
Restricted	325,746	466,969	646,525	586,715	479,710	778,420	530,829	697,692	10,446,393	7,344,464
Committed	<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>	<u>2,988,157</u>
Total all other governmental funds	<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>	<u>\$ 10,334,690</u>

City of Fenton
Changes in Fund Balances - Governmental Funds (Unaudited)
2014 - 2023

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Taxes	\$ 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	\$ 6,372,943
Licenses and permits	385,792	361,176	315,977	341,797	532,383	523,336	461,317	506,212	470,172	537,949
Federal grants	-	-	-	-	-	-	-	300,762	-	200,000
Intergovernmental	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	3,154,302
Charges for services	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	1,325,092
Fines and forfeitures	86,273	56,117	59,182	66,954	63,172	58,811	62,578	61,200	67,783	59,646
Interest and rents	71,163	65,576	87,428	88,505	106,417	91,579	89,441	22,267	36,580	347,976
Proceeds from sale of land	-	-	-	1,023,390	212,726	-	-	-	139,733	-
Other	107,841	115,488	163,121	213,991	119,600	272,574	236,233	303,634	479,233	927,886
Total revenues	6,956,154	7,094,594	7,293,516	8,706,842	8,456,717	9,000,223	8,612,022	9,734,877	10,013,659	12,925,794
Expenditures										
Current										
General government	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	1,769,025
Public safety	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	4,585,688
Public works	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	6,028,462
Community and economic development	120,753	112,344	119,269	48,776	66,613	37,718	42,217	47,384	56,940	62,543
Recreation and culture	197,247	238,822	209,242	328,020	210,858	452,128	350,565	272,306	395,454	563,628
Other	239,149	285,125	306,052	269,311	291,392	333,554	346,150	294,036	292,834	266,021
Capital outlay	-	38,088	692,752	52,172	1,351,681	641,219	1,114,841	1,311,477	7,759	48,358
Debt service										
Principal	110,023	113,579	71,087	97,055	72,002	89,806	90,791	117,101	134,158	1,371,856
Interest and fiscal charges	9,693	6,137	11,712	16,480	16,452	18,433	16,459	18,008	189,596	443,040
Total Expenditures	6,593,644	7,299,571	7,550,990	7,370,840	8,206,002	8,466,611	9,161,702	9,620,854	9,818,578	15,138,621
Excess (deficiency) of revenues over expenditures	362,510	(204,977)	(257,474)	1,336,002	250,715	533,612	(549,680)	114,023	195,081	(2,212,827)
Other Financing Sources (Uses)										
Debt issuance	41,315	-	543,900	-	-	-	-	-	920,085	-
Note proceeds	-	-	-	-	261,612	-	-	306,909	9,150,000	-
Transfers in	835,500	1,455,729	687,313	579,925	749,042	537,457	1,051,086	727,020	1,405,000	10,058,960
Transfers out	(835,500)	(1,455,614)	(722,854)	(601,457)	(749,042)	(515,065)	(1,140,383)	(664,830)	(1,370,497)	(10,058,960)
Total other financing sources (uses)	41,315	115	508,359	(21,532)	261,612	22,392	(89,297)	369,099	10,104,588	-
Net change in fund balances	403,825	(204,862)	250,885	1,314,470	512,327	556,004	(638,977)	483,122	10,299,669	(2,212,827)
Fund Balances - Beginning 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
Fund Balances - End of year	\$ 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	\$ 15,706,940
Debt service as a percentage of noncapital expenditures	1.86%	2.18%	1.80%	1.70%	1.29%	1.38%	1.33%	1.63%	3.67%	17.11%

City of Fenton
Taxable Value and Actual Value of Taxable Property (Unaudited)
2014 - 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
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%
2022	2023	275,351,900	187,402,669	26,559,591	24,729,200	514,043,360	9.84	1,395,151,800	36.84%

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)
2013 - 2022

Tax Year	<u>Millage Rates - Direct City Taxes</u>				<u>Overlapping taxes</u>						<u>Total tax rate</u>	
	<u>General Operating</u>	<u>Debt</u>	<u>Total Direct Taxes</u>	<u>County</u>	<u>Community College</u>	<u>Intermediate School District</u>	<u>Regional Parks</u>	<u>School Debt</u>	<u>School: Homestead</u>	<u>School: Non-homestead</u>	<u>Homestead</u>	<u>Non-homestead</u>
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
2022	9.84	3.50	13.34	13.18	2.66	3.70	0.34	5.97	6.00	18.00	45.20	63.20

City of Fenton
Principal Property Tax Payers (Unaudited)
June 30, 2023 and 2014

Taxpayer	2023 Taxable Value	Percentage of Total	2014 Taxable Value	Percentage of Total	2014 Rank
Georgetown HC2, LLC	\$ 17,315,307	\$ 0	\$ 8,668,139	\$ 0	\$ 1
Consumers Energy Co	\$ 10,367,000	1.89%	\$ 6,418,846	1.83%	3
Tilden Fundamental Holdings, LLC	\$ 6,686,867	1.22%	n/a	n/a	n/a
Fenton Real Estate Company LLC	\$ 5,656,633	1.03%	n/a	n/a	n/a
RRE Pier 38 Associates, LLC	\$ 5,510,563	1.01%	n/a	n/a	n/a
Thunderbird MHP LLC	\$ 5,277,400	0.96%	n/a	n/a	n/a
WalMart Properties	\$ 4,440,975	0.81%	\$ 7,352,888	2.09%	2
AEG Fenton Propco, LLC	\$ 4,438,087	0.81%	n/a	n/a	n/a
MIMG CXXVI Fairfield Condo Sub LLC	\$ 3,939,371	0.72%	n/a	n/a	n/a
Tilden Fundamental Holdings, LLC	\$ 3,805,979	0.69%	n/a	n/a	n/a

Note:

Source: Data provided by local assessment records.

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

<u>Tax Year</u>	<u>Fiscal Year June 30,</u>	<u>Total Levy</u>	<u>Current Collections</u>	<u>Percent Collected</u>	<u>Delinquent Collections</u>	<u>Total Tax Collections</u>	<u>Percent of Levy Collected</u>
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%
2022	2023	4,983,628	4,842,234	97.2%	125,199	4,967,433	99.7%

Note:

Source: Data provided from local Treasurer's Department.

City of Fenton
Ratios of Outstanding Debt (Unaudited)
2014 - 2023

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental Activities										
General obligation bonds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,150,000	\$ 7,935,000
Installment purchase agreements	164,795	62,039	31,550	-	244,610	209,804	174,013	703,981	344,663	242,807
Special assessment bonds	-	-	555,000	500,000	445,000	390,000	335,000	275,000	220,000	165,000
Capital leases	54,141	22,604	10,505	-	-	-	-	-	-	-
Total	218,936	84,643	597,055	500,000	689,610	689,610	509,013	978,981	9,714,663	8,342,807
Business-type Activities										
General obligation bonds	3,385,039	2,406,770	1,402,874	935,249	465,055	-	-	-	-	-
Capital improvement bonds	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	6,405,000
Revenue bonds	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	929,397
Total	12,230,829	10,587,560	9,773,664	8,327,382	7,203,211	7,203,211	5,314,874	4,516,509	8,164,397	7,334,397
Total debt of the government	\$ 12,449,765	\$ 10,672,203	\$ 10,370,719	\$ 8,827,382	\$ 7,892,821	\$ 7,892,821	\$ 5,823,887	\$ 5,495,490	\$ 17,879,060	\$ 15,677,204
Total Taxable Value	\$ 356,514,046	\$ 351,075,928	\$ 349,669,782	\$ 358,666,678	\$ 377,224,844	\$ 377,224,844	\$ 410,113,823	\$ 437,381,370	\$ 467,456,662	\$ 467,456,662
Ratio of total debt to taxable value	4.92%	4.93%	2.97%	2.46%	3.96%	2.09%	1.42%	1.26%	3.82%	3.35%
Total Population ⁽¹⁾	11,746	11,746	11,746	11,746	11,746	11,746	12,050	12,050	12,050	12,050
Total debt per capita	\$ 1,292	\$ 1,447	\$ 1,452	\$ 1,275	\$ 672	\$ 559	\$ 483	\$ 456	\$ 1,484	\$ 1,301
Personal Income ⁽¹⁾	\$ 33,033	\$ 34,878	\$ 36,612	\$ 39,198	\$ 40,618	\$ 41,929	N/A	N/A	N/A	N/A
Ratio of total debt to personal income	3.21%	2.61%	2.41%	1.92%	1.65%	2.67%	1.88%	1.77%	5.77%	3.51%

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
2014 - 2023

<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>
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
2023	-	-	-	7,935,000	7,810,220	1,316,605,172	0.59%	12,050	648

Note:

(1) Source: 2010 Census Reports.

City of Fenton
Direct and Overlapping Governmental Activities Debt (Unaudited)
June 30, 2023

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated % Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Genesee County	\$ 263,170,561	4.56%	\$ 12,000,578
Mott Community College	\$ 64,200,143	4.28%	2,747,766
Holly School District	\$ 121,814,019	0.10%	121,814
Fenton School District	\$ 16,860,000	44.21%	7,453,806
Lake Fenton School District	\$ 10,540,725	4.50%	474,333
Genesee Intermediate School District	\$ 6,776,007	4.28%	290,013
Bishop Airport Authority	\$ 1,690,000	4.56%	<u>77,064</u>
Total Overlapping Debt	485,051,455		23,165,373
Direct City Debt	\$ 10,934,138	100.00%	<u>10,934,138</u>
Total Direct and Overlapping Debt	<u>\$ 495,985,593</u>		<u>\$ 34,099,511</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)
2014 - 2023

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Calculation of debt limit:										
State equalized valuation	\$ 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	\$ 697,575,900
10% of taxable value	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	69,757,590
Calculation of debt subject to limit:										
Total debt	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	20,663,754
Less: debt not subject to limit:										
Special assessment bonds	-	-	555,000	500,000	445,000	390,000	335,000	275,000	220,000	165,000
Revenue bonds	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	929,397
Net debt subject to limit	8,945,268	11,364,526	11,190,029	9,545,249	9,545,249	7,517,803	6,530,000	7,148,784	21,256,927	19,569,357
Legal debt margin	\$ 36,409,532	\$ 39,153,590	\$ 42,575,361	\$ 46,807,878	\$ 53,549,375	\$ 53,859,115	\$ 58,676,891	\$ 62,825,361	\$ 65,830,259	\$ 69,757,590
Net debt subject to limit as % of debt limit	24.57%	29.03%	26.28%	20.39%	17.83%	13.96%	11.13%	11.38%	32.29%	28.05%

City of Fenton
Pledged-Revenue Coverage (Unaudited)
2014 - 2023

Fiscal Year	Gross Revenues	Applicable Expenses	Net Revenues	Water Revenue Bonds		
				Debt service		Coverage
				Principal	Interest	
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
2023	3,972,122	2,987,407	984,715	600,000	203,731	1.23

Fiscal Year	Gross Revenues	Applicable Expenses	Net Revenues	Sewer Revenue Bonds		
				Debt service		Coverage
				Principal	Interest	
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
2023	3,165,141	2,391,956	773,185	90,000	24,187	6.77

City of Fenton
Demographic and Economic Statistics (Unaudited)
2014 - 2023

Fiscal Year	Population ⁽¹⁾	Personal Income ⁽²⁾	Per Capita ⁽²⁾ Personal Income	Unemployment Rate ⁽³⁾
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	309,929,956	28,834	8.2
2022	12,050	398,722,450	33,089	6.5
2023	12,050	446,440,450	37,049	5.3

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, 2023

Industry	2023 Number of Jobs (1)	Percentage of Total	2014 Number of Jobs (1)	Percentage of Total
Trade, Transportation, and Utilities	29,100	20.68%	29,800	22.27%
Education and Health Services	26,100	18.55%	26,000	19.43%
Government	17,700	12.58%	18,700	13.98%
Manufacturing	13,800	9.81%	11,900	8.89%
Leisure and Hospitality	15,300	10.65%	14,800	11.06%
Professional and Business Services	18,700	13.01%	14,700	10.99%
Natural Resources, Mining, and Construction	6,900	4.80%	4,200	3.14%
Other Services	5,400	3.76%	5,500	4.11%
Financial Activities	6,600	4.59%	6,300	4.71%
Information	1,100	0.77%	4,300	3.21%
Total	140,700	99%	136,200	102%

Note:

Source: U.S. Bureau of Labor Statistics
Data for Flint Metropolitan Area

City of Fenton
Full-Time Equivalent Government Employees (Unaudited)
2014 - 2023

Function/Program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General government	12	14	12	13	13	11	10	11	11	11
Public safety:										
Police	17	16	16	16	17	17	18	17	17	20
Building inspection	1	2	2	2	2	3	3	3	3	3
Fire	1	1	1	1	1	1	1	1	1	1
Public works:										
DPW	8	8	8	11	10	12	11	9	11	11
Water and sewer	8	8	8	8	7	7	9	9	9	9
Total	47	49	47	51	50	51	52	50	52	55

City of Fenton
Operating Indicators (Unaudited)
2014 - 2023

Function/ program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Election data										
Registered voters	9,438	9,426	9,672	9,367	9,330	9,401	10,224	10,138	10,129	10,275
Voters (at the polls or absentee)	1,105	6,164	1,950	5,884	1,527	5,144	5,169	6,940	5,508	1,901
Percent voting	62.20%	11.71%	65.39%	20.16%	16.37%	54.72%	50.56%	68.46%	54.38%	18.50%
Police										
Physical arrests	470	247	305	502	423	307	407	367	330	536
Traffic violations	1,675	1,090	1,176	1,564	1,229	1,666	1,494	1,532	1,720	2,173
Investigations	8,818	10,767	8,440	9,303	8,859	10,586	10,164	11,496	11,402	12,097
Fire										
Fire runs	298	356	262	331	337	336	336	318	321	310
Emergency medical runs	198	143	170	178	200	195	173	138	204	176
Inspections	200	300	250	100	150	230	402	128	236	178
Public works										
Miles of street resurfaced	-	0.63	0.95	-	0.53	-	-	0.58	1.53	1.00
Water										
Number of customers billed	3,509	3,500	3,574	3,580	3,616	3,685	3,666	3,717	3,973	4,003
Total consumption*	287,802	294,545	374,579	299,856	308,211	288,958	278,947	303,926	290,433	378,965
Average consumption per user	82	84	105	84	85	78	76	82	73	95
Sewer										
Average daily sewage treatment**	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

*Water consumption in thousand gallons

**Sewer Plant is shared with other communities

N/A - data not available

City of Fenton
Capital Asset Statistics (Unaudited)
2014 - 2023

Function/ program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	9	9	9	11	11	11	9	9	9	9
Fire										
Stations	1	1	1	1	1	1	1	1	1	1
Fire response vehicles	8	8	8	10	9	9	9	9	9	9
Public works										
Streets (miles)										
Major streets	18.69	18.69	18.69	18.69	18.69	18.69	18.68	18.68	18.68	18.68
Local streets	35.05	35.05	35.05	35.05	35.05	35.05	37.07	37.07	37.07	37.07
Parks and recreation										
Acreage										
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
Water										
Mains (miles)	64	64	64	64	64	64	64	64	64	64
Fire hydrants										
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
Sewer										
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