City Council Finance and Budget Committee Meeting
Wednesday, May 25, 2022
7:00 PM

Location:
Livonia City Hall, Council Chambers, 2nd Floor
33000 Civic Center Drive
Livonia, MI 48154

Members:
Scott Bahr, Chair
Katheen E. McIntyre, Vice Chair
Brandon McCullough, Member

AGENDA ITEM(S)

1. CR 367-02 Topic of Annual Audit Reports. (City of Livonia Audit Reports for the period December 1, 2020 to November 30, 2021)

2. ADMINISTRATIVE RESPONSE TO CR 02-22: Department of Finance, re: Report and Recommendation regarding the City's purchasing policy limits.

THE FOLLOWING HAVE BEEN NOTIFIED AND ARE REQUESTED TO ATTEND:

Mayor Maureen Miller Brosnan
City Attorney Paul Bernier
Director of Finance Mike Slater
Chief Accountant Connie Kumpula
Stacey L. Reeves, Plante Moran, PLLC

THIS IS AN OPEN MEETING AND ALL INTERESTED PARTIES ARE WELCOME TO ATTEND.

Minutes of this meeting will be available for public inspection in the City Clerk's Office not more than eight business days following the date of the meeting.

SUSAN M. NASH, CITY CLERK

In accordance with Title II of the American with Disabilities Act as it pertains to access to Public Meetings, the City Clerk's Office of the City of Livonia, upon adequate notice, will make reasonable accommodations for persons with special needs. Please call (734) 466-2236 or email clerk@livonia.gov if you need assistance. **Council agendas are available on the City's website – www.livonia.gov - under Government, City Council, Agendas.**

LETTER TO THE LIVONIA CITY COUNCIL

1.

Finance
April 27, 2022

MEETING DATE	PREPARED BY
Finance and Budget Committee Meeting of May 25, 2022	Sara Kasprowicz, Council Office Manager,

AGENDA ITEM

CR 367-02 Topic of Annual Audit Reports. (City of Livonia Audit Reports for the period December 1, 2020 to November 30, 2021)

BACKGROUND

The City of Livonia audit for the fiscal year ended November 30, 2021 has been completed by Plante & Moran. The City has received an unqualified option from Plante & Moran.

Attached are electronic copies of the audits for the General Purpose Financial Statements and Federal Financial Assistance Programs. Also attached is a copy of the Management Letter and summary graphs.

These reports are the subject of the scheduled May 25, 2022 meeting of the Finance and Budget Committee.

RECOMMENDATION

Receive and File

FISCAL CONSIDERATION

N/A

ATTACHMENTS

1. Audit Planned Scope and Timing Letter 2022
2. City of Livonia-Audit Report 2021
3. City of Livonia Single Audit 2021
4. City of Livonia-End of Audit Communications 2021
5. Livonia FY21 Graphs-1

APPROVED BY

Michael T Slater

Michael Slater, Finance Director

Date: May 25, 2022

Plante & Moran, PLLC
P.O. Box 307
3000 Town Center, Suite 100
Southfield, MI 48075
Tel: 248.352.2500
Fax: 248.352.0018
plantemoran.com

April 28 2022

To the City Council
City of Livonia
33000 Civic Center Drive
Livonia, MI 48154

Dear City Council:

We are in the process of performing the audit of the financial statements of the City of Livonia (the "City") for the year ended November 30, 2021. An important aspect of the audit is communication with those who have responsibility for overseeing the strategic direction of the City and obligations related to the accountability of the City. At the City these responsibilities and obligations are held by the City Council, collectively and individually; therefore, it is important for us to communicate with each of you in your role as a member of the City Council.

As part of this communication process, we have spoken at length with Jim Jolly in his role as Council President regarding our responsibilities under generally accepted auditing standards and the planned scope and timing of our audit. The purpose of this letter is to provide each of you with a summary of those discussions and to provide you with the opportunity to communicate with us on matters that may impact our audit.

Our Responsibility Under Generally Accepted Auditing Standards and Generally Accepted Government Auditing Standards

As stated in our engagement letter addressed to Ms. Susan Nash and dated January 14, 2022, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

In accordance with Generally Accepted Government Auditing Standards (GAO Standards), we are required to communicate all noncompliance with provisions of laws, regulations, contracts, or grants that have a material effect on the financial statements that comes to our attention. GAO Standards also require that we report any instances of abuse identified during that audit that could be quantitatively or qualitatively material to the financial statements.

Overview of the Planned Scope and Timing of the Audit

Our audit fieldwork will include three phases. The planning and preliminary information-gathering phase took place during November and December 2021; the risk assessment phase in January 2022; and the rest of our audit procedures will be performed during January through April 2022. This timing is subject to developments related to the Coronavirus pandemic. The nature of continued government restrictions, the accessibility of your staff and availability data, particularly in a remote environment, could impact this planned timing. We will inform you of any significant delays.

To plan an effective audit, we must identify significant risks of misstatement in the financial statements, including those related to changes in the financial reporting framework or changes in the City's environment, financial condition, or activities, and design procedures to address those risks.

We identified the following significant risks of misstatement:

- Valuation of alternative investments held by the LERS pension trust or the VEBA
- Accounting for unique transactions impacting the current fiscal year
- Complete and accurate reporting of American Rescue Plan funds received by the City, including on the Schedule of Expenditures of Federal Awards (SEFA)

In response to these identified significant risks, we will perform the following:

- Recalculation or confirmation of investments' fair market value, as applicable
- Review of the journal entries and supporting documentation related to unique transactions
- Review specific general ledger revenue and expense accounts related to grants, review third-party grant award information, and make additional inquiries of City personnel to ensure complete and accurate financial and SEFA reporting related to Rescue Plan funds.

We will gain an understanding of accounting processes and key internal controls through a review of the accounting procedures questionnaires and control procedures questionnaires prepared by management. We will not express an opinion on the effectiveness of internal control over financial reporting; however, we will communicate to you significant deficiencies and material weaknesses identified in connection with our audit.

The concept of materiality is inherent in our work. We place greater emphasis on those items that have, on a relative basis, more importance to the financial statements and greater possibilities of material error than with those items of lesser importance or those in which the possibility of material error is remote.

Information from You Relevant to Our Audit

An important aspect of this communication process is the opportunity for us to obtain from you information that is relevant to our audit. Your views about any of the following are relevant to our audit:

- The City's objectives and strategies and the related business risks that may result in material misstatements
- Matters that you consider warrant particular attention during the audit and any areas where you want to request additional procedures be undertaken
- Significant communications with regulators
- Understanding of the City's relationships and transactions with related parties that are significant to the City and any concerns regarding those relationships or transactions
- The attitudes, awareness, and actions concerning:
    - The City's internal control and its importance to the City, including how the City Council oversees the effectiveness of internal control and the detection or possibility of fraud
    - The detection or possibility of fraud, including whether the City Council has knowledge of any actual, suspected, or alleged fraud affecting the City
    - Any significant unusual transactions the City has entered into

- The actions of the City Council in response to developments in accounting standards, regulations, laws, previous communications from us, and other related matters and the effect of such developments on, for example, the overall presentation, structure, and content of the financial statements, including the following:
    - The relevance, reliability, comparability, and understandability of the information presented in the financial statements
    - Whether all required information has been included in the financial statements and whether such information has been appropriately classified, aggregated or disaggregated, and presented

If you have any information to communicate to us regarding the above or any other matters you believe are relevant to the audit, or if you would like to discuss the audit in more detail, please call either Stacey Reeves (248-223-3382) or Keith Szymanski (248-223-3591) as soon as possible.

Thank you for your time and consideration in this important aspect of the audit process. You can expect to hear from us again after the completion of our audit when we will report to you the significant findings from the audit.

Very truly yours,

Plante & Moran, PLLC

Stacey L. Reeves
Partner

Keith Szymanski
Senior Manager

City of Livonia, Michigan

Financial Report
with Supplemental Information
November 30, 2021

Contents

Independent Auditor's Report

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

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Livonia, Michigan as of November 30, 2021 and the respective changes in its 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.

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

Other Matters

Required Supplemental Information

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

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 25, 2022 on our consideration of the City of Livonia, Michigan's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Livonia, Michigan's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Livonia, Michigan's internal control over financial reporting and compliance.

May 25, 2022

Overview of the Financial Statements

The City of Livonia, Michigan's (the "City") 2021 annual report consists of four parts: (1) management's discussion and analysis, (2) basic financial statements, (3) required supplemental information, and (4) other supplemental information that presents combining statements for nonmajor governmental funds, proprietary funds, and fiduciary funds. The basic financial statements include two kinds of statements that present different views of the City. The first two statements are government-wide financial statements that are intended to provide longer-term information about the City's overall financial status. The remaining statements are fund financial statements that focus on individual parts of the City's government, reporting the City's operations in more detail than the government-wide financial statements.

Government-wide Statements

The government-wide financial statements report information about the City as a whole using accounting methods similar to those used by private sector companies. The statement of net position includes all of the City's assets, liabilities, deferred inflows, and deferred outflows. All of the current year's revenue and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the City's net position and how it has changed. Net position, the difference between the City's assets/deferred outflows and liabilities/deferred inflows, is one way to measure the City's financial health or position.

The government-wide financial statements of the City are divided into three categories:

- Governmental activities - Most of the City's basic services are included here, such as the police, fire, public works, parks departments, and general administration. Property taxes, state-shared revenue, and charges for services provide most of the funding for these activities.
- Business-type activities - The City charges fees to customers to cover the costs of certain services it provides. The City's water and sewer system, golf course operations, and nonfederal senior housing are treated as business-type activities.
- Component units - The City includes three other entities in its report, the Plymouth Road Development Authority, the Economic Development Corporation, and the Livonia Brownfield Redevelopment Authority. Although legally separate, these component units are important because the City is financially accountable for them, including debt, which is issued on behalf of the authorities by the City.

Fund Financial Statements

The fund financial statements provide more detailed information about the City's most significant funds, not the City as a whole. Funds are accounting tools that the City uses to keep track of specific sources of funding and spending for particular purposes. Some funds are required by state law and bond covenants. Other funds are established to control and manage money for particular purposes.

The City has three kinds of funds:

- Governmental funds - Most of the City's basic services are included in governmental funds, which focus on how cash and other financial assets that can be converted to cash flow in and out and the balance left at year end that is available for spending. The governmental fund statements provide a detailed short-term view that helps you determine if there are more or fewer financial resources available to spend in the near future to finance the City's programs.
- Proprietary funds - Services that are intended to be entirely self-supporting by customer fees are generally reported in proprietary funds. Proprietary fund statements, like government-wide statements, provide both short- and long-term financial information.

- Fiduciary funds - The City is responsible for ensuring that the assets in these funds are used for their intended purposes. We exclude these activities from the government-wide financial statements because the City cannot use these assets to finance its operations.

Government-wide Overall Financial Analysis

In a condensed format, the table below shows a comparison of the net position as of November 30, 2021 to the prior year:

The City's Net Position

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Assets						
Current and other assets	$ 107,188,249	$ 91,075,849	$ 34,422,446	$ 43,952,453	$ 141,610,695	$ 135,028,302
Capital assets	221,946,358	217,593,021	110,450,524	95,022,993	332,396,882	312,616,014
Total assets	329,134,607	308,668,870	144,872,970	138,975,446	474,007,577	447,644,316
Deferred Outflows of Resources	3,727,462	15,303,371	162,433	725,090	3,889,895	16,028,461
Liabilities	112,435,876	136,829,494	28,358,145	26,193,392	140,794,021	163,022,886
Deferred Inflows of Resources	69,886,916	64,686,838	2,993,285	3,224,685	72,880,201	67,911,523
Net Position						
Net investment in capital assets	199,633,355	193,092,060	91,927,953	81,971,512	291,561,308	275,063,572
Restricted	48,844,700	46,158,004	1,693,992	1,531,874	50,538,692	47,689,878
Unrestricted	(97,938,778)	(116,794,155)	20,062,028	26,779,073	(77,876,750)	(90,015,082)
Total net position	**$ 150,539,277**	**$ 122,455,909**	**$ 113,683,973**	**$ 110,282,459**	**$ 264,223,250**	**$ 232,738,368**

City of Livonia, Michigan - Net Position

The City's assets/deferred outflows exceed its liabilities/deferred inflows at the end of the fiscal year by $264.2 million (net position). However, a major portion (110 percent) of the City's net position represents its investments in capital assets (i.e., land, roads, infrastructure, buildings, and equipment) less any related debt used to acquire or construct these assets. The City uses these physical assets to provide services to its citizens. These assets are illiquid and not available for future spending.

Unrestricted net position of the City's governmental activities increased from $(116.8) million at November 30, 2020 to $(97.9) million at the end of this year. The amount represents the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements.

The following table shows the changes in net position during the current year and compared to the prior year:

The City's Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenue						
Program revenue:						
Charges for services	$ 15,482,740	$ 13,833,127	$ 43,748,696	$ 44,042,088	$ 59,231,436	$ 57,875,215
Operating grants and contributions	14,159,346	15,528,149	-	-	14,159,346	15,528,149
Capital grants and contributions	1,557,926	1,556,723	1,493,464	743,733	3,051,390	2,300,456
General revenue:						
Property taxes	58,793,273	57,074,846	-	-	58,793,273	57,074,846
State-shared revenue	15,665,816	14,385,321	-	-	15,665,816	14,385,321
Investment (loss) income	(95,292)	1,107,078	(16,825)	284,233	(112,117)	1,391,311
Other revenue:						
Rental income and fees	2,465,031	2,826,899	-	-	2,465,031	2,826,899
Transfer and miscellaneous	780,468	36,629	-	-	780,468	36,629
Total revenue	108,809,308	106,348,772	45,225,335	45,070,054	154,034,643	151,418,826
Expenses						
General government	11,225,955	12,346,676	-	-	11,225,955	12,346,676
Public safety	30,902,344	32,793,347	-	-	30,902,344	32,793,347
Public works	24,091,632	23,094,152	-	-	24,091,632	23,094,152
Community and economic development	1,647,638	1,491,636	-	-	1,647,638	1,491,636
Recreation and culture	12,178,517	11,083,397	-	-	12,178,517	11,083,397
Interest on long-term debt	679,854	737,243	-	-	679,854	737,243
Water and Sewer	-	-	39,474,882	38,988,378	39,474,882	38,988,378
Golf Course	-	-	1,861,170	1,696,434	1,861,170	1,696,434
Housing	-	-	487,769	1,133,807	487,769	1,133,807
Total expenses	80,725,940	81,546,451	41,823,821	41,818,619	122,549,761	123,365,070
Transfers	-	(1,938,358)	-	1,938,358	-	-
Change in Net Position	28,083,368	22,863,963	3,401,514	5,189,793	31,484,882	28,053,756
Net Position - Beginning of year, as restated (Note 1)	122,455,909	99,591,946	110,282,459	105,092,666	232,738,368	204,684,612
Net Position - End of year	**$ 150,539,277**	**$ 122,455,909**	**$ 113,683,973**	**$ 110,282,459**	**$ 264,223,250**	**$ 232,738,368**

Governmental Activities

In reviewing governmental activities in the above table, it can be noted that revenue increased by 2.5 million and expenses decreased by $1.0 million. The most significant factors impacting revenue were increases to charges for services due to resumption of services after COVID-19 shutdowns that occurred in 2020 and increases to property tax- and state-shared revenue. Grant revenue declined from the elevated amounts of CARES Act grants received in 2020. Interest income also decreased due to historically low interest rates being paid on deposits. The most significant factor impacting expenses was a decrease to the OPEB liability.

Business-type Activities

The City has three business-type activities. These include the water and sewer system; the operating fund for the Fox Creek, Idyl Wyld, and Whispering Willows golf courses; and nonfederal senior housing at Silver Village and Newburgh Village.

The following table shows the operating income before contributions, transfers, and interest for each of these activities in the current and prior year:

	Water and Sewer		Golf Course		Housing	
	2021	2020	2021	2020	2021	2020
Operating revenue	$ 40,006,740	$ 40,616,883	$ 2,257,297	$ 1,973,460	$ 1,484,659	$ 1,451,745
Operating expenses	(39,082,291)	(38,648,474)	(1,845,585)	(1,696,434)	(501,870)	(1,133,413)
Operating income	**$ 924,449**	**$ 1,968,409**	**$ 411,712**	**$ 277,026**	**$ 982,789**	**$ 318,332**

The operating income of the Water and Sewer Fund decreased between 2020 and 2021 primarily due to decreased water sales that were impacted by lower irrigation use during the cool, wet summer.

Financial Analysis of Individual Funds

The fund financial statements begin on page 12 and provide detailed information on the most significant governmental funds, not the City as a whole. Funds are created to help manage money for special purposes, as well as to show accountability for certain activities, such as special property tax millages. The City’s major governmental funds for 2021 include the General Fund, Refuse Disposal System Fund, and Roads and Sidewalks Fund.

The City’s governmental funds reported a combined fund balance of $70.7 million. This is an increase of approximately $3.3 million for the year. The primary contributors to the increase were contributions to the Building Improvement and Capital Projects funds, and overall spending constraints in the General Fund.

General Fund Budgetary Highlights

Over the course of the year, the City’s administration and City Council monitor and amend the budget, primarily to prevent expenditures in excess of budget, as required by the State of Michigan Budget Act. The final amended budget included increases to state-shared revenue that exceeded the original budget and decreases to fines and forfeitures revenue. Numerous departments had lapsed appropriations, which were reallocated to Employee Benefits, Insurance, and other. The budget amendment allowed for these extra funds to be contributed to the VEBA as additional funding for postemployment medical benefits and the Building Improvement capital projects fund for future building needs.

Actual General Fund revenue was approximately $1.2 million below the final budget.

Actual General Fund expenditures were approximately $1.4 million below the final budget. All departments held expenditures below the final budget.

Capital Assets and Debt Administration

At the end of fiscal year 2021, the City has $613.7 million invested, before depreciation, in a wide range of capital assets, including land, buildings, infrastructure, public safety equipment, computer equipment, and water and sewer lines.

Debt of $22.6 million related to the construction of the above-mentioned capital assets is reported as a liability in the governmental activities in the statement of net position.

Debt related to the water and sewer system totaling $18.5 million is recorded as a liability in the business-type activities in the statement of net position. This debt represents construction of and improvements to existing water and sewer lines.

Significant additions to capital assets during fiscal year 2021 include $12.1 million invested in the construction of infrastructure and improvements to roads, $3.5 million invested in equipment and vehicles, $2.7 million invested in buildings and building improvements, and $3.2 million invested in water and sewer system infrastructure. Significant disposals of capital assets during fiscal year 2021 included the disposal of vehicles and equipment with a total cost of $1.6 million.

Economic Factors and Next Year's Budgets and Rates

The City continues to maintain positive fund balances in each of its funds. However, concerns arise when considering the revenue and expenses that the City is facing in upcoming years.

The majority of the City's revenue base is constrained by factors outside the City's control. Property taxes, state-shared revenue, and interest income make up 80 percent of the City's total governmental activities revenue. Revenue has been slowly increasing after many years of reductions. Property assessments are projected to increase in fiscal year 2022.

On March 11, 2021, the American Rescue Plan Act of 2021 (ARPA) was signed into law. The City anticipates that it will receive approximately $8.9 million in funding from the ARPA based upon formulas provided by the U.S. Treasury. Funds are to be distributed in two tranches - the first was received in 2021 and the second is expected in July 2022. The City has spent approximately $400,000 and is still in the planning phase on how to best use the remainder.

Requests for Further Information

The financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the director of finance at the City of Livonia, 33000 Civic Center Drive, Livonia, MI 48154.

City of Livonia, Michigan

Statement of Net Position

November 30, 2021

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
Assets				
Cash and cash equivalents	$ 80,787,981	$ 18,523,354	$ 99,311,335	$ 1,438,480
Accounts receivable:				
Property taxes	82,272	-	82,272	59,618
Special assessments	211,994	158,765	370,759	-
Customers	-	12,744,902	12,744,902	-
Workers' compensation	12,544	-	12,544	-
Due from other governmental units	7,547,389	-	7,547,389	-
Due from fiduciary funds	326,680	-	326,680	-
Other	3,910,881	189,441	4,100,322	-
Inventory, prepaid expenses, and deposits	5,802,345	855,047	6,657,392	-
Restricted assets (Note 8)	-	1,693,992	1,693,992	-
Net pension asset (Note 11)	8,506,163	256,945	8,763,108	-
Capital assets: (Note 5)				
Assets not subject to depreciation	34,934,581	19,965,434	54,900,015	474,048
Assets subject to depreciation - Net	187,011,777	90,485,090	277,496,867	372,271
Total assets	329,134,607	144,872,970	474,007,577	2,344,417
Deferred Outflows of Resources				
Deferred charges on bond refunding	334,948	-	334,948	-
Deferred OPEB costs (Note 13)	3,392,514	162,433	3,554,947	-
Total deferred outflows of resources	3,727,462	162,433	3,889,895	-
Liabilities				
Accounts payable	4,559,122	3,741,625	8,300,747	191,207
Due to other governmental units	-	1,977,396	1,977,396	4,587
Accrued and other liabilities	2,365,143	189,837	2,554,980	-
Unearned revenue	5,800,949	2,580	5,803,529	-
Due to fiduciary funds	367,242	41,267	408,509	-
Bonds and deposits	1,790,784	335,782	2,126,566	-
Noncurrent liabilities: (Note 7)				
Due within one year:				
Compensated absences	3,219,095	264,206	3,483,301	-
Current portion of long-term debt	2,152,482	1,199,038	3,351,520	-
Due in more than one year:				
Compensated absences and insurance claims	8,321,155	282,783	8,603,938	-
Landfill closure and postclosure	704,809	-	704,809	-
Net OPEB liability (Note 13)	62,659,626	3,000,098	65,659,724	-
Long-term debt - Net of current portion	20,495,469	17,323,533	37,819,002	-
Total liabilities	112,435,876	28,358,145	140,794,021	195,794
Deferred Inflows of Resource				
Deferred pension cost reductions (Note 11)	21,142,441	659,433	21,801,874	-
Deferred OPEB cost reductions (Note 13)	48,744,475	2,333,852	51,078,327	-
Total deferred inflows of resource	69,886,916	2,993,285	72,880,201	-

See notes to financial statements.

November 30, 2021

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
Net Position				
Net investment in capital assets	$ 199,633,355	$ 91,927,953	$ 291,561,308	$ 846,319
Restricted:				
Community recreation	4,420,661	-	4,420,661	-
Municipal refuse	10,083,106	-	10,083,106	-
Streets, roads, and sidewalks	9,156,165	-	9,156,165	-
Library	5,286,960	-	5,286,960	-
Public safety communication	4,158,475	-	4,158,475	-
Grants	194,172	-	194,172	-
Ordinance requirements	-	1,693,992	1,693,992	-
Street lighting	893,694	-	893,694	-
Adjudicated forfeitures	2,229,799	-	2,229,799	-
Community transit	1,506,206	-	1,506,206	-
Capital improvements	10,563,396	-	10,563,396	-
Designated purpose	352,066	-	352,066	-
Unrestricted	(97,938,778)	20,062,028	(77,876,750)	1,302,304
Total net position	**$ 150,539,277**	**$ 113,683,973**	**$ 264,223,250**	**$ 2,148,623**

		Program Revenue		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Functions/Programs				
Primary government:				
Governmental activities:				
General government	$ 11,225,955	$ 2,270,631	$ -	$ -
Public safety	30,902,344	7,485,674	1,191,756	-
Public works	24,091,632	2,027,447	11,723,697	1,440,481
Community and economic development	1,647,638	418,749	976,470	-
Recreation and culture	12,178,517	3,280,239	267,423	117,445
Interest on long-term debt	679,854	-	-	-
Total governmental activities	80,725,940	15,482,740	14,159,346	1,557,926
Business-type activities:				
Water and Sewer	39,474,882	40,006,740	-	1,493,464
Housing	487,769	1,484,659	-	-
Golf Course	1,861,170	2,257,297	-	-
Total business-type activities	41,823,821	43,748,696	-	1,493,464
Total primary government	**$ 122,549,761**	**$ 59,231,436**	**$ 14,159,346**	**$ 3,051,390**
Component units:				
Economic Development Corporation	$ -	$ -	$ -	$ -
Plymouth Road Development Authority	1,065,707	-	-	-
Brownfield Redevelopment Authority	498,997	-	-	-
Total component units	**$ 1,564,704**	**$ -**	**$ -**	**$ -**

General revenue:
- Property taxes
- State-shared revenue
- Investment loss
- Cable franchise fees
- Other miscellaneous income

Total general revenue

Change in Net Position

Net Position - Beginning of year

Net Position - End of year

Net (Expense) Revenue and Changes in Net Position			
Primary Government			
Governmental Activities	Business-type Activities	Total	Component Units
$ (8,955,324)	$ -	$ (8,955,324)	$ -
(22,224,914)	-	(22,224,914)	-
(8,900,007)	-	(8,900,007)	-
(252,419)	-	(252,419)	-
(8,513,410)	-	(8,513,410)	-
(679,854)	-	(679,854)	-
(49,525,928)	-	(49,525,928)	-
-	2,025,322	2,025,322	-
-	996,890	996,890	-
-	396,127	396,127	-
-	3,418,339	3,418,339	-
(49,525,928)	3,418,339	(46,107,589)	-
-	-	-	-
-	-	-	(1,065,707)
-	-	-	(498,997)
-	-	-	(1,564,704)
58,793,273	-	58,793,273	1,286,705
15,665,816	-	15,665,816	-
(95,292)	(16,825)	(112,117)	(237)
2,465,031	-	2,465,031	-
780,468	-	780,468	-
77,609,296	(16,825)	77,592,471	1,286,468
28,083,368	3,401,514	31,484,882	(278,236)
122,455,909	110,282,459	232,738,368	2,426,859
$ 150,539,277	**$ 113,683,973**	**$ 264,223,250**	**$ 2,148,623**

Governmental Funds Balance Sheet

November 30, 2021

	General Fund	Major Special Revenue Funds - Refuse Disposal System	Major Special Revenue Funds - Roads and Sidewalks	Nonmajor Funds	Total Governmental Funds
Assets					
Cash and investments	$ 21,116,097	$ 11,097,599	$ 6,531,389	$ 38,698,854	$ 77,443,939
Accounts receivable:					
Property taxes	48,651	15,542	5,388	12,691	82,272
Special assessments	-	-	-	211,994	211,994
Workers' compensation	12,544	-	-	-	12,544
Due from other governmental units	4,487,703	537,968	197,787	2,323,931	7,547,389
Due from fiduciary funds	326,680	-	-	-	326,680
Other	3,056,864	48,178	-	546,970	3,652,012
Inventory, prepaid expenses, and deposits	248,432	-	-	607,143	855,575
Total assets	**$ 29,296,971**	**$ 11,699,287**	**$ 6,734,564**	**$ 42,401,583**	**$ 90,132,405**
Liabilities					
Accounts payable	$ 1,183,862	$ 889,885	$ 2,099,067	$ 386,308	$ 4,559,122
Accrued and other liabilities	1,898,869	21,487	-	374,774	2,295,130
Unearned revenue	4,163,534	-	-	976,895	5,140,429
Due to fiduciary funds	339,730	-	-	27,512	367,242
Bonds and deposits	1,790,784	-	-	-	1,790,784
Total liabilities	9,376,779	911,372	2,099,067	1,765,489	14,152,707
Deferred Inflows of Resources - Unavailable revenue	3,302,448	552,289	202,752	1,173,362	5,230,851
Fund Balances					
Nonspendable - Inventory and prepaid assets	248,432	-	-	607,143	855,575
Restricted:					
Streets, roads, and sidewalks	-	-	4,432,745	4,520,668	8,953,413
Adjudicated forfeitures	-	-	-	2,229,799	2,229,799
Grants	-	-	-	93,079	93,079
Capital improvements	-	-	-	9,774,548	9,774,548
Community recreation	-	-	-	4,241,580	4,241,580
Municipal refuse	-	10,235,626	-	-	10,235,626
Street lighting	-	-	-	893,694	893,694
Library	-	-	-	5,102,560	5,102,560
Public safety communication	-	-	-	3,745,376	3,745,376
Community transit	-	-	-	1,392,222	1,392,222
Designated purpose	-	-	-	352,066	352,066
Committed:					
Employee retention	386,900	-	-	-	386,900
Cable access television	-	-	-	860,995	860,995
Arts Commission	-	-	-	84,327	84,327
Historical Commission	-	-	-	308,671	308,671
Assigned:					
Golf course capital improvements	-	-	-	221,749	221,749
Building improvements	-	-	-	4,674,877	4,674,877
Court building improvements	-	-	-	359,378	359,378
Unassigned	15,982,412	-	-	-	15,982,412
Total fund balances	16,617,744	10,235,626	4,432,745	39,462,732	70,748,847
Total liabilities, deferred inflows of resources, and fund balances	**$ 29,296,971**	**$ 11,699,287**	**$ 6,734,564**	**$ 42,401,583**	**$ 90,132,405**

Governmental Funds
Reconciliation of the Balance Sheet to the Statement of Net Position

November 30, 2021

Fund Balances Reported in Governmental Funds	$	70,748,847
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and are not reported in the funds		221,946,358
Certain receivables are expected to be collected over several years, including special assessments, delinquent personal property taxes, and grants		258,869
Grants and other receivables that are collected after year end, such that they are not available to pay bills outstanding as of year end, are not recognized in the funds		5,230,851
Landfill closure and postclosure liability is not due and payable in the current period and is not reported in the funds		(704,809)
Long-term liabilities are not due and payable in the current period and are not reported in the funds		(22,647,951)
Deferred charges on bond refunding are reported as deferred outflows of resources in the statement of net position but are not reported in the funds		334,948
Accrued interest is not due and payable in the current period and is not reported in the funds		(70,013)
Some employee fringe benefits are payable over a long period of years and do not represent a claim on current financial resources; therefore, they are not reported as fund liabilities:		
Employee compensated absences		(9,658,849)
Pension benefits		(12,636,278)
Retiree health care benefits		(108,011,587)
The Internal Service Fund (self-insurance) is included as part of governmental activities		5,748,891
Net Position of Governmental Activities	**$**	**150,539,277**

Governmental Funds
Statement of Revenue, Expenditures, and Changes in Fund Balances

Year Ended November 30, 2021

	General Fund	Major Special Revenue Funds: Refuse Disposal System	Major Special Revenue Funds: Roads and Sidewalks	Nonmajor Funds	Total Governmental Funds
Revenue					
Property taxes	$ 35,232,130	$ 10,589,898	$ 3,890,875	$ 9,165,634	$ 58,878,537
Special assessments	-	-	-	1,440,481	1,440,481
Intergovernmental:					
Federal revenue	293,192	-	-	1,587,815	1,881,007
State and local revenue	12,940,385	1,188,922	436,711	13,426,229	27,992,247
Charges for services	4,839,577	125,787	-	3,413,001	8,378,365
Fines and forfeitures	2,368,234	-	-	513,213	2,881,447
Licenses and permits	2,890,786	-	-	-	2,890,786
Investment (loss) income	(28,878)	(13,480)	(7,096)	(40,397)	(89,851)
Other revenue	3,524,118	27,173	543	788,366	4,340,200
Total revenue	62,059,544	11,918,300	4,321,033	30,294,342	108,593,219
Expenditures					
Current services:					
General government	10,085,936	-	-	-	10,085,936
Employee benefits, insurance, and other	3,710,508	-	-	-	3,710,508
Public safety	39,948,745	-	-	1,895,075	41,843,820
Public works	3,223,150	11,697,361	11,254,421	5,665,026	31,839,958
Community and economic development	699,459	-	-	948,179	1,647,638
Recreation and culture	1,667,309	-	-	9,751,927	11,419,236
Capital outlay	-	-	-	2,011,141	2,011,141
Debt service:					
Principal retirement	-	-	-	1,870,000	1,870,000
Interest and other	-	-	-	859,307	859,307
Total expenditures	59,335,107	11,697,361	11,254,421	23,000,655	105,287,544
Excess of Revenue Over (Under) Expenditures	2,724,437	220,939	(6,933,388)	7,293,687	3,305,675
Other Financing Sources (Uses)					
Transfers in (Note 6)	-	-	7,900,000	12,437,711	20,337,711
Transfers out (Note 6)	(2,508,403)	-	-	(17,829,308)	(20,337,711)
Total other financing (uses) sources	(2,508,403)	-	7,900,000	(5,391,597)	-
Net Change in Fund Balances	216,034	220,939	966,612	1,902,090	3,305,675
Fund Balances - Beginning of year	16,401,710	10,014,687	3,466,133	37,560,642	67,443,172
Fund Balances - End of year	**$ 16,617,744**	**$ 10,235,626**	**$ 4,432,745**	**$ 39,462,732**	**$ 70,748,847**

See notes to financial statements.

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

Year Ended November 30, 2021

Net Change in Fund Balances Reported in Governmental Funds	$ 3,305,675
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures; however, in the statement of activities, these costs are allocated over their estimated useful lives as depreciation:	
Capital outlay	15,115,344
Depreciation expense	(10,384,709)
Net book value of assets disposed of	(377,298)
Revenue in the statement of activities that does not provide current financial resources is not reported as revenue in the funds until it is available	230,897
Payment on capital leases is an expenditure in the governmental funds but not in the statement of activities (where it reduces the capital lease liability)	145,090
Repayment of bond principal is an expenditure in the governmental funds but not in the statement of activities (where it reduces long-term debt)	1,870,000
Interest expense is recognized in the government-wide statements as it accrues	179,453
Change in net pension liability and related deferred inflows and outflows reported in the statement of activities do not require the use of current resources and, therefore, are not reported in the fund statements until they come due for payment	4,628,725
Change in net OPEB liability and related deferred inflows and outflows reported in the statement of activities do not require the use of current resources and, therefore, are not reported in the fund statements until they come due for payment	14,425,907
Net increase in accumulated employee sick and vacation pay is recorded when incurred in the statement of activities	(353,083)
Increase in landfill liability is recorded when incurred in the statement of activities	(9,368)
Internal service funds are included as part of governmental activities	(693,265)
Change in Net Position of Governmental Activities	**$ 28,083,368**

Proprietary Funds
Statement of Net Position

November 30, 2021

	Major Enterprise Fund	Nonmajor Enterprise Funds			Governmental Activities
	Water and Sewer	Housing	Golf Course	Total Enterprise Funds	Internal Service Fund
Assets					
Current assets:					
Cash and investments	$ 12,874,017	$ 3,906,644	$ 1,742,693	$ 18,523,354	$ 3,344,042
Accounts receivable:					
Customers	12,744,902	-	-	12,744,902	-
Other	185,048	-	4,393	189,441	-
Inventory, prepaid expenses, and deposits	855,047	-	-	855,047	4,946,770
Total current assets	26,659,014	3,906,644	1,747,086	32,312,744	8,290,812
Noncurrent assets:					
Restricted assets (Note 8)	1,693,992	-	-	1,693,992	-
Special assessment receivables	158,765	-	-	158,765	-
Net pension asset (Note 11)	246,996	-	9,949	256,945	-
Capital assets: (Note 5)					
Assets not subject to depreciation	14,798,148	1,584,798	3,582,488	19,965,434	-
Assets subject to depreciation - Net	87,410,627	2,507,476	566,987	90,485,090	-
Total noncurrent assets	104,308,528	4,092,274	4,159,424	112,560,226	-
Total assets	130,967,542	7,998,918	5,906,510	144,872,970	8,290,812
Deferred Outflows of Resources - Deferred OPEB costs (Note 13)	122,281	29,718	10,434	162,433	-
Liabilities					
Current liabilities:					
Accounts payable	3,545,030	34,087	162,508	3,741,625	-
Due to other governmental units	1,977,396	-	-	1,977,396	-
Accrued and other liabilities	175,496	10,749	3,592	189,837	-
Unearned revenue	2,580	-	-	2,580	660,520
Due to fiduciary funds	41,267	-	-	41,267	-
Bonds and deposits	158,232	177,550	-	335,782	-
Compensated absences (Note 7)	208,201	44,048	11,957	264,206	-
Current portion of long-term debt (Note 7)	1,192,668	6,370	-	1,199,038	-
Total current liabilities	7,300,870	272,804	178,057	7,751,731	660,520
Noncurrent liabilities:					
Compensated absences and insurance claims (Note 7)	218,631	39,366	24,786	282,783	-
Net OPEB liability (Note 13)	2,258,514	548,868	192,716	3,000,098	-
Long-term debt - Net of current portion (Note 7)	17,309,625	13,908	-	17,323,533	1,881,401
Total noncurrent liabilities	19,786,770	602,142	217,502	20,606,414	1,881,401
Total liabilities	27,087,640	874,946	395,559	28,358,145	2,541,921

See notes to financial statements.

Proprietary Funds
Statement of Net Position (Continued)

November 30, 2021

	Major Enterprise Fund	Nonmajor Enterprise Funds			Governmental Activities
	Water and Sewer	Housing	Golf Course	Total Enterprise Funds	Internal Service Fund
Deferred Inflows of Resources					
Deferred pension cost reductions (Note 11)	$ 633,899	$ -	$ 25,534	$ 659,433	$ -
Deferred OPEB cost reductions (Note 13)	1,756,952	426,980	149,920	2,333,852	-
Total deferred inflows of resources	2,390,851	426,980	175,454	2,993,285	-
Net Position					
Net investment in capital assets	83,706,482	4,071,996	4,149,475	91,927,953	-
Restricted - Ordinance requirements	1,693,992	-	-	1,693,992	-
Unrestricted	16,210,858	2,654,714	1,196,456	20,062,028	5,748,891
Total net position	**$ 101,611,332**	**$ 6,726,710**	**$ 5,345,931**	**$ 113,683,973**	**$ 5,748,891**

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

Year Ended November 30, 2021

	Major Enterprise Fund	Nonmajor Enterprise Funds			Governmental Activities
	Water and Sewer	Housing	Golf Course	Total Enterprise Funds	Internal Service Fund
Operating Revenue					
Customer billings	$ 38,347,260	$ -	$ -	$ 38,347,260	$ -
Fines and forfeitures	1,498,126	-	-	1,498,126	-
Service connections	66,385	-	-	66,385	-
Greens fees	-	-	1,948,081	1,948,081	-
Golf cart fees	-	-	117,999	117,999	-
City contributions	-	-	-	-	13,624,952
Rental income	-	1,484,659	4,000	1,488,659	-
Other revenue	94,969	-	187,217	282,186	-
Total operating revenue	40,006,740	1,484,659	2,257,297	43,748,696	13,624,952
Operating Expenses					
Cost of water	11,783,956	-	-	11,783,956	-
Cost of sewage disposal	16,764,493	-	-	16,764,493	-
System maintenance and operation	5,506,726	-	-	5,506,726	-
General and administration	1,229,884	-	-	1,229,884	-
Reinsurance charges and claims	-	-	-	-	14,312,776
Salaries and wages, including pension recovery	-	(113,787)	147,559	33,772	-
Supplies	-	15,228	268,652	283,880	-
Other services and charges	-	415,718	1,411,309	1,827,027	-
Depreciation	3,797,232	169,126	33,650	4,000,008	-
Total operating expenses	39,082,291	486,285	1,861,170	41,429,746	14,312,776
Operating Income (Loss)	924,449	998,374	396,127	2,318,950	(687,824)
Nonoperating Revenue (Expense)					
Investment loss	(10,295)	(4,344)	(2,186)	(16,825)	(5,441)
Interest expense	(392,591)	(1,484)	-	(394,075)	-
Total nonoperating revenue (expense)	(402,886)	(5,828)	(2,186)	(410,900)	(5,441)
Income (Loss) - Before contributions and transfers	521,563	992,546	393,941	1,908,050	(693,265)
Capital Contributions					
Capital grants	7,332	-	-	7,332	-
Lines donated by developers	1,486,132	-	-	1,486,132	-
Total capital contributions	1,493,464	-	-	1,493,464	-
Change in Net Position	2,015,027	992,546	393,941	3,401,514	(693,265)
Net Position - Beginning of year	99,596,305	5,734,164	4,951,990	110,282,459	6,442,156
Net Position - End of year	**$ 101,611,332**	**$ 6,726,710**	**$ 5,345,931**	**$ 113,683,973**	**$ 5,748,891**

See notes to financial statements.

Proprietary Funds
Statement of Cash Flows

Year Ended November 30, 2021

	Major Enterprise Fund	Nonmajor Enterprise Funds			Governmental Activities
	Water and Sewer	Housing	Golf Course	Total Enterprise Funds	Internal Service Fund
Cash Flows from Operating Activities					
Receipts from customers	$ 40,536,397	$ 1,484,659	$ 2,256,687	$ 44,277,743	$ 13,624,952
Payments to suppliers	(33,487,193)	(433,262)	(1,600,065)	(35,520,520)	(15,436,952)
Payments to employees	(4,421,821)	(494,530)	(151,410)	(5,067,761)	-
Other receipts	5,177	-	-	5,177	-
Net cash and cash equivalents provided by (used in) operating activities	2,632,560	556,867	505,212	3,694,639	(1,812,000)
Cash Flows from Capital and Related Financing Activities					
Issuance of bonds and capital leases	6,427,101	-	-	6,427,101	-
Receipt of capital grants	7,332	-	-	7,332	-
Special assessment collections	38,513	-	-	38,513	-
Net purchases of capital assets	(17,941,408)	-	-	(17,941,408)	-
Principal and interest paid on long-term debt	(1,314,657)	(7,585)	-	(1,322,242)	-
Net cash and cash equivalents used in capital and related financing activities	(12,783,119)	(7,585)	-	(12,790,704)	-
Cash Flows from Investing Activities					
Purchases of investment securities	-	(590,431)	(253,699)	(844,130)	-
Proceeds from sale and maturities of investment securities	5,151,191	-	-	5,151,191	903,280
Net cash and cash equivalents provided by (used in) investing activities	5,151,191	(590,431)	(253,699)	4,307,061	903,280
Net (Decrease) Increase in Cash and Cash Equivalents	(4,999,368)	(41,149)	251,513	(4,789,004)	(908,720)
Cash and Cash Equivalents - Beginning of year	13,130,618	1,994,471	619,833	15,744,922	2,580,741
Cash and Cash Equivalents - End of year	**$ 8,131,250**	**$ 1,953,322**	**$ 871,346**	**$ 10,955,918**	**$ 1,672,021**
Classification of Cash and Cash Equivalents					
Cash and investments	$ 12,874,017	$ 3,906,644	$ 1,742,693	$ 18,523,354	$ 3,344,042
Restricted cash (Note 8)	1,693,992	-	-	1,693,992	-
Less investments	(6,436,759)	(1,953,322)	(871,347)	(9,261,428)	(1,672,021)
Total cash and cash equivalents	**$ 8,131,250**	**$ 1,953,322**	**$ 871,346**	**$ 10,955,918**	**$ 1,672,021**

See notes to financial statements.

Proprietary Funds
Statement of Cash Flows (Continued)

Year Ended November 30, 2021

	Major Enterprise Fund	Nonmajor Enterprise Funds			Governmental Activities
	Water and Sewer	Housing	Golf Course	Total Enterprise Funds	Internal Service Fund
Reconciliation of Operating Income (Loss) to Net Cash from Operating Activities					
Operating income (loss)	$ 924,449	$ 998,374	$ 396,127	$ 2,318,950	$ (687,824)
Adjustments to reconcile operating income (loss) to net cash from operating activities:					
Depreciation	3,797,232	169,126	33,650	4,000,008	-
Changes in assets and liabilities:					
Receivables	529,657	-	(610)	529,047	-
Inventories	47,692	-	-	47,692	-
Prepaid and other assets	(5,776)	-	-	(5,776)	(2,208,632)
Net pension and OPEB liabilities	(816,151)	(637,763)	(3,951)	(1,457,865)	-
Accounts payable	(1,905,185)	(2,316)	79,896	(1,827,605)	270,971
Accrued and other liabilities	55,465	29,446	100	85,011	152,965
Other assets	5,177	-	-	5,177	-
Unearned revenue	-	-	-	-	660,520
Net cash and cash equivalents provided by (used in) operating activities	**$ 2,632,560**	**$ 556,867**	**$ 505,212**	**$ 3,694,639**	**$ (1,812,000)**

Noncash Transactions - During the year ended November 30, 2021, the City received $1,486,132 of donated lines reported as capital assets in the Water and Sewer Fund.

Fiduciary Funds
Statement of Fiduciary Net Position

November 30, 2021

	Pension and Other Employee Benefits	Custodial Funds	Total Fiduciary Funds
Assets			
Cash and cash equivalents (Note 3)	$ 486,573	$ 6,806,965	$ 7,293,538
Investments: (Note 3)			
U.S. government securities	14,195,681	-	14,195,681
Collateralized mortgage obligations	6,046,660	-	6,046,660
Common stocks	200,553,589	-	200,553,589
Corporate bonds	15,063,476	-	15,063,476
Real estate investment trust	2,808,159	-	2,808,159
Foreign bonds	1,694,698	-	1,694,698
Mutual funds	141,811,716	-	141,811,716
Accounts receivable	1,823,667	-	1,823,667
Due from primary government	408,509	-	408,509
Due from other funds	7,300	-	7,300
Total assets	384,900,028	6,806,965	391,706,993
Liabilities			
Accounts payable	2,396,865	3,909	2,400,774
Due to other governmental units	38,276	5,557,682	5,595,958
Due to primary government	326,680	-	326,680
Due to other funds	7,300	-	7,300
Bonds and other deposits	-	452,048	452,048
Total liabilities	2,769,121	6,013,639	8,782,760
Net Position			
Restricted:			
Pension	243,806,137	-	243,806,137
Postemployment benefits other than pension	138,324,770	-	138,324,770
Individuals, organizations, and other governments	-	793,326	793,326
Total net position	**$ 382,130,907**	**$ 793,326**	**$ 382,924,233**

Fiduciary Funds
Statement of Changes in Fiduciary Net Position

Year Ended November 30, 2021

	Pension and Other Employee Benefits	Custodial Funds	Total Fiduciary Funds
Additions			
Investment income (loss):			
Interest and dividends	$ 7,139,799	$ 45	$ 7,139,844
Net increase in fair value of investments	49,003,328	-	49,003,328
Investment costs	(1,025,930)	-	(1,025,930)
Net investment income	55,117,197	45	55,117,242
Contributions:			
Employer	8,515,464	-	8,515,464
Employee	1,486,924	-	1,486,924
Total contributions	10,002,388	-	10,002,388
Collections for other governments	-	148,000,173	148,000,173
Fines and fees	-	923,133	923,133
Bond receipts	-	61,062	61,062
Restitutions, judgments, and other	-	146,390	146,390
Property tax collections for other governments	-	239,794	239,794
Total additions	65,119,585	149,370,597	214,490,182
Deductions			
Pension benefit payments	19,070,223	-	19,070,223
Medical benefit payments	8,099,503	-	8,099,503
Disability benefit payments	187,190	-	187,190
Refunds of contributions	678,516	-	678,516
Administrative expenses	316,702	-	316,702
Disbursements to other governments	-	148,892,203	148,892,203
Bond forfeitures	-	61,062	61,062
Restitutions, judgments, and other refunds	-	259,084	259,084
Volunteer work program and civil drug fund	-	146,390	146,390
Total deductions	28,352,134	149,358,739	177,710,873
Net Increase in Net Position	36,767,451	11,858	36,779,309
Net Position - Beginning of year	345,363,456	781,468	346,144,924
Net Position - End of year	**$ 382,130,907**	**$ 793,326**	**$ 382,924,233**

See notes to financial statements.

Component Units
Statement of Net Position

November 30, 2021

	Economic Development Corporation	Plymouth Road Development Authority	Brownfield Redevelopment Authority	Total
Assets				
Cash and cash equivalents	$ 24,991	$ 1,096,554	$ 316,935	$ 1,438,480
Accounts receivable	-	59,618	-	59,618
Capital assets: (Note 5)				
Assets not subject to depreciation	-	474,048	-	474,048
Assets subject to depreciation - Net	-	372,271	-	372,271
Total assets	24,991	2,002,491	316,935	2,344,417
Liabilities				
Accounts payable	-	191,207	-	191,207
Due to other governmental units	-	-	4,587	4,587
Total liabilities	-	191,207	4,587	195,794
Net Position				
Net investment in capital assets	-	846,319	-	846,319
Unrestricted	24,991	964,965	312,348	1,302,304
Total net position	**$ 24,991**	**$ 1,811,284**	**$ 312,348**	**$ 2,148,623**

See notes to financial statements.

	Expenses	Program Revenue: Charges for Services	Program Revenue: Operating Grants and Contributions	Program Revenue: Capital Grants and Contributions
Functions/Programs				
Economic Development Corporation	$ -	$ -	$ -	$ -
Plymouth Road Development Authority - Community and economic development	1,065,707	-	-	-
Brownfield Redevelopment Authority - Community and economic development	498,997	-	-	-
Total component units	**$ 1,564,704**	**$ -**	**$ -**	**$ -**

General revenue:
Property taxes
Investment (loss) income

Total general revenue

Change in Net Position

Net Position - Beginning of year

Net Position - End of year

Year Ended November 30, 2021

Net (Expense) Revenue and Changes in Net Position			
Economic Development Corporation	Plymouth Road Development Authority	Brownfield Redevelopment Authority	Total
$ -	$ -	$ -	$ -
-	(1,065,707)	-	(1,065,707)
-	-	(498,997)	(498,997)
-	(1,065,707)	(498,997)	(1,564,704)
-	744,834	541,871	1,286,705
(28)	101	(310)	(237)
(28)	744,935	541,561	1,286,468
(28)	(320,772)	42,564	(278,236)
25,019	2,132,056	269,784	2,426,859
$ 24,991	**$ 1,811,284**	**$ 312,348**	**$ 2,148,623**

Note 1 - Significant Accounting Policies

The following is a summary of the significant accounting policies used by the City of Livonia, Michigan:

Reporting Entity

The City of Livonia, Michigan (the "City") is governed by an elected seven-member council. The City's administration operates under the overall direction of an elected mayor. The accompanying financial statements present the City and its component units, entities for which the City is considered to be financially accountable. Blended component units are, in substance, part of the City's operations, even though they are separate legal entities. Thus, blended component units are appropriately presented as funds of the City. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the City.

Blended Component Units

The Municipal Building Authority of Livonia is governed by a board that is appointed by the City's mayor. Although it is legally separate from the City, it is reported as if it were part of the primary government because its primary purpose is to finance and construct the City's public buildings. The operations of the Municipal Building Authority are reported as a nonmajor debt service fund.

Fiduciary Component Units

The District Court Funds of District No. 16 (the "District Court") are reported within the custodial funds. Although it is legally separate from the City, it is reported as if it were part of the primary government because of the fiduciary relationship it has with the City.

The City of Livonia Employees Retirement System, the City of Livonia Police and Fire Revised Retirement Plan, and the City of Livonia Retiree Health and Disability Benefits Plan are governed by a five-member pension board that includes three individuals chosen by the City Council and/or mayor. Although legally separate from the City, the systems are reported as if they were part of the primary government because of the fiduciary responsibility that the City retains relative to the operations of each system. The operations of the Employees' Retirement System, the Police and Fire Revised Retirement Plan, and the Retiree Health and Disability Benefits Plan are reported as pension and other employee benefits fiduciary funds.

Discretely Presented Component Units

The Economic Development Corporation (the "EDC") was created to provide means and methods for the encouragement and assistance of industrial and commercial enterprises in relocating, purchasing, constructing, improving, or expanding within the City so as to provide needed services and facilities of such enterprises to the residents of the City. The EDC's governing body, which consists of eight individuals, is selected by the mayor and approved by the City Council. Internally prepared financial statements for the EDC can be obtained from the City of Livonia Finance Department at 33000 Civic Center Drive, Livonia, MI 48154.

The Plymouth Road Development Authority was created to encourage additional economic activity and growth in the Plymouth Road business district. The Plymouth Road Development Authority's governing body, which consists of 12 individuals, is selected by the mayor and approved by the City Council. Internally prepared financial statements for the Plymouth Road Development Authority can be obtained from the City of Livonia Finance Department at 33000 Civic Center Drive, Livonia, MI 48154.

The Brownfield Redevelopment Authority was created, pursuant to Public Act (PA) 381 of 1996, to promote revitalization of environmentally distressed areas within the 36-square-mile boundary of the City. The Brownfield Redevelopment Authority is funded primarily by property tax revenue captures. The Brownfield Redevelopment Authority is governed by a nine-member board that is designated by the mayor and appointed by the City Council.

Note 1 - Significant Accounting Policies (Continued)

The City has excluded the Housing Commission from this report. Even though the City appoints the Housing Commission's directors, it does not have the ability to impose its will.

Accounting and Reporting Principles

The City follows accounting principles generally accepted in the United States of America (GAAP), as applicable to governmental units. Accounting and financial reporting pronouncements are promulgated by the Governmental Accounting Standards Board (GASB).

Report Presentation

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

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

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

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

Fund Accounting

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

Governmental Funds

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

- The General Fund is the primary operating fund because it accounts for all financial resources used to provide government services other than those specifically assigned to another fund.
- The Refuse Disposal System Fund accounts for the operations of the refuse disposal activities of the City. Funding is primarily through a local dedicated property tax levy.

Note 1 - Significant Accounting Policies (Continued)

- The Roads and Sidewalks Fund accounts for the funding of road and sidewalk repairs and improvements. Funding is primarily through a local dedicated property tax levy.

Proprietary Funds

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

- The Water and Sewer Fund accounts for the activities of the water and sewer distribution system and sewage collection system. Funding is provided primarily through user charges.

The City's Internal Service Fund is used to fund general, workers' compensation, and employee health care liability claims to purchase insurance that provides excess general liability coverage for city employees and property. The fund is financed primarily by charges to the various departments of the City.

Fiduciary Funds

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

- The Pension and Other Employee Benefits Trust Fund accounts for the activities of employee benefit plans that accumulate resources for pension and other postemployment benefit (OPEB) payments to qualified employees.
- Custodial funds account for assets held by the City in a trustee capacity.

Interfund Activity

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

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

Basis of Accounting

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

Note 1 - Significant Accounting Policies (Continued)

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

Revenue is not recognized until it is collected or collected soon enough after the end of the year that it is available to pay for obligations outstanding at the end of the year. For this purpose, the City considers amounts collected within 60 days of year end to be available for recognition. The following major revenue sources meet the availability criterion: state-shared revenue, state gas and weight tax revenue, district court fines, and interest associated with the current fiscal period. Conversely, delinquent personal property taxes, certain state-shared revenue payments, 911 surcharges, special assessments, and other miscellaneous revenue will be collected after the period of availability; receivables have been recorded for these, along with a deferred inflow.

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

Specific Balances and Transactions

Cash and Investments

Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value. Pooled investment income is generally allocated to each fund using a weighted-average balance for the principal held for each fund on a daily basis.

Receivables and Payables

In general, outstanding balances between funds are reported as due to/from other funds. Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide statements as internal balances. All trade and property tax receivables are shown as net of allowance for uncollectible amounts.

Inventories and Prepaid Items

Inventories are valued at cost, on a first-in, first-out basis. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both government-wide and fund financial statements.

Restricted Assets

The revenue bonds of the enterprise funds require amounts to be set aside for bond reserve. These amounts have been classified as restricted assets.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the City as assets with an initial individual cost of more than $5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

Note 1 - Significant Accounting Policies (Continued)

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

	Depreciable Life - Years
Infrastructure	33 to 40
Road rights	33
Buildings and improvements	25 to 50
Machinery, equipment, and vehicles	2 to 20
Water and sewer distribution systems	50

Long-term Obligations

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

Unearned Revenue

Unearned revenue represents money received that does not yet meet the criteria for revenue recognition. As of December 31, 2021, the General Fund balance of unearned revenue includes $4,061,327 of American Rescue Plan Act cash received in advance of eligibility criteria being met. Unearned amounts are reported as liabilities.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future periods and will not be recognized as an outflow of resources (expense/expenditure) until then. The City reports deferred outflows related to bond refunding charges and the OPEB plan, as detailed in Note 13.

In addition to liabilities, the statement of net position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time. The City reports deferred inflows related to two items. Unavailable revenue is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenue from various sources shown in Note 16. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The City also reports deferred inflows of resources related to the pension and OPEB plans, as detailed in Notes 11 and 13, respectively.

Net Position Flow Assumption

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

Note 1 - Significant Accounting Policies (Continued)

Fund Balance Flow Assumptions

The City will sometimes fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. The exceptions to this are the Community Recreation Fund and Capital Improvement Fund, which apply unrestricted fund balance first. Furthermore, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last. This is true for all funds except the Community Recreation Fund and Capital Improvement Fund. As noted above, the policy for these funds is to use unrestricted funds first; therefore, the order of spending is unassigned, restricted, committed, and assigned.

Fund Balance Policies

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

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

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

Property Tax Revenue

Property taxes are levied on each July 1 and December 1 and become an enforceable lien at that time; the tax is based on the taxable valuation of property as of the preceding December 31. These taxes are due on September 14 and February 14, respectively. Taxes are considered delinquent on March 1 of the following year, at which time penalties and interest are assessed.

The City's 2020 property tax revenue was levied and collectible on December 1, 2020 and is recognized as revenue in the year ended November 30, 2021 when the proceeds of the levy are budgeted and available for the financing of operations.

Note 1 - Significant Accounting Policies (Continued)

The 2020 taxable valuation of the City totaled $4.38 billion. Properties in the Plymouth Road Development Authority (PRDA) are assessed a millage of 2.0000 on July 1. The 2021 taxable valuation of PRDA totaled $391 million. The millages levied by the City and the resulting revenue are as follows:

Purpose	Millage Rate	Approximate Revenue (in 000s)
Operating purposes	4.0054	$ 17,736
Police and fire	0.8008	3,546
Police and fire and snow	1.2015	5,320
Library	0.8008	3,539
Refuse and recycling	2.3949	10,590
Industrial development	0.0113	50
Roads, sidewalks, and trees	0.8805	3,891
Recreation	0.7777	3,439
Public safety	1.6834	7,454
Culture and senior services	0.2474	1,096
Transit and capital improvement	0.4950	2,188
Plymouth Road Development Authority	2.0000	741
Total		$ 59,590

These amounts are recognized in the respective General, special revenue, debt service, and Plymouth Road Development Authority funds financial statements as tax revenue.

The delinquent real property taxes of the City are purchased by Wayne County, Michigan (the "County"). The County sells tax notes, the proceeds of which are used to pay the City for these property taxes. Wayne County, Michigan remitted its purchased delinquent real property taxes in June 2021. Wayne County, Michigan's delinquent real property taxes have been recorded as revenue in the current year.

Pension

The City offers two defined benefit pension plans to certain employees. The City records a net pension liability for the difference between the total pension liabilities calculated by the actuary and the pension plans' fiduciary net position. For the purpose of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City of Livonia Employees Retirement System and the City of Livonia Police and Fire Revised Retirement Plan, and additions to/deductions from the pension plans' fiduciary net position have been determined on the same basis as they are reported by the pension plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Postemployment Benefit Costs

The City offers retiree health care benefits to certain retirees. The City records a net OPEB liability for the difference between the total OPEB liability calculated by the actuary and the OPEB plan’s fiduciary net position. For the purpose of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City of Livonia Retiree Health and Disability Benefits Plan and additions to/deductions from the OPEB plan’s fiduciary net position have been determined on the same basis as they are reported by the OPEB plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Note 1 - Significant Accounting Policies (Continued)

Compensated Absences (Vacation and Sick Leave)

It is the City's policy to permit employees to accumulate earned but unused sick and vacation pay benefits, as well as comp time. Under the City's policy, employees earn benefits based on time of service with the City. All vacation and sick pay, as well as comp time, is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only for employee terminations as of year end. All other accrued compensated absences are reported in the government-wide financial statements; generally, the funds that report each employee's compensation (the General Fund and Water and Sewer Fund, primarily) are used to liquidate obligation.

Proprietary Funds Operating Classification

Proprietary funds distinguish operating revenue and expenses from nonoperating items. Operating revenue 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 revenue of the Water and Sewer Fund, Housing Fund, Golf Course Fund, and Internal Service Fund is charges to customers for sales or services. The Water and Sewer Fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for these funds include the cost of sales or services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenue and expenses.

Use of Estimates

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

Upcoming Accounting Pronouncements

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

Note 1 - Significant Accounting Policies (Continued)

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

In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*, which clarifies the existing definition of conduit debt, provides a single method of reporting conduit debt obligations by issuers, and eliminates diversity in practice associated with commitments extended by issuers, arrangements associated with conduit debt obligations, and related note disclosures. As a result, issuers should not recognize a liability for items meeting the definition of conduit debt; however, a liability should be recorded for additional or voluntary commitments to support debt service if certain recognition criteria are met. The standard also addresses the treatment of arrangements where capital assets are constructed or acquired with the proceeds of a conduit debt obligation and used by a third-party obligor. The provisions of this statement were originally effective for the City's financial statements for the year ending November 30, 2022 but were extended to November 30, 2023 with the issuance of GASB Statement No. 95, *Postponement of the Effective Date of Certain Authoritative Guidance*.

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

In March 2020, the GASB issued Statement No. 94*, Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, to bring a uniform guidance on how to report public-private and public-public partnership arrangements. As a result, transferors in public-private or public-public arrangements will recognize receivables for installment payments; deferred inflows of resources; and, when applicable, capital assets. Operators will recognize liabilities for installment payments and intangible right-to-use assets and, when applicable, deferred outflows of resources and liabilities for assets being transferred. This statement also provides guidance for accounting and financial reporting for availability payment arrangements in which a government compensates an operator for services, such as designing, constructing, financing, maintaining, or operating an underlying asset for a period of time in an exchange or exchange-like transaction. The provisions of this statement are effective for the City's financial statements for the year ending November 30, 2023.

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

Note 1 - Significant Accounting Policies (Continued)

Subsequent Event

Subsequent to year end, the City's investment portfolio - particularly the investments of the pension and OPEB plans - has incurred a significant decline in fair value, consistent with the general decline in financial markets. However, because the values of individual investments fluctuate with market conditions, and due to market volatility, the amount of losses that will be recognized in subsequent periods, if any, cannot be determined.

Note 2 - Stewardship, Compliance, and Accountability

Construction Code Fees

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

Adjusted cumulative shortfall at December 1, 2020		$ (2,215,151)
Current year building permit revenue		2,646,110
Related expenses:		
Direct costs	$ 2,510,756	
Estimated indirect costs	627,614	3,138,370
Current year net revenue		(492,260)
Cumulative shortfall at November 30, 2021		$ (2,707,411)

Note 3 - Deposits and Investments

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

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

The City has designated six banks for the deposit of its funds. The investment policy adopted by the City Council in accordance with Public Act 196 of 1997 has authorized investment in bonds and securities of the United States government and bank accounts and CDs. The City's deposits and investments are in accordance with statutory authority.

Note 3 - Deposits and Investments (Continued)

Custodial Credit Risk of Bank Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk. At year end, the City had $71,077,375 of bank deposits (certificates of deposit and checking and savings accounts) that were uninsured and uncollateralized. In addition, the District Court, a component unit, had $463,159 of bank deposits (checking and savings accounts) that were uninsured and uncollateralized. The City believes that, due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits. As a result, the City evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

Interest Rate Risk

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

At year end, the City had the following investments and maturities:

Primary Government	Fair Value	0-5 Years	6-10 Years	More Than 10 Years
U.S. agency securities	$ 19,362,564	$ 19,362,564	$ -	$ -
Municipal bonds	1,246,964	1,246,964	-	-
U.S. Treasury securities	10,167,270	10,167,270	-	-
Total	$ 30,776,798	$ 30,776,798	$ -	$ -

City of Livonia Employees Retirement System	Fair Value	0-5 Years	6-10 Years	More Than 10 Years
Corporate bonds	$ 7,249,974	$ 2,847,864	$ 2,452,581	$ 1,949,529
Foreign bonds	548,945	228,029	160,897	160,019
U.S. agency securities	1,858,121	10,195	117,268	1,730,658
U.S. Treasury securities	4,236,190	2,485,261	-	1,750,929
Collateralized mortgage obligations	2,701,729	44,212	72,687	2,584,830
Total	$ 16,594,959	$ 5,615,561	$ 2,803,433	$ 8,175,965

City of Livonia Retiree Health and Disability Benefits Plan	Fair Value	0-5 Years	6-10 Years	More Than 10 Years
Corporate bonds	$ 7,813,502	$ 4,093,458	$ 1,804,291	$ 1,915,753
Foreign bonds	1,145,753	775,492	190,377	179,884
U.S. agency securities	2,523,847	79	1,464	2,522,304
U.S. Treasury securities	5,577,523	2,226,551	229,481	3,121,491
Collateralized mortgage obligations	3,344,931	204,145	381,229	2,759,557
Total	$ 20,405,556	$ 7,299,725	$ 2,606,842	$ 10,498,989

Note 3 - Deposits and Investments (Continued)

Credit Risk

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

Investment	Fair Value	Rating	Rating Organization
Primary Government			
Bank investment pools	$ 147,150	A2/P1	Moody's
Bank investment pools	1,693,992	A3/P2	Moody's
Municipal bonds	1,246,964	AA	S&P
U.S. Treasury securities	10,167,270	AA+	S&P
U.S. agency securities	19,362,564	AA+	S&P
Total	$ 32,617,940		

Investment	Fair Value	Rating	Rating Organization
Fiduciary Funds			
Corporate bond	$ 1,841,479	Aaa	Moody's
Corporate bond	139,290	Aa1	Moody's
Corporate bond	166,794	Aa2	Moody's
Corporate bond	242,865	Aa3	Moody's
Corporate bond	678,194	A1	Moody's
Corporate bond	1,241,491	A2	Moody's
Corporate bond	1,236,755	A3	Moody's
Corporate bond	8,274,238	Baa1 and below	Moody's
Corporate bond	1,242,370	NR	N/A
Foreign bonds	97,038	Aa2	Moody's
Foreign bonds	124,523	Aa3	Moody's
Foreign bonds	227,652	A1	Moody's
Foreign bonds	748,500	A2	Moody's
Foreign bonds	470,572	Baa1 and below	Moody's
Foreign bonds	26,413	NR	N/A
U.S. agency securities	4,381,968	NR	N/A
U.S. Treasury securities	6,646,747	Aaa	Moody's
U.S. Treasury securities	3,166,966	NR	N/A
Collateralized mortgage obligations	2,977,677	Aaa	Moody's
Collateralized mortgage obligations	3,068,983	NR	N/A
Total	$ 37,000,515		

There are no limitations or restrictions on participant withdrawals for the bank investment pools that are recorded at amortized cost.

Note 4 - Fair Value Measurements

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

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

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

	Assets Measured at Fair Value on a Recurring Basis at November 30, 2021			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at November 30, 2021
Investments by Fair Value Level				
Debt securities:				
U.S. Treasury securities	$ 19,980,983	$ -	$ -	$ 19,980,983
Collateralized mortgage obligations	-	6,046,660	-	6,046,660
Corporate bonds	-	15,063,476	-	15,063,476
Foreign bonds and notes	-	1,694,698	-	1,694,698
Government agencies	-	23,744,532	-	23,744,532
Municipal bonds	-	1,246,964	-	1,246,964
Total debt securities	19,980,983	47,796,330	-	67,777,313
Equity securities:				
Common stock	157,080,981	-	-	157,080,981
Foreign stock	6,288,807	-	-	6,288,807
Mutual funds	102,720,172	-	-	102,720,172
ADR	8,563,503	-	-	8,563,503
REIT	2,799,715	-	-	2,799,715
Short-term investments	-	9,671,906	-	9,671,906
Total equity securities	277,453,178	9,671,906	-	287,125,084
Total investments by fair value level	$ 297,434,161	$ 57,468,236	$ -	354,902,397
Investments measured at NAV:				
Real estate funds				18,956,835
CIF - Fixed income				39,091,545
Total investments measured at NAV				58,048,380
Total investments				$ 412,950,777

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

Note 4 - Fair Value Measurements (Continued)

The fair value of collateralized mortgage obligations, corporate bonds, foreign bonds and notes, government agency securities, municipal bonds and short-term investments at November 30, 2021 was determined primarily based on Level 2 inputs. The City estimates the fair value of these investments using other inputs, such as interest rates and yield curves, that are observable at commonly quoted intervals.

The valuation method for investments measured at net asset value per share (or its equivalent) is presented in the following table.

Investments in Entities that Calculate Net Asset Value per Share

The City holds shares or interests in investment companies where 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.

As of November 30, 2021, the fair value, unfunded commitments, and redemption rules of those investments are as follows:

	Fair Value	Unfunded Commitments	Redemption Frequency, if Eligible	Redemption Notice Period
Real estate funds	$ 18,956,835	$ -	Unlimited	12 months
CIF - Fixed income	39,091,545	-	Unlimited	15 business days
Total investments measured at NAV	$ 58,048,380	$ -		

The real estate funds class include the Seminole Equity REIT, the Alidade Capital Fund, and the Valstone Opportunity Fund that invest primarily in U.S. commercial real estate. The fair values of the investments in this class have been estimated using net asset value of the City's ownership interest in partners' capital. As it relates to the Seminole Equity REIT, a plan was approved by the participants to liquidate substantially all of the REIT's assets in 2021. Net income earned and amounts received from payoffs of investments will be distributed to the participants as cash is available until all funds are distributed.

The CIF - fixed income class includes the Loomis Sayles Senior Loan Fund, which invests primarily in bank loans. The fair values of the investments in this class have been estimated using net asset value of the City's ownership interest in the market value of the total fund.

Note 5 - Capital Assets

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

Governmental Activities

	Balance December 1, 2020	Reclassifications	Additions	Disposals and Adjustments	Balance November 30, 2021
Capital assets not being depreciated:					
Land	$ 34,862,968	$ -	$ -	$ -	$ 34,862,968
Construction in progress	433,738	(435,881)	73,756	-	71,613
Subtotal	35,296,706	(435,881)	73,756	-	34,934,581
Capital assets being depreciated:					
Infrastructure	169,160,805	-	12,026,491	-	181,187,296
Road rights	21,485,661	-	106,114	-	21,591,775
Buildings and improvements	117,321,408	435,881	285,992	-	118,043,281
Equipment and vehicles	43,841,567	-	2,622,991	(1,354,827)	45,109,731
Subtotal	351,809,441	435,881	15,041,588	(1,354,827)	365,932,083
Accumulated depreciation:					
Infrastructure	71,378,168	-	4,358,896	-	75,737,064
Road rights	12,593,420	-	616,860	-	13,210,280
Buildings and improvements	57,753,770	-	2,420,972	-	60,174,742
Equipment and vehicles	27,787,768	-	2,987,981	(977,529)	29,798,220
Subtotal	169,513,126	-	10,384,709	(977,529)	178,920,306
Net capital assets being depreciated	182,296,315	435,881	4,656,879	(377,298)	187,011,777
Net governmental activities capital assets	$ 217,593,021	$ -	$ 4,730,635	$ (377,298)	$ 221,946,358

Note 5 - Capital Assets (Continued)

Business-type Activities

	Balance December 1, 2020	Reclassifications	Additions	Disposals and Adjustments	Balance November 30, 2021
Capital assets not being depreciated:					
Land	$ 5,164,436	$ -	$ -	$ -	$ 5,164,436
Construction in progress	8,250,337	(10,847,562)	17,398,223	-	14,800,998
Subtotal	13,414,773	(10,847,562)	17,398,223	-	19,965,434
Capital assets being depreciated:					
Water and sewer distribution	160,561,181	1,275,124	1,363,593	-	163,199,898
Buildings and building improvements	10,412,874	9,572,438	-	-	19,985,312
Machinery and equipment	2,522,110	-	22,629	-	2,544,739
Vehicles	3,416,858	-	643,094	-	4,059,952
Land improvements	3,039,595	-	-	-	3,039,595
Subtotal	179,952,618	10,847,562	2,029,316	-	192,829,496
Accumulated depreciation:					
Water and sewer distribution	85,169,618	-	3,213,424	-	88,383,042
Buildings and building improvements	6,185,374	-	268,709	-	6,454,083
Machinery and equipment	2,076,407	-	99,507	-	2,175,914
Vehicles	2,019,700	-	406,067	-	2,425,767
Land improvements	2,893,299	-	12,301	-	2,905,600
Subtotal	98,344,398	-	4,000,008	-	102,344,406
Net capital assets being depreciated	81,608,220	10,847,562	(1,970,692)	-	90,485,090
Net business-type activities capital assets	$ 95,022,993	$ -	$ 15,427,531	$ -	$ 110,450,524

Capital asset activity for the City's component unit for the year ended November 30, 2021 was as follows:

Component Unit - Plymouth Road Development Authority

	Balance December 1, 2020	Reclassifications	Additions	Disposals and Adjustments	Balance November 30, 2021
Capital assets not being depreciated - Land	$ 474,448	$ -	$ -	$ (400)	$ 474,048
Capital assets being depreciated - Land improvements	12,195,788	-	-	-	12,195,788
Accumulated depreciation - Land improvements	11,627,036	-	196,481	-	11,823,517
Net capital assets being depreciated	568,752	-	(196,481)	-	372,271
Net capital assets	$ 1,043,200	$ -	$ (196,481)	$ (400)	$ 846,319

Note 5 - Capital Assets (Continued)

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

Governmental activities:	
General government	$ 508,937
Public safety	1,532,295
Public works	6,097,614
Recreation and culture	2,245,863
Total governmental activities	$ 10,384,709
Business-type activities:	
Water and Sewer	$ 3,797,232
Golf Course	33,650
Newburgh and Silver Village	169,126
Total business-type activities	$ 4,000,008

Construction Commitments

The City has active construction projects at year end. At year end, the City's commitments with contractors are as follows:

	Spent to Date	Remaining Commitment
Street and sidewalk projects	$ 22,277,902	$ 4,158,501
Water, drain, and sewer projects	8,574,954	6,384,855
Library improvements	41,925	158,075
Recreation center improvements	284,763	76,177
Tree planting and removal	102,059	15,702

Note 6 - Interfund Receivables, Payables, and Transfers

The composition of interfund balances is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	VEBA	$ 326,680
Employees Retirement System	General Fund	164,284
	Nonmajor governmental funds	7,302
	Water and Sewer Fund	10,952
	Total Employees Retirement System	182,538
VEBA	Nonmajor governmental funds	20,210
	Water and Sewer Fund	30,315
	Total VEBA	50,525
Police and Fire Revised Retirement Plan	General Fund	175,446
	Total	$ 735,189

These balances result from the time lag between the dates that goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system, and payments between funds are made.

Note 6 - Interfund Receivables, Payables, and Transfers (Continued)

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

Paying Fund (Transfer Out)	Receiving Fund (Transfer In)	Amount
General Fund	Nonmajor governmental funds	$ 2,508,403
Nonmajor governmental funds	Nonmajor governmental funds	9,929,308
Nonmajor governmental funds	Roads and Sidewalks Fund	7,900,000
	Total	$ 20,337,711

The transfer from the General Fund to the nonmajor governmental funds is unrestricted resources to finance capital projects and general obligation debt service in accordance with budgetary authorizations.

The majority of transfers between the nonmajor governmental funds are for gas and weight tax revenue from the Major Streets Fund to the Local Streets Fund in accordance with Act 51. Most of the remaining transfers relate to debt service and capital projects.

The transfer from the nonmajor governmental funds to the Roads and Sidewalks Fund is for gas and weight tax revenue that has been passed through the Local Streets Fund from the Major Street Fund in accordance with Act 51.

Note 7 - Long-term Debt

The City issues bonds to provide for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the City. County contractual agreements are also general obligations of the City. Special assessment bonds provide for capital improvements that benefit specific properties and will be repaid from amounts levied against those properties benefited from the construction. In the event that a deficiency exists because of unpaid or delinquent special assessments at the time a debt service payment is due, the City is obligated to provide resources to cover the deficiency until other resources (such as tax sale proceeds or a reassessment of the City) are received. Revenue bonds involve a pledge of specific income derived from the acquired or constructed assets to pay debt service.

Note 7 - Long-term Debt (Continued)

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

Governmental Activities

	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Bonds and contracts payable -							
Other debt - Building Authority Bonds:							
2015 MBA Refunding Bonds:							
Amount of issue - $2,050,000 Maturing through 2025	2.47%	$160,000 - $300,000	$ 850,000	$ -	$ (165,000)	$ 685,000	$ 165,000
2016 MBA Refunding Bonds:							
Amount of issue - $6,180,000 Maturing through 2033	4.00%	$305,000 - $540,000	5,555,000	-	(335,000)	5,220,000	345,000
2017 MBA Refunding Bonds:							
Amount of issue - $19,980,000 Maturing through 2030	3.00% - 5.00%	$1,250,000 - $1,945,000	16,110,000	-	(1,370,000)	14,740,000	1,410,000
Capital leases			208,877	-	(145,089)	63,788	32,170
Unamortized bond premiums			2,139,475	-	(200,312)	1,939,163	200,312
Total bonds and contracts payable			24,863,352	-	(2,215,401)	22,647,951	2,152,482
General liability claims, workers' compensation, and health insurance claims (Note 9)			1,457,465	423,936	-	1,881,401	-
Net pension liability (asset) (Note 11)			9,631,162	-	(18,137,325)	(8,506,163)	-
Net OPEB liability (Note 13)			80,325,476	-	(17,665,850)	62,659,626	-
Compensated absences			9,305,766	3,454,495	(3,101,412)	9,658,849	3,219,095
Landfill closure and postclosure			695,441	9,368	-	704,809	-
Total governmental activities long-term debt			$ 126,278,662	$ 3,887,799	$ (41,119,988)	$ 89,046,473	$ 5,371,577

Compensated absences attributable to the governmental activities will be liquidated primarily by the General Fund. The claims liability will generally be liquidated through the City's self-insurance internal service funds. That fund will finance the payment of those claims by charging the other funds based on management's assessment of the relative insurance risk that should be assumed by individual funds. The net pension and OPEB liabilities will be liquidated from the funds from which the individual employee's salaries are paid, primarily the General Fund.

Note 7 - Long-term Debt (Continued)

Business-type Activities

	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Bonds and contracts payable - Direct borrowings and direct placements:							
Water Supply and Wastewater System Revenue Bonds:							
2013 State of Michigan Clean Water Program State Revolving Loan: Amount of issue - $3,620,000 Maturing through 2034	2.00%	$125,000 - $220,000	$ 2,525,730	$ -	$ (160,000)	$ 2,365,730	$ 160,000
2014 State of Michigan Drinking Water Program Revolving Loan: Amount of issue - $3,552,013 Maturing through 2036	2.00%	$145,000 - $235,000	2,657,013	-	(160,000)	2,497,013	165,000
2015 State of Michigan Drinking Water Program Revolving Loan: Amount of issue - $7,104,415 Maturing through 2040	2.50%	$274,415 - $570,000	4,932,894	-	(255,000)	4,677,894	260,000
2020 State of Michigan Drinking Water Program Revolving Loan: Amount of issue - $9,160,000 Maturing through 2040	2.00%	$375,000 - $550,000	2,909,554	3,792,424	(375,000)	6,326,978	385,000
2021 State of Michigan Drinking Water Program Revolving Loan: Amount of issue - $5,337,668 Maturing through 2041	1.875%	$222,668 - $315,000	-	2,634,677	-	2,634,677	222,668
Capital lease			26,290	-	(6,011)	20,279	6,370
Total bonds and contracts payable			13,051,481	6,427,101	(956,011)	18,522,571	1,199,038
Net pension liability (asset) (Note 11)			575,175	-	(832,120)	(256,945)	-
Net OPEB liability (Note 13)			3,898,211	-	(898,113)	3,000,098	-
Compensated absences			526,517	261,542	(241,070)	546,989	264,206
Total business-type activities long-term debt			$ 18,051,384	$ 6,688,643	$ (2,927,314)	$ 21,812,713	$ 1,463,244

Revenue Bonds

The City has pledged substantially all revenue of the Water and Sewer Fund, net of operating expenses, to repay the above water and sewer revenue bonds. Proceeds from the bonds provided financing for improvements to the water and sewer system. The bonds are payable solely from the net revenue of the water and sewer system. The remaining principal and interest to be paid on the bonds total approximately $21.5 million. During the current year, net revenue of the system was approximately $6.2 million compared to the annual debt requirements of approximately $1.2 million.

No Commitment Debt

The City has issued Industrial Development Revenue Bonds and Economic Development Corporation Bonds under state law, which authorizes municipalities under certain circumstances to acquire and lease industrial sites, buildings, and equipment and lease them to third parties. The revenue bonds issued are payable solely from the net revenue derived from the respective leases and are not a general obligation of the City. After these bonds are issued, all financial activity is taken over by the paying agent. The bonds and related lease contracts are not reflected in the City's financial statements. Information regarding the status of each bond issue, including possible default, must be obtained from the paying agent or other knowledgeable source. The aggregate original issue amount was $83,667,000.

Note 7 - Long-term Debt (Continued)

Debt Service Requirements to Maturity

Annual debt service requirements to maturity for the above bonds and note obligations (excluding bond premiums and deferred charges) are as follows:

	Governmental Activities			Business-type Activities		
	Other Debt			Direct Borrowings and Direct Placements		
Years Ending November 30	Principal	Interest	Total	Principal	Interest	Total
2022	$ 1,952,170	$ 802,121	$ 2,754,291	$ 1,199,038	$ 396,065	$ 1,595,103
2023	2,002,878	739,161	2,742,039	1,221,753	370,673	1,592,426
2024	2,063,740	674,757	2,738,497	1,257,157	343,837	1,600,994
2025	2,110,000	608,636	2,718,636	1,275,000	316,321	1,591,321
2026	2,005,000	535,400	2,540,400	1,305,000	288,577	1,593,577
2027-2031	9,520,000	1,192,900	10,712,900	6,940,000	1,006,223	7,946,223
2032-2036	1,055,000	42,700	1,097,700	5,324,623	274,180	5,598,803
Total	$ 20,708,788	$ 4,595,675	$ 25,304,463	$ 18,522,571	$ 2,995,876	$ 21,518,447

Bond Refunding

In previous years, the City defeased an advance refunding. As of November 30, 2021, there is still $14,645,000 of bonds outstanding that is considered defeased.

Note 8 - Restricted Assets

Business-type Activities

In accordance with the provisions of the Water Supply and Wastewater System Revenue Bonds, the City is required to set aside moneys in a bond reserve account. At November 30, 2021, the City set aside $1,693,992 of cash and cash equivalents to comply with these requirements.

Note 9 - Risk Management

The City is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation), as well as medical benefits provided to employees. The City has purchased commercial insurance for medical benefits and workers' compensation and participates in the Michigan Municipal Risk Management Authority (the "Authority").

The Michigan Municipal Risk Management Authority risk pool program operates as a claims servicing pool for amounts up to member retention limits and operates as a common risk-sharing management program for losses in excess of member retention amounts. Although premiums are paid annually to the Authority, which it uses to pay claims up to the retention limits, the ultimate liability for those claims remains with the City.

Note 9 - Risk Management (Continued)

The City estimates the liability for general liability, workers' compensation, and medical claims that have been incurred through the end of the fiscal year, including claims that have been reported and those that have not yet been reported. These estimates are recorded in the Self-insurance Internal Service Fund. The estimated liability for property loss, general liability, workers' compensation, and medical claims is recorded within the governmental activities column in the statement of net position. Changes in the estimated liability for the past two fiscal years were as follows:

	General Liability		Workers' Compensation		Medical Claims	
	2021	2020	2021	2020	2021	2020
Estimated liability - Beginning of year	$ 743,686	$ 833,658	$ 119,462	$ 202,396	$ 594,317	$ 486,935
Estimated claims incurred, including changes in estimates	1,388,977	2,690,495	737,697	288,689	12,181,814	11,516,429
Claim payments	(1,324,378)	(2,780,467)	(649,331)	(371,623)	(11,910,843)	(11,409,047)
Estimated liability - End of year	$ 808,285	$ 743,686	$ 207,828	$ 119,462	$ 865,288	$ 594,317

The City is subject to various legal proceedings and claims that arise in the ordinary course of its business. The City believes that the amount, if any, of ultimate liability with respect to legal actions will be insignificant or will be covered by insurance.

Note 10 - Defined Contribution Pension Plan

The City of Livonia Employees Retirement System Defined Contribution Plan is administered by the City of Livonia Employees Retirement System and the City of Livonia, Michigan. The plan was established under Section 401(a) of the Internal Revenue Code for the following employees:

- General employee members - All members hired on or after March 17, 1997
- Police lieutenant and sergeant members - All members hired on or after December 8, 1997 and that have elected not to participate in the City of Livonia Police and Fire Revised Retirement Plan
- Police officer members - All members hired on or after November 24, 1998 and that have elected not to participate in the City of Livonia Police and Fire Revised Retirement Plan
- Firefighter members - All members hired on or after July 1, 1998 and that have elected not to participate in the City of Livonia Police and Fire Revised Retirement Plan

In addition, the plan covers all employees electing to transfer from the City's defined benefit pension plan (see Note 11).

In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. As established by the City through collective bargaining agreements, the City contributes a percentage of employees' earnings as follows:

	Employees Transferring from the Defined Benefit Pension Plan		New Employees Hired after the Effective Dates Noted Above	
	Employer Contribution	Employee Contribution	Employer Contribution	Employee Contribution
General*	14.00 %	4.50 %	11.00 %	4.50 %
Police lieutenants and sergeants	14.00	5.21	14.00	5.21
Police	14.00	5.00	14.00	5.00
Fire	14.00	4.50	14.00	4.50

*For general employees, the employee contribution can range from 4.00 to 4.50 percent for employees transferring from the defined benefit pension plan and 4.00 to 4.50 percent for new employees hired after March 17, 1997.

Note 10 - Defined Contribution Pension Plan (Continued)

The employee contribution percentages noted above represent the minimum required contribution. Employees are permitted to contribute additional amounts up to the maximum allowed by law.

The City's contributions for each employee are fully vested after four years of service.

In accordance with the above requirements, the City contributed $3,315,139 during the current year, and employees contributed $1,292,962.

Note 11 - Pension Plans

Plan Description

<u>City of Livonia Employees' Retirement System</u>

The City of Livonia Employees Retirement System administers the City of Livonia Employees Retirement System (the "System"), a single-employer defined benefit pension plan that provides retirement, disability, and death benefits to the following employees of the City unless they elected to transfer to the City's 401(a) defined contribution pension plan (see Note 10):

- General employee members - All members hired prior to March 17, 1997 and their beneficiaries
- Police lieutenant and sergeant members - All members hired prior to December 8, 1997 and their beneficiaries
- Police officer members - All members hired prior to November 24, 1998 and their beneficiaries
- Firefighter members - All members hired prior to July 1, 1998 and their beneficiaries

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

Management of the plan is vested in the System's board of trustees, which consists of five members: the mayor or mayor's designated administrative representative, a member of the City Council to be selected by the Council, a member of the Civil Service Commission, a police or fire member to be elected by the police and fire members, and a member of any retirement plan established by city ordinance who is not a police or fire member to be elected by the members of any retirement plan established by city ordinance other than police and fire members.

<u>City of Livonia Police and Fire Revised Retirement Plan</u>

The City of Livonia Police and Fire Revised Retirement Plan administers the City of Livonia Police and Fire Revised Retirement Plan (PFRRP), a single-employer defined benefit pension plan established in 2021 that provides retirement, disability, and death benefits to all police and fire employees of the City that are not eligible for the City of Livonia Employees' Retirement System and elected to participate in the PFRRP instead of the City's 401(a) defined contribution pension plan (see Note 10). Members converting to the PFRRP from the defined contribution plan had a one-time option to purchase between one and three years of service credit in PFRRP.

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

Management of the plan is vested in the same board of trustees as the System.

Benefits Provided

Note 11 - Pension Plans (Continued)

City of Livonia Employees' Retirement System

The System provides retirement, disability, and death benefits as follows:

General Members - Eligible after 30 years of service regardless of age or age 55 with 10 years of service. Permanent part-time general members need only 10 calendar years of membership instead of 10 years of credited service. Pension amount is 2.5 percent of the member's average final compensation (AFC) times years of credited service (maximum is 75 percent of AFC).

Police Officers, Sergeants, and Lieutenants - Eligible after 25 years of service regardless of age or age 52 with 10 years of service. (Age 50 with 10 years but less than 25 years of service - early retirement with reduced benefit of 0.5 percent per month below age 52.) Pension amount is 2.8 percent of the member's average final compensation times the first 24 years of credited service, plus 7.8 percent of AFC for the 25th year of credited service (maximum is 75 percent of AFC).

Police Command - Eligible after 25 years of service regardless of age or age 50 with 10 years of service. (Age 48 with 10 years but less than 25 years of service - early retirement with reduced benefit of 0.5 percent per month below age 50.) Pension amount is 2.8 percent of the member's average final compensation times the years of credited service (maximum is 75 percent of AFC).

Fire Members - Eligible after 25 years of service regardless of age or age 52 with 10 years of service. (Age 50 with 10 years but less than 25 years of service - early retirement with reduced benefit of 0.5 percent per month below age 52.) Pension amount is 2.8 percent of the member's average final compensation times the years of credited service (maximum is 75 percent of AFC).

Average final compensation is the average of the highest annual compensation received during any three years of service contained within the 10 years of service immediately preceding retirement, including base salary, longevity, shift differential, paid time off, holiday pay, and payment of accumulated vacation time up to the limits established by the respective bargaining agreements. In addition, merit pay is included for police members, and paramedic/EMT or ALS bonuses are included for firefighters.

Benefit terms provide for annual cost of living adjustments to each member's retirement allowance subsequent to the member's retirement date. The monthly adjustments vary between $20 and $375 depending on year of retirement and amount of years past retirement.

Plan members are eligible for disability retirement upon termination of city employment by reason of total and permanent disability after completing at least 10 full years of credited service, except that in the event of a duty disability, the 10-year service requirement is waived. Special age and service requirements apply in the calculation of the disability benefit provided.

City of Livonia Police and Fire Revised Retirement Plan

The System provides retirement, disability, and death benefits as follows for all eligible participants: Eligible after 25 years of service regardless of age or age 52 with 15 years of service. Pension amount is 2.5 percent of the member's average final compensation times the years of credited service (maximum is 75 percent of AFC).

Average final compensation is the average of the highest annual compensation received during any three years of service contained within the 10 years of service immediately preceding retirement, including base salary or wages, worker’s compensation wage loss benefits with supplemental pay not to exceed regular base wages, and any other financial compensation from which pension contributions are withheld.

Plan members are eligible for disability retirement upon termination of city employment by reason of total and permanent disability after completing at least 10 full years of credited service, except that in the event of a duty disability, the 10-year service requirement is waived. Special age and service requirements apply in the calculation of the disability benefit provided.

Note 11 - Pension Plans (Continued)

Employees Covered by Benefit Terms

The following members were covered by the benefit terms:

	City of Livonia Employees' Retirement System	City of Livonia Police and Fire Revised Retirement Plan
Date of member count	November 30, 2021	November 30, 2021
Inactive plan members or beneficiaries currently receiving benefits	551	-
Inactive plan members entitled to but not yet receiving benefits	6	1
Active plan members	34	133
Total employees covered by the plan	591	134

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, the System's board of trustees retains an independent actuary to determine the annual contribution. 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. Contribution requirements of plan members are established and may be amended by the board of trustees in accordance with the city charter, union contracts, and plan provisions. For the year ended November 30, 2021, the average active member contribution rate ranged from 3.21 to 7.30 percent of annual pay for the Employee's Retirement System and 4.00 percent for the Police and Fire Revised Retirement System. The funding policy provides for periodic employer contributions at actuarially determined rates.

Net Pension Liability

The City chooses a date for each pension plan to measure its net pension liability. This is based on the measurement date of each pension plan, which may be based on a comprehensive valuation as of that date or based on an earlier valuation that has used procedures to roll the information forward to the measurement date.

	City of Livonia Employees' Retirement System	City of Livonia Police and Fire Revised Retirement Plan
Measurement date used for the City NPL	November 30, 2021	November 30, 2021
Based on a comprehensive actuarial valuation as of	November 30, 2021	November 30, 2021

Note 11 - Pension Plans (Continued)

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

City of Livonia Employees' Retirement System

	Increase (Decrease)		
Changes in Net Pension Liability	Total Pension Liability	Plan Net Position	Net Pension Liability (Asset)
Balance at November 30, 2020	$ 232,814,033	$ 222,607,699	$ 10,206,334
Changes for the year:			
Service cost	997,853	-	997,853
Interest	16,347,439	-	16,347,439
Differences between expected and actual experience	1,562,337	-	1,562,337
Changes in assumptions	1,371,992	-	1,371,992
Contributions - Employer	-	1,948,485	(1,948,485)
Contributions - Employee	-	175,358	(175,358)
Net investment income	-	37,112,851	(37,112,851)
Benefit payments, including refunds	(19,748,739)	(19,748,739)	-
Administrative expenses	-	(255,672)	255,672
Net changes	530,882	19,232,283	(18,701,401)
Balance at November 30, 2021	$ 233,344,915	$ 241,839,982	$ (8,495,067)

The plan's fiduciary net position represents 103.6 percent of the total pension liability.

City of Livonia Police and Fire Revised Retirement Plan

	Increase (Decrease)		
Changes in Net Pension Liability	Total Pension Liability	Plan Net Position	Net Pension Liability (Asset)
Balance at November 30, 2020	$ -	$ -	$ -
Changes for the year:			
Service cost	1,698,114	-	1,698,114
Contributions - Employer	-	1,037,028	(1,037,028)
Contributions - Employee	-	936,427	(936,427)
Administrative expenses	-	(7,300)	7,300
Net changes	1,698,114	1,966,155	(268,041)
Balance at November 30, 2021	$ 1,698,114	$ 1,966,155	$ (268,041)

The plan's fiduciary net position represents 115.8 percent of the total pension liability.

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

For the year ended November 30, 2021, the City recognized pension recovery of $3,040,771 for the Employees' Retirement System and pension expense of $768,990 for the Police and Fire Revised Retirement System..

Note 11 - Pension Plans (Continued)

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

	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	$ (21,801,874)

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

Years Ending November 30	Amount
2022	$ (4,100,323)
2023	(7,764,025)
2024	(5,634,499)
2025	(4,303,027)

Actuarial Assumptions

The total pension liability in each actuarial valuation was determined using the following actuarial assumptions applied to all periods included in the measurement:

	City of Livonia Employees' Retirement System	City of Livonia Police and Fire Revised Retirement Plan
Inflation	2.50 percent	2.50 percent
Salary increases (including inflation)	4.00 percent	6.00 percent
Investment rate of return (net of investment expenses)	7.20 percent	7.00 percent
Mortality rates	Pub-2010 Mortality Table with MP-2021 Generational Improvement	Pub-2010 Mortality Table with MP-2021 Generational Improvement

The actuarial assumptions used in the November 30, 2021 valuations were based on the results of an actuarial experience study performed in 2021.

Discount Rate

As shown below, the discount rate used to measure the total pension liability was determined after considering a projection of the cash flows to determine whether the future contributions (made at the current contribution rates) will be sufficient to allow the pension plans' fiduciary net position to make all projected future benefit payments of current active and inactive employees.

	City of Livonia Employees' Retirement System	City of Livonia Police and Fire Revised Retirement Plan
Assumed investment rate of return	7.20 percent	7.00 percent
Are contributions expected to be sufficient to allow fiduciary net position to pay future benefits?	Yes	Yes
Discount rate used to measure TPL	7.20 percent	7.00 percent

Note 11 - Pension Plans (Continued)

Investment Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The expected rates of return for both plans are as follows:

Asset Class	Long-term Expected Real Rate of Return
Domestic large-cap value stocks	5.70 %
Domestic large-cap growth stocks	5.90
Domestic small-cap value/core stocks	6.10
International stocks	4.80
U.S. core fixed income	1.40
Global fixed income	1.20
High-yield fixed income	3.00
Bank loans	3.00
Real estate (direct)	5.30
Real estate investment trusts	3.40

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the net pension liabilities (assets) of the City, calculated using the current discount rates, as well as what the City's net pension liabilities (assets) would be if they were calculated using discount rates that are 1 percentage point lower (6.20 percent and 6.00 percent for the Employees' Retirement System and the Police and Fire Revised Retirement Plan, respectively) or 1 percentage point higher (8.20 percent and 8.00 percent for the Employees' Retirement System and the Police and Fire Revised Retirement Plan, respectively) than the current rate:

	1 Percentage Point Decrease	Current Discount Rate	1 Percentage Point Increase
Net pension liability (asset) of the City of Livonia Employees' Retirement System	$ 13,899,428	$ (8,495,067)	$ (27,481,564)
Net pension liability (asset) of the City of Livonia Police and Fire Revised Retirement Plan	71,204	(268,041)	(538,752)

Assumption Changes

<u>City of Livonia Employees' Retirement System</u>

In 2021, the discount rate was changed from 7.30 to 7.20 percent and salary increases were lowered from a range of 4.0 through 11.9 percent to a flat 4.0 percent. The mortality table was updated from the Pub-2010 General and Public Safety Public Retirement Plan Mortality Table with MP-2018 Generational Improvement to the Pub-2010 General and Public Safety Public Retirement Plan Mortality Table with MP-2021 Generational Improvement.

Note 11 - Pension Plans (Continued)

Investment Policy

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

The following was the adopted asset allocation policy of both pension plans as of November 30, 2021:

Asset Class	Target Allocation
Cash	2.00 %
Domestic large-cap value stocks	20.00
Domestic large-cap growth stocks	15.00
Domestic small-cap value/core stocks	10.00
International stocks	10.00
U.S. core fixed income	20.00
Global fixed income	5.00
High-yield fixed income	5.00
Bank loans	5.00
Real estate (direct)	4.00
Real estate investment trusts	4.00

Rate of Return

For the year ended November 30, 2021, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 17.81 percent for the Employees' Retirement System. There was no rate of return for the Police and Fire Revised Retirement Plan as the system was funded on November 23, 2021. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Note 12 - Pension Plan Reserves

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

The pension reserve fund (retiree reserve) is to be computed annually by the actuary as the present value of estimated benefit payments for all current retirees. The amounts reserved may be used solely to pay monthly retiree benefit payments.

The pension savings fund (employee reserve) is credited as employee contributions are received throughout the year; the System maintains a record of the amount contributed by each employee and credits interest annually at a rate of 4 percent. For any employee who terminates before vesting in the pension plan, the employee's balance is returned to the employee; for those who stay until retirement, the balance is transferred into the retiree reserve.

The pension accumulation fund (employer reserve) account is used to account for the residual net position balance in the pension plan after funding the above two reserves.

Note 12 - Pension Plan Reserves (Continued)

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

	Required Reserve - Employees' Retirement System	Amount Funded - Employees' Retirement System	Required Reserve - Police and Fire Revised Retirement Plan	Amount Funded - Police and Fire Revised Retirement Plan
Pension reserve fund	$ 196,890,007	$ 196,890,007	$ -	$ -
Pension savings fund	3,426,291	3,426,291	538,475	538,475
Pension accumulation fund	-	41,523,684	-	1,427,680

Note 13 - Other Postemployment Benefit Plan

Plan Description

The board of trustees of the City of Livonia Employees Retirement System administers the City of Livonia Retiree Health and Disability Benefits Plan (the "VEBA"), a multiemployer, cost-sharing defined benefit OPEB plan that is used to provide medical and health care benefits, including hospitalization and disability benefits, for the welfare of eligible retirees and their spouses and eligible dependents of the City of Livonia, Michigan and the Livonia Housing Commission. Most retirees of the defined benefit pension plan and the defined contribution pension plan and their beneficiaries and future retirees who complete 10 years or more of credited service are eligible. Effective December 1, 2009, certain newly hired employees receive a health reimbursement account instead of being eligible for the VEBA. As of November 30, 2012, the plan began to provide Health Reimbursement Savings Accounts (HRSA) to all new hires in lieu of the VEBA medical benefits.

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

Management of the VEBA is vested with the board of trustees of the City of Livonia Employees Retirement System, which consists of five members: the mayor or mayor's designated administrative representative, a member of the City Council to be selected by the City Council, a member of the Civil Service Commission, a police or fire member to be elected by the police and fire members, and a member of any retirement plan established by city ordinance who is not a police or fire member to be elected by the members of any retirement plan established by city ordinance other than police and fire members.

Benefits Provided

The VEBA provides medical and health care benefits, including hospitalization and disability benefits, to eligible retirees and their spouses and eligible dependents. Benefits are provided through a combination of third-party insurers and the City's self-insurance program. Of the total cost of benefits, 100 percent is covered by the VEBA for defined benefit pension plan members, and between 100 and 50 percent of the total cost of the benefits is covered by the VEBA for defined contribution pension plan members, depending on age and service requirements.

Employees Covered by Benefit Terms

The following members were covered by the benefit terms:

Date of member count	November 30, 2021
Inactive plan members or beneficiaries currently receiving benefits	686
Inactive plan members entitled to but not yet receiving benefits	29
Active plan members	583
Total plan members	1,298

Note 13 - Other Postemployment Benefit Plan (Continued)

Contributions

The obligation to contribute to and maintain the VEBA was established by negotiation with certain bargaining units, including general and administrative employees. The funding policy provides for periodic employer contributions at actuarially determined rates per a funding valuation. For the year ended November 30, 2021, the City's average contribution rate was 20.67 percent of covered-employee payroll. Plan members were required to make a contribution of 2 percent beginning on December 1, 2006.

Net OPEB Liability

The City has chosen to use the November 30 measurement date as its measurement date for the net OPEB liability. The November 30, 2021 fiscal year end reported net OPEB liability was determined using a measure of the total OPEB liability and the OPEB net position as of the November 30, 2021 measurement date. The November 30, 2021 measurement date total OPEB liability was determined by an actuarial valuation performed as of that date.

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

	Increase (Decrease)		
Changes in Net OPEB Liability	Total OPEB Liability	Plan Net Position	Net OPEB Liability
Balance at November 30, 2020	$ 207,550,435	$ 122,755,757	$ 84,794,678
Changes for the year:			
Service cost	1,638,292	-	1,638,292
Interest	14,973,640	-	14,973,640
Changes in benefits	5,428,511	-	5,428,511
Differences between expected and actual experience	(6,049,507)	-	(6,049,507)
Changes in assumptions	(10,851,167)	-	(10,851,167)
Contributions - Employer	-	5,529,951	(5,529,951)
Contributions - Employee	-	375,139	(375,139)
Net investment income	-	18,004,346	(18,004,346)
Benefit payments, including refunds	(8,286,693)	(8,286,693)	-
Administrative expenses	-	(53,730)	53,730
Net changes	(3,146,924)	15,569,013	(18,715,937)
Balance at November 30, 2021	$ 204,403,511	$ 138,324,770	$ 66,078,741

The plan's fiduciary net position represents 67.7 percent of the total OPEB liability.

At November 30, 2021, the City reported a liability of $65,659,724 for its proportionate share of the net OPEB liability.

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

For the year ended November 30, 2021, the City recognized an OPEB cost recovery of $9,752,168.

Note 13 - Other Postemployment Benefit Plan (Continued)

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ -	$ 10,358,221
Changes in assumptions	3,554,947	32,209,409
Net difference between projected and actual earnings on OPEB plan investments	-	8,510,697
Total	$ 3,554,947	$ 51,078,327

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

Years Ending November 30	Amount
2022	$ (22,136,694)
2023	(14,577,065)
2024	(5,636,087)
2025	(5,173,534)

Actuarial Assumptions

The total OPEB liability in the November 30, 2021 actuarial valuation was determined using an inflation assumption of 2.50 percent; an investment rate of return (net of investment expenses) of 7.20 percent; a health care cost trend rate of 5.80 percent for 2021, decreasing 0.1 percent per year to an ultimate rate of 5.00 percent for 2030 and later years; and the Pub-2010 General and Public Safety Public Retirement Plan Mortality Table with MP-2020 Generational Improvement. These assumptions were applied to all periods included in the measurement.

Discount Rate

The discount rate used to measure the total OPEB liability at November 30, 2021 was 7.20 percent. This was a change from the discount rate of 7.30 percent used to measure the total OPEB liability at November 30, 2020. The projection of cash flows used to determine the discount rate assumed that city contributions will be made at rates equal to the actuarially determined contribution rates.

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

Note 13 - Other Postemployment Benefit Plan (Continued)

Investment Rate of Return

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and adding expected inflation.

Asset Class	Long-term Expected Real Rate of Return
Domestic large-cap value stocks	5.70 %
Domestic large-cap growth stocks	5.90
Domestic small-cap value/core	6.10
International stocks	4.80
U.S. core fixed income	1.40
Global fixed income	1.20
High-yield fixed income	3.00
Real estate (direct)	5.30
Real estate investment trusts	5.30

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

The following presents the net OPEB liability of the City, calculated using the discount rate of 7.20 percent, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1 Percentage Point Decrease (6.20%)	Current Discount Rate (7.20%)	1 Percentage Point Increase (8.20%)
Net OPEB liability	$ 90,935,359	$ 66,078,741	$ 45,505,497

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

The following presents the net OPEB liability of the City, calculated using the health care cost trend rate of 5.80 percent, decreasing to 5.0 percent, as well as what the City's net OPEB liability would be if it were calculated using a health care cost trend rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1 Percentage Point Decrease (4.8%, Decreasing to 4.0%)	Current Health Care Cost Trend Rate (5.8%, Decreasing to 5.0%)	1 Percentage Point Increase (6.8%, Decreasing to 6.0%)
Net OPEB liability	$ 45,058,704	$ 66,078,741	$ 91,376,361

Assumption Changes

The discount rate was changed from 7.30 to 7.20 percent, and the beginning health care trend rate was changed from 5.9 to 5.8 percent. The mortality table was updated from the Pub-2010 General and Public Safety Public Retirement Plan Mortality Table with MP-2018 Generational Improvement to the Pub-2010 General and Public Safety Public Retirement Plan Mortality Table with MP-2020 Generational Improvement.

Note 13 - Other Postemployment Benefit Plan (Continued)

Investment Policy

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

City of Livonia Retiree Health and Disability Benefits Plan

Asset Class	Target Allocation
Domestic large-cap value stocks	20.00 %
Domestic large-cap growth stocks	15.00
Domestic small-cap value/core stocks	10.00
International stocks	5.00
U.S. core fixed income	30.00
Global fixed income	5.00
High-yield fixed income	5.00
Real estate (direct)	5.00
Real estate investment trusts	5.00

Rate of Return

For the year ended November 30, 2021, the annual money-weighted rate of return on OPEB plan investments, net of OPEB plan investment expense, was 15.32 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Note 14 - Pension and Other Employee Benefits Trust Funds

The following are condensed financial statements for the City's defined benefit pension plans (see Notes 11 and 12) and the postemployment health care plan (see Note 13). The plans do not issue separate financial statements.

	Employees Retirement System	Police and Fire Revised Retirement Plan	VEBA
Statement of Net Position			
Cash and investments	$ 242,497,141	$ 1,798,009	$ 138,365,402
Other assets	290,539	175,446	1,773,491
Liabilities	947,698	7,300	1,814,123
Net position	$ 241,839,982	$ 1,966,155	$ 138,324,770
Statement of Changes in Net Position			
Investment income	$ 37,112,851	$ -	$ 18,004,346
Contributions	2,123,843	1,973,455	5,905,090
Benefit payments	(19,748,739)	-	(8,286,693)
Other decreases	(255,672)	(7,300)	(53,730)
Net change in net position	$ 19,232,283	$ 1,966,155	$ 15,569,013

Note 15 - Tax Abatements

The City uses the industrial facilities tax exemption (PA 198 of 1974) to enter into agreements with local businesses to construct new industrial facilities or rehabilitate historical facilities. Under the program, the City grants reductions of 50 percent of the property tax bill for new property (or it can freeze taxable values for rehabilitation properties) for up to 12 years. For the fiscal year ended November 30, 2021, the City abated $649,552 of taxes under this program. There are no provisions to recapture taxes; however, the abatement may be eliminated if taxes are not paid timely.

The City uses the Commercial Rehabilitation Act exemption (PA 210 of 2005) to provide tax incentives for the rehabilitation of commercial property for the primary purpose and use of a commercial business or multifamily residential facility. The property must be located within an established commercial rehabilitation district. Exemptions are approved for a term of 1 to 10 years, as determined by the City. The property taxes are based upon the previous year's (prior to rehabilitation) taxable value. The taxable value is frozen for the duration of the certificate. For the fiscal year ended November 30, 2021, the City abated $83,850 of taxes under this program. There are no provisions to recapture taxes.

The City also uses the personal property tax relief in distressed communities exemption (PA 328 of 1998) to abate personal property taxes on new investments made by eligible businesses. Under this program, the City grants reductions of 100 percent of the personal property tax bill. For the fiscal year ended November 30, 2021, the City abated $326,123 of taxes under the program. There are no provisions to recapture taxes.

Additionally, the Brownfield Redevelopment Authority, a discretely presented component unit, uses brownfield redevelopment agreements under PA 381 of 1996 to reimburse taxpayers that remediate environmental contamination on their properties. As a result of these agreements, the brownfield's tax revenue is reduced. For the fiscal year ended November 30, 2021, the Brownfield Redevelopment Authority abated $187,001 of taxes under this program. There are no provisions to recapture taxes.

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

Note 16 - Deferred Inflows of Resources

At the end of the current fiscal year, the various components of the governmental funds' deferred inflows of resources are as follows:

	Governmental Funds
Property taxes, special assessments, and other receivables - Unavailable	$ 932,278
State sources - Unavailable	866,448
911 surcharge revenue - Unavailable	413,099
Local Community Stabilization Authority - Unavailable	2,917,933
Grant revenue - Unavailable	101,093
Total deferred inflows	$ 5,230,851

Required Supplemental Information

Required Supplemental Information
Budgetary Comparison Schedule – General Fund

Year Ended November 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenue				
Property Taxes	$ 35,128,300	$ 35,128,300	$ 35,232,130	$ 103,830
Licenses and Permits				
Business	193,700	193,700	163,611	(30,089)
Nonbusiness	2,786,000	2,786,000	2,727,175	(58,825)
Total licenses and permits	2,979,700	2,979,700	2,890,786	(88,914)
Intergovernmental Revenue				
State and local	11,124,404	12,874,404	12,877,784	3,380
Grants	86,100	379,100	355,793	(23,307)
Total intergovernmental revenue	11,210,504	13,253,504	13,233,577	(19,927)
Charges for Services	4,936,967	4,936,967	4,839,577	(97,390)
Interest and Rents	2,853,487	2,853,487	2,453,113	(400,374)
Fines and Forfeitures	4,289,950	2,589,950	2,368,234	(221,716)
Miscellaneous Revenue				
Sale of fixed assets	125,000	125,000	97,645	(27,355)
Other miscellaneous	1,817,094	1,817,094	1,394,482	(422,612)
Total miscellaneous revenue	1,942,094	1,942,094	1,492,127	(449,967)
Total revenue	**$ 63,341,002**	**$ 63,684,002**	**$ 62,509,544**	**$ (1,174,458)**
Expenditures				
General Government				
Legislative:				
City Council	$ 294,142	$ 294,142	$ 283,931	$ 10,211
City Clerk	647,082	652,082	636,490	15,592
Elections	348,186	263,186	244,147	19,039
Total legislative	1,289,410	1,209,410	1,164,568	44,842
Judicial	3,323,235	3,043,235	3,035,824	7,411
Executive - Mayor's office	602,660	602,660	591,113	11,547
Human resources:				
Labor relations	96,500	96,500	82,203	14,297
Civil service	821,138	721,138	678,840	42,298
Total human resources	917,638	817,638	761,043	56,595

	Original Budget	Final Budget	Actual	Variance with Final Budget
Expenditures (Continued)				
General Government (Continued)				
Financial administration:				
Accounting	$ 234,432	$ 234,432	$ 233,199	$ 1,233
Assessing	548,658	548,658	526,434	22,224
Finance	418,272	413,322	407,410	5,912
Independent audit	35,609	40,559	40,532	27
Board of review	3,545	3,545	2,756	789
Treasurer	566,689	566,689	526,493	40,196
Information systems	1,194,503	1,194,503	1,122,203	72,300
Total financial administration	3,001,708	3,001,708	2,859,027	142,681
Other activities:				
Legal	850,822	850,822	840,177	10,645
Communications	488,422	448,422	411,461	36,961
Utilities and supplies	608,247	558,247	463,275	94,972
Dues and subscriptions	51,000	51,000	48,732	2,268
Total other activities	1,998,491	1,908,491	1,763,645	144,846
Total general government	11,133,142	10,583,142	10,175,220	407,922
Public Safety				
Police:				
Traffic bureau	1,215,460	990,460	989,543	917
Administration	2,734,212	2,289,483	2,287,218	2,265
Data processing	853,721	855,721	854,583	1,138
Detective bureau	3,400,555	3,468,555	3,468,542	13
Automotive service	556,150	556,150	500,007	56,143
Communications/Records bureau	973,482	786,482	786,112	370
Crossing guards	70,723	70,723	47,323	23,400
School liaison	411,632	335,632	335,088	544
Office of emergency preparedness	133,515	132,244	123,686	8,558
Reserve police	342,593	342,593	340,235	2,358
Patrol bureau	13,476,216	11,428,216	11,427,763	453
Intelligence bureau	2,372,561	1,793,561	1,779,408	14,153
Total police	26,540,820	23,049,820	22,939,508	110,312
Fire:				
Administration	1,260,045	1,301,081	1,300,967	114
Firefighting	13,357,355	14,245,450	14,245,142	308
Fire prevention	824,309	886,178	886,158	20
Total fire	15,441,709	16,432,709	16,432,267	442

	Original Budget	Final Budget	Actual	Variance with Final Budget
Expenditures (Continued)				
Public Safety (Continued)				
Protective inspection:				
Building Code Board of Appeals	$ 861	$ 861	$ -	$ 861
Inspection	1,685,617	1,595,617	1,475,739	119,878
Total protective inspection	1,686,478	1,596,478	1,475,739	120,739
Other protective - Traffic commission	2,353	2,353	1,491	862
Total public safety	43,671,360	41,081,360	40,849,005	232,355
Public Works				
Public services - Highways, streets, and maintenance:				
Engineering	1,269	3,469	750	2,719
Parks maintenance	1,425,183	1,175,183	1,007,721	167,462
Administration	8,391	6,191	956	5,235
Equipment maintenance	213,125	128,125	394	127,731
Building maintenance	1,598,450	1,683,450	1,562,890	120,560
Street lighting	231,648	231,648	207,993	23,655
Maintenance - Streets	453,716	453,716	444,388	9,328
Total public works	3,931,782	3,681,782	3,225,092	456,690
Parks and Recreation and Cultural				
Parks and recreation:				
Administration	164,486	153,886	153,828	58
Recreation facilities	28,825	48,725	48,695	30
Recreation athletics	89,925	89,825	89,749	76
Total parks and recreation	283,236	292,436	292,272	164
Cultural:				
Senior services	610,066	600,866	555,817	45,049
Greenmead and cultural	917,520	917,520	866,137	51,383
Total cultural	1,527,586	1,518,386	1,421,954	96,432
Total parks and recreation and cultural	1,810,822	1,810,822	1,714,226	96,596
Community and Economic Development				
City Planning Commission	726,945	696,945	649,141	47,804
Zoning Board of Appeals	113,232	113,232	50,318	62,914
Total community and economic development	840,177	810,177	699,459	110,718
Employee Benefits, Insurance, and Other	1,944,410	5,707,410	5,630,508	76,902
Total expenditures	**$ 63,331,693**	**$ 63,674,693**	**$ 62,293,510**	**$ 1,381,183**

Required Supplemental Information
Budgetary Comparison Schedules - Major Special Revenue Funds
Refuse Disposal System

Year Ended November 30, 2021

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Property taxes	$ 10,555,571	$ 10,555,571	$ 10,589,898	$ 34,327
State and local revenue	1,215,680	1,215,680	1,188,922	(26,758)
Charges for services	115,000	115,000	125,787	10,787
Investment income (loss)	75,000	75,000	(13,480)	(88,480)
Other revenue	25,000	25,000	27,173	2,173
Total revenue	11,986,251	11,986,251	11,918,300	(67,951)
Expenditures - Current services - Public works	12,349,582	12,568,466	11,697,361	871,105
Net Change in Fund Balance	(363,331)	(582,215)	220,939	803,154
Fund Balance - Beginning of year	10,014,687	10,014,687	10,014,687	-
Fund Balance - End of year	**$ 9,651,356**	**$ 9,432,472**	**$ 10,235,626**	**$ 803,154**

Required Supplemental Information
Budgetary Comparison Schedules - Major Special Revenue Funds (Continued)
Roads and Sidewalks

Year Ended November 30, 2021

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Property taxes	$ 3,881,175	$ 3,881,175	$ 3,890,875	$ 9,700
State and local revenue	400,866	400,866	436,711	35,845
Investment income (loss)	40,000	40,000	(7,096)	(47,096)
Other revenue:				
Transfers in	7,900,000	7,900,000	7,900,000	-
Other revenue	-	-	543	543
Total revenue	12,222,041	12,222,041	12,221,033	(1,008)
Expenditures - Current services - Public works	12,560,794	14,857,049	11,254,421	3,602,628
Net Change in Fund Balance	(338,753)	(2,635,008)	966,612	3,601,620
Fund Balance - Beginning of year	3,466,133	3,466,133	3,466,133	-
Fund Balance - End of year	**$ 3,127,380**	**$ 831,125**	**$ 4,432,745**	**$ 3,601,620**

Required Supplemental Information
Schedule of Pension Investment Returns
Employees Retirement System

Last Eight Fiscal Years

Years Ended November 30

	2021	2020	2019	2018	2017	2016	2015	2014
Annual money-weighted rate of return - Net of investment expense	17.81 %	10.27 %	12.45 %	(1.66)%	17.45 %	6.50 %	1.40 %	9.60 %

*Schedule is built prospectively upon implementation of GASB 68

Required Supplemental Information
Schedule of Changes in the Net Pension Liability (Asset) and Related Ratios
Employees Retirement System

Last Eight Fiscal Years

	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability								
Service cost	$ 997,853	$ 908,315	$ 1,645,242	$ 1,655,509	$ 1,721,106	$ 1,644,915	$ 1,530,027	$ 1,647,392
Interest	16,347,439	16,419,283	16,950,423	15,849,006	16,209,241	15,949,081	15,607,024	15,516,271
Changes in benefit terms	-	-	-	110,794	-	526,875	-	-
Differences between expected and actual experience	1,562,337	2,210,334	(11,621,805)	990,792	(235,377)	3,014,188	(673,125)	401,554
Changes in assumptions	1,371,992	2,035,532	8,335,763	14,813,206	9,009,758	-	4,763,196	-
Benefit payments, including refunds	(19,748,739)	(19,466,578)	(19,570,956)	(17,886,317)	(18,048,385)	(17,793,928)	(16,223,788)	(16,520,444)
Net Change in Total Pension Liability	530,882	2,106,886	(4,261,333)	15,532,990	8,656,343	3,341,131	5,003,334	1,044,773
Total Pension Liability - Beginning of year	232,814,033	230,707,147	234,968,480	219,435,490	210,779,147	207,438,016	202,434,682	201,389,909
Total Pension Liability - End of year	**$ 233,344,915**	**$ 232,814,033**	**$ 230,707,147**	**$ 234,968,480**	**$ 219,435,490**	**$ 210,779,147**	**$ 207,438,016**	**$ 202,434,682**
Plan Fiduciary Net Position								
Contributions - Employer	$ 1,948,485	$ 1,019,900	$ 432,885	$ 558,568	$ 336,320	$ 815,291	$ 2,158,913	$ 3,634,058
Contributions - Member	175,358	212,251	273,901	308,076	345,164	380,988	386,983	400,503
Net investment income (loss)	37,112,851	22,172,808	25,843,649	(1,636,195)	34,908,239	14,021,405	4,353,881	20,367,342
Administrative expenses	(255,672)	(232,019)	(247,666)	(230,600)	(210,695)	(216,924)	(212,335)	(194,367)
Benefit payments, including refunds	(19,748,739)	(19,466,578)	(19,570,956)	(17,886,317)	(18,048,385)	(17,793,928)	(16,223,788)	(16,520,444)
Net Change in Plan Fiduciary Net Position	19,232,283	3,706,362	6,731,813	(18,886,468)	17,330,643	(2,793,168)	(9,536,346)	7,687,092
Plan Fiduciary Net Position - Beginning of year	222,607,699	218,901,337	212,169,524	231,055,992	213,725,349	216,518,517	226,054,863	218,367,771
Plan Fiduciary Net Position - End of year	**$ 241,839,982**	**$ 222,607,699**	**$ 218,901,337**	**$ 212,169,524**	**$ 231,055,992**	**$ 213,725,349**	**$ 216,518,517**	**$ 226,054,863**
City's Net Pension Liability (Asset) - Ending	**$ (8,495,067)**	**$ 10,206,334**	**$ 11,805,810**	**$ 22,798,956**	**$ (11,620,502)**	**$ (2,946,202)**	**$ (9,080,501)**	**$ (23,620,181)**
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	103.64 %	95.62 %	94.88 %	90.30 %	105.30 %	101.40 %	104.38 %	111.67 %
Covered Payroll	$ 3,303,324	$ 3,997,860	$ 4,579,558	$ 6,446,503	$ 6,682,629	$ 7,625,911	$ 9,070,569	$ 9,312,278
City's Net Pension Liability as a Percentage of Covered Payroll	(257.17)%	255.29 %	257.79 %	353.66 %	(173.89)%	(38.63)%	(100.11)%	(253.65)%

*Schedule is built prospectively upon implementation of GASB 68

Required Supplemental Information
Schedule of Pension Contributions
Employees Retirement System

Last Ten Fiscal Years

Years Ended November 30

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Actuarially determined contribution	$ 1,948,485	$ 1,019,901	$ 432,885	$ -	$ 336,320	$ 815,291	$ 2,158,913	$ 3,634,058	$ 2,082,219	$ 747,119
Contributions in relation to the actuarially determined contribution	1,948,485	1,019,901	432,885	558,568	336,320	815,291	2,158,913	3,634,058	2,082,219	747,119
Contribution Excess	**$ -**	**$ -**	**$ -**	**$ 558,568**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Covered Payroll	$ 3,303,324	$ 3,997,860	$ 4,579,558	$ 6,446,503	$ 6,682,629	$ 7,625,911	$ 9,070,569	$ 9,312,278	$ 9,870,211	$11,282,045
Contributions as a Percentage of Covered Payroll	58.99 %	25.51 %	9.45 %	8.66 %	5.03 %	10.69 %	23.80 %	39.02 %	21.10 %	6.62 %

Notes to Schedule of Pension Contributions

Actuarial valuation information relative to the determination of contributions:

Valuation date — Actuarially determined contribution rates are calculated as of November 30, two years prior to the end of the fiscal year in which the contributions are reported. Covered-employee payroll is as of November 30 of the current fiscal year.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Aggregate
Amortization method	Level dollar
Remaining amortization period	15 years
Asset valuation method	5-year smoothed market
Inflation	4.0 percent
Salary increase	4.0 - 11.9 percent, including inflation
Investment rate of return	7.40 percent
Mortality	RP-2000 Combined Healthy Mortality Table projected to 2014

Required Supplemental Information
Schedule of Pension Investment Returns
Police and Fire Revised Retirement Plan

Last Fiscal Year

Year Ended November 30

	2021
Annual money-weighted rate of return - Net of investment expense	- %

*Schedule is built prospectively upon the creation of the plan. For the year ended November 30, 2021, there was no annual money-weighed rate of return as the plan was funded just days before the end of the fiscal year.

Required Supplemental Information
Schedule of Changes in the Net Pension Liability (Asset) and Related Ratios
Police and Fire Revised Retirement Plan

Last Fiscal Year

	2021
Total Pension Liability	
Service cost	$ 1,698,114
Net Change in Total Pension Liability	1,698,114
Total Pension Liability - Beginning of year	-
Total Pension Liability - End of year	**$ 1,698,114**
Plan Fiduciary Net Position	
Contributions - Employer	$ 1,037,028
Contributions - Member	936,427
Administrative expenses	(7,300)
Net Change in Plan Fiduciary Net Position	1,966,155
Plan Fiduciary Net Position - Beginning of year	-
Plan Fiduciary Net Position - End of year	**$ 1,966,155**
City's Net Pension Liability (Asset) - Ending	**$ (268,041)**
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	115.78 %
Covered Payroll	$ 6,715,276
City's Net Pension Liability as a Percentage of Covered Payroll	(3.99)%

*Schedule is built prospectively upon creation of the plan

Required Supplemental Information
Schedule of Pension Contributions
Police and Fire Revised Retirement Plan

Last Fiscal Year

Year Ended November 30

	2021
Actuarially determined contribution	$ 1,037,028
Contributions in relation to the actuarially determined contribution	1,037,028
Contribution Excess	**$ -**
Covered Payroll	$ 6,715,276
Contributions as a Percentage of Covered Payroll	15.44 %

Notes to Schedule of Pension Contributions

Actuarial valuation information relative to the determination of contributions:

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll
Remaining amortization period	15 years
Asset valuation method	5-year smoothed market
Inflation	2.50 percent
Salary increase	6.00 percent
Investment rate of return	7.00 percent
Mortality	PubS-2010 Employee mortality tables with generational improvements using Scale MP-2021

Required Supplemental Information
Schedule of OPEB Investment Returns

Last Five Fiscal Years

Years Ended November 30

	2021	2020	2019	2018	2017
Annual money-weighted rate of return - Net of investment expense	15.32 %	8.64 %	11.76 %	(2.29)%	16.21 %

*Schedule built prospectively upon implementation of GASB 74/75

See notes to required supplemental information.

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

Last Five Fiscal Years

	2021	2020	2019	2018	2017
Total OPEB Liability					
Service cost	$ 1,638,292	$ 2,753,080	$ 5,782,551	$ 5,181,469	$ 4,381,818
Interest	14,973,640	15,505,638	14,135,767	12,715,690	12,061,649
Changes in benefit terms	5,428,511	-	-	-	-
Differences between expected and actual experience	(6,049,507)	(13,380,004)	(14,440,265)	(14,191,268)	9,974,080
Changes in assumptions	(10,851,167)	538,411	(74,592,646)	51,279,390	24,668,349
Benefit payments, including refunds	(8,286,693)	(9,135,489)	(8,075,351)	(7,708,963)	(7,037,118)
Net Change in Total OPEB Liability	(3,146,924)	(3,718,364)	(77,189,944)	47,276,318	44,048,778
Total OPEB Liability - Beginning of year	207,550,435	211,268,799	288,458,743	241,182,425	197,133,647
Total OPEB Liability - End of year	**$ 204,403,511**	**$ 207,550,435**	**$ 211,268,799**	**$ 288,458,743**	**$ 241,182,425**
Plan Fiduciary Net Position					
Contributions - Employer	$ 5,529,951	$ 5,331,203	$ 4,924,890	$ 4,499,324	$ 5,087,462
Contributions - Active and inactive plan members not yet receiving benefits	375,139	389,287	426,231	473,346	484,737
Net investment income (loss)	18,004,346	10,638,551	12,365,868	(1,556,473)	15,195,332
Administrative expenses	(53,730)	(49,673)	(48,875)	(58,229)	(35,971)
Benefit payments, including refunds	(8,286,693)	(9,135,489)	(8,075,351)	(7,708,963)	(7,037,118)
Net Change in Plan Fiduciary Net Position	15,569,013	7,173,879	9,592,763	(4,350,995)	13,694,442
Plan Fiduciary Net Position - Beginning of year	122,755,757	115,581,878	105,989,115	110,340,110	96,645,668
Plan Fiduciary Net Position - End of year	**$ 138,324,770**	**$ 122,755,757**	**$ 115,581,878**	**$ 105,989,115**	**$ 110,340,110**
Net OPEB Liability - Ending	**$ 66,078,741**	**$ 84,794,678**	**$ 95,686,921**	**$ 182,469,628**	**$ 130,842,315**
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	67.67 %	59.15 %	54.71 %	36.74 %	45.75 %
Covered Payroll	$ 38,631,666	$ 36,744,168	$ 35,774,188	$ 36,890,435	$ 34,729,209
Net OPEB Liability as a Percentage of Covered Payroll	171.05 %	230.77 %	267.47 %	494.63 %	376.75 %

*Schedule is built prospectively upon implementation of GASB 74/75

Required Supplemental Information
Schedule of OPEB Contributions

Last Ten Fiscal Years

Years Ended November 30

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Actuarially determined contribution	$ 4,031,442	$ 3,251,858	$ 4,054,515	$ 4,018,307	$ 4,517,014	$ 5,108,040	$ 5,907,902	$ 7,066,283	$ 7,078,024	$ 7,086,251
Contributions in relation to the actuarially determined contribution	5,529,951	5,331,203	4,924,890	4,499,324	5,087,462	4,665,664	5,361,926	6,388,086	6,443,612	6,399,781
Contribution Excess (Deficiency)	**$ 1,498,509**	**$ 2,079,345**	**$ 870,375**	**$ 481,017**	**$ 570,448**	**$ (442,376)**	**$ (545,976)**	**$ (678,197)**	**$ (634,412)**	**$ (686,470)**
Covered Payroll	$ 38,631,666	$ 36,744,168	$ 35,774,188	$ 36,890,435	$ 34,729,209	$ 31,408,000	$ 30,560,000	$ 30,964,000	$ 32,871,000	$ 34,062,000
Contributions as a Percentage of Covered Payroll	14.31 %	14.51 %	13.77 %	12.20 %	14.65 %	14.86 %	17.55 %	20.63 %	19.60 %	18.79 %

Notes to Schedule of Contributions

Actuarial valuation information relative to the determination of contributions:

Valuation date	Actuarially determined contribution rates are calculated as of November 30 for the fiscal year in which the contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, closed
Remaining amortization period	28 years
Asset valuation method	Market value
Inflation	2.5 percent
Health care cost trend rates	5.8 percent, decreasing 0.1 percent per year to 5.0 percent
Salary increase	4.0 to 14.0 percent
Investment rate of return	7.20 percent
Mortality	Pub-2010 General and Public Safety Public Retirement Plan Mortality Table with MP-2020 Generational Improvement

See notes to required supplemental information.

Reconciliation of Budgeted Amounts to Basic Financial Statements

The budgetary comparison schedules for the General Fund and major special revenue funds are presented on the same basis of accounting used in preparing the adopted budget. The following is a reconciliation of the General Fund budgetary comparison schedule to the governmental funds statement of revenue, expenditures, and changes in fund balances:

	Total Revenue	Total Expenditures
Amounts per operating statement	$ 62,059,544	$ 59,335,107
Operating transfers budgeted as expenditures	-	2,508,403
Reimbursing transfer budgeted as revenue	450,000	450,000
Amounts per budget statement	$ 62,509,544	$ 62,293,510

The following is a reconciliation of the Roads and Sidewalks Fund budgetary comparison schedule to the governmental funds statement of revenue, expenditures, and changes in fund balance:

	Total Revenue	Total Expenditures
Amounts per operating statement	$ 4,321,033	$ 11,254,421
Operating transfers budgeted as revenue	7,900,000	-
Amounts per budget statement	$ 12,221,033	$ 11,254,421

Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund and all special revenue funds, except that operating transfers and debt proceeds have been included in the revenue and expenditures categories, rather than as other financing sources (uses). All annual appropriations lapse at fiscal year end; encumbrances are not included as expenditures. During the year, the budget was amended in a legally permissible manner.

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. On or before September 15, the mayor submits to the City Council a proposed operating budget for the fiscal year commencing the following December 1. The operating budget includes proposed expenditures and the means of financing them.

2. Public hearings are conducted to obtain citizen comments.

3. As provided for by the City Charter, no later than November 1, the City Council shall adopt the budget through the passage of a budget resolution and transmit the budget to the mayor. No later than November 15, the mayor shall either approve or disapprove the adopted budget, in whole or in part.

4. The legislative budget is adopted at a functional level for the General Fund and at the fund level for other governmental and proprietary funds. The budget document presents information by fund, function, department, and line items. Management may amend the budget at a detail level within the legislative summary constraints. Appropriations that exceed the summary budget constraints require City Council approval.

Pension Information

Changes in Assumptions

In 2021, the discount rate was changed from 7.30 to 7.20 percent and salary increases were lowered from a range of 4.0 through 11.9 percent to a flat 4.0 percent. The mortality table was updated from the Pub-2010 General and Public Safety Public Retirement Plan Mortality Table with MP-2018 Generational Improvement to the Pub-2010 General and Public Safety Public Retirement Plan Mortality Table with MP-2021 Generational Improvement.

In 2020, the discount rate was changed from 7.40 to 7.30 percent and assumed inflation was changed from 4.0 to 2.5 percent.

In 2019, the discount rate was changed from 7.38 to 7.40 percent. The mortality table was updated from the RP-2014 Healthy Annuitant Mortality Table with MP-2017 to the Pub-2010 General and Public Safety Public Retirement Plan Mortality Table with MP-2018 Generational Improvement.

In 2018, the discount rate was changed from 7.50 to 7.38 percent. The mortality table was updated from the RP-2000 Combined Healthy Mortality Table projected to 2014 (Scale AA) to the RP-2014 Healthy Annuitant Mortality Table with MP-2017.

In 2017, the discount rate was changed from 8.00 to 7.50 percent.

In 2015, the mortality table was change from the 1983 Group Annuity Mortality Table to the RP-2000 Combined Healthy Annuitant Mortality Table projected to 2014. The rates of retirement for all participants and the rates of withdrawal for police were changed based on an experience study.

OPEB Information

Changes in Assumptions

In 2021, the discount rate was changed from 7.30 to 7.20 percent, and the beginning health care trend rate was changed from 5.9 to 5.8 percent. The mortality table was updated from the Pub-2010 General and Public Safety Public Retirement Plan Mortality Table with MP-2018 Generational Improvement to the Pub-2010 General and Public Safety Public Retirement Plan Mortality Table with MP-2020 Generational Improvement.

In 2020, the discount rate was changed from 7.40 to 7.30 percent, assumed inflation was changed from 4.0 to 2.5 percent, and the beginning health care trend rate was changed from 6.0 to 5.9 percent.

In 2019, the discount rate was changed from 4.92 to 7.40 percent. The mortality table was updated from the RP-2014 Table with MP-2017 to the Pub-2010 General and Public Safety Public Retirement Plan Mortality Table with MP-2018 Generational Improvement.

In 2018, the discount rate was changed from 5.3 to 4.92 percent. The mortality table was updated from the RP-2000 Combined Healthy Mortality Table projected to 2014 (Scale AA) to the RP-2014 Table with MP-2017.

In 2017, the discount rate was changed from 6.16 to 5.3 percent.

Other Supplemental Information

	Special Revenue Funds									
	Major Streets	Local Streets	Community Recreation	Grants	SAD Street Lighting	Cable Television	Library	Public Safety Communication	Adjudicated Forfeitures	Community Transit
Assets										
Cash and investments	$ 2,049,592	$ 757,298	$ 4,934,942	$ 567,038	$ 893,694	$ 856,047	$ 5,253,364	$ 3,747,591	$ 2,229,799	$ 1,392,584
Accounts receivable:										
Property taxes	-	-	4,760	-	-	-	4,901	-	-	3,030
Special assessments	-	-	-	-	-	-	-	-	-	-
Due from other governmental units	1,272,051	483,850	180,528	96,428	-	-	179,882	-	-	111,192
Other	6,994	-	-	98,153	-	14,860	-	413,099	-	13,864
Prepaid expenses	-	-	-	-	-	-	-	-	-	-
Total assets	**$ 3,328,637**	**$ 1,241,148**	**$ 5,120,230**	**$ 761,619**	**$ 893,694**	**$ 870,907**	**$ 5,438,147**	**$ 4,160,690**	**$ 2,229,799**	**$ 1,520,670**
Liabilities										
Accounts payable	$ 49,117	$ -	$ 100,549	$ 114,341	$ -	$ 205	$ 25,973	$ -	$ -	$ 1,889
Accrued and other liabilities	-	-	51,852	23,379	-	9,707	97,702	2,215	-	12,575
Unearned revenue	-	-	547,168	429,727	-	-	-	-	-	-
Due to fiduciary funds	-	-	-	-	-	-	27,512	-	-	-
Total liabilities	49,117	-	699,569	567,447	-	9,912	151,187	2,215	-	14,464
Deferred Inflows of Resources - Unavailable revenue	-	-	179,081	101,093	-	-	184,400	413,099	-	113,984
Total liabilities and deferred inflows of resources	49,117	-	878,650	668,540	-	9,912	335,587	415,314	-	128,448
Fund Balances										
Nonspendable	-	-	-	-	-	-	-	-	-	-
Restricted:										
Streets, roads, and sidewalks	3,279,520	1,241,148	-	-	-	-	-	-	-	-
Adjudicated forfeitures	-	-	-	-	-	-	-	-	2,229,799	-
Grants	-	-	-	93,079	-	-	-	-	-	-
Capital improvements	-	-	-	-	-	-	-	-	-	-
Community recreation	-	-	4,241,580	-	-	-	-	-	-	-
Street lighting	-	-	-	-	893,694	-	-	-	-	-
Library	-	-	-	-	-	-	5,102,560	-	-	-
Public safety communication	-	-	-	-	-	-	-	3,745,376	-	-
Community transit	-	-	-	-	-	-	-	-	-	1,392,222
Designated purpose	-	-	-	-	-	-	-	-	-	-
Committed:										
Cable access television	-	-	-	-	-	860,995	-	-	-	-
Arts Commission	-	-	-	-	-	-	-	-	-	-
Historical Commission	-	-	-	-	-	-	-	-	-	-
Assigned:										
Golf course capital improvements	-	-	-	-	-	-	-	-	-	-
Building improvements	-	-	-	-	-	-	-	-	-	-
Court building improvements	-	-	-	-	-	-	-	-	-	-
Total fund balances	3,279,520	1,241,148	4,241,580	93,079	893,694	860,995	5,102,560	3,745,376	2,229,799	1,392,222
Total liabilities, deferred inflows of resources, and fund balances	**$ 3,328,637**	**$ 1,241,148**	**$ 5,120,230**	**$ 761,619**	**$ 893,694**	**$ 870,907**	**$ 5,438,147**	**$ 4,160,690**	**$ 2,229,799**	**$ 1,520,670**

Other Supplemental Information
Combining Balance Sheet
Nonmajor Governmental Funds

November 30, 2021

Special Revenue Funds			Debt Service Funds			Capital Project Funds					
Designated Purpose	Historical Commission	Arts Commission Fund	2015 MBA Refunding	2016 MBA Refunding	2017 MBA Refunding	Golf Course Capital Improvement	Capital Improvement	Special Assessments	Court Building Improvements	Building Improvement Fund	Total Nonmajor Governmental Funds
$ 505,690	$ 333,562	$ 84,485	$ -	$ -	$ -	$ 221,749	$ 8,732,950	$ 1,104,214	$ 359,378	$ 4,674,877	$ 38,698,854
-	-	-	-	-	-	-	-	-	-	-	12,691
-	-	-	-	-	-	-	-	211,994	-	-	211,994
-	-	-	-	-	-	-	-	-	-	-	2,323,931
-	-	-	-	-	-	-	-	-	-	-	546,970
-	-	-	-	-	-	-	607,143	-	-	-	607,143
$ 505,690	**$ 333,562**	**$ 84,485**	**$ -**	**$ -**	**$ -**	**$ 221,749**	**$ 9,340,093**	**$ 1,316,208**	**$ 359,378**	**$ 4,674,877**	**$ 42,401,583**
$ 1,171	$ -	$ 158	$ -	$ -	$ -	$ -	$ 61,230	$ 31,675	$ -	$ -	$ 386,308
152,453	24,891	-	-	-	-	-	-	-	-	-	374,774
-	-	-	-	-	-	-	-	-	-	-	976,895
-	-	-	-	-	-	-	-	-	-	-	27,512
153,624	24,891	158	-	-	-	-	61,230	31,675	-	-	1,765,489
-	-	-	-	-	-	-	-	181,705	-	-	1,173,362
153,624	24,891	158	-	-	-	-	61,230	213,380	-	-	2,938,851
-	-	-	-	-	-	-	607,143	-	-	-	607,143
-	-	-	-	-	-	-	-	-	-	-	4,520,668
-	-	-	-	-	-	-	-	-	-	-	2,229,799
-	-	-	-	-	-	-	-	-	-	-	93,079
-	-	-	-	-	-	-	8,671,720	1,102,828	-	-	9,774,548
-	-	-	-	-	-	-	-	-	-	-	4,241,580
-	-	-	-	-	-	-	-	-	-	-	893,694
-	-	-	-	-	-	-	-	-	-	-	5,102,560
-	-	-	-	-	-	-	-	-	-	-	3,745,376
-	-	-	-	-	-	-	-	-	-	-	1,392,222
352,066	-	-	-	-	-	-	-	-	-	-	352,066
-	-	-	-	-	-	-	-	-	-	-	860,995
-	-	84,327	-	-	-	-	-	-	-	-	84,327
-	308,671	-	-	-	-	-	-	-	-	-	308,671
-	-	-	-	-	-	221,749	-	-	-	-	221,749
-	-	-	-	-	-	-	-	-	-	4,674,877	4,674,877
-	-	-	-	-	-	-	-	-	359,378	-	359,378
352,066	308,671	84,327	-	-	-	221,749	9,278,863	1,102,828	359,378	4,674,877	39,462,732
$ 505,690	**$ 333,562**	**$ 84,485**	**$ -**	**$ -**	**$ -**	**$ 221,749**	**$ 9,340,093**	**$ 1,316,208**	**$ 359,378**	**$ 4,674,877**	**$ 42,401,583**

	Special Revenue Funds									
	Major Streets	Local Streets	Community Recreation	Grants	SAD Street Lighting	Cable Television	Library	Public Safety Communication	Adjudicated Forfeitures	Community Transit
Revenue										
Property taxes	$ -	$ -	$ 3,438,964	$ -	$ -	$ -	$ 3,539,156	$ -	$ -	$ 580,269
Special assessments	-	-	-	-	1,280,546	-	-	-	-	-
Intergovernmental:										
Federal revenue	-	-	-	1,573,151	-	-	6,839	-	7,825	-
State and local revenue	8,501,180	3,222,517	459,367	296,074	-	-	584,114	-	-	362,977
Charges for services	-	-	2,810,138	-	-	-	4,499	417,939	-	29,795
Fines and forfeitures	-	-	-	-	-	-	14,014	-	282,998	-
Investment (loss) income	(3,090)	(1,065)	(6,065)	-	(1,023)	(951)	(6,322)	(4,752)	(2,404)	(1,493)
Other revenue	24	33	76,900	-	-	396,242	29,525	-	1,465	16,720
Total revenue	8,498,114	3,221,485	6,779,304	1,869,225	1,279,523	395,291	4,171,825	413,187	289,884	988,268
Expenditures										
Current services:										
Public safety	-	-	-	835,425	-	-	-	872,757	186,893	-
Public works	1,854,629	2,662,632	-	-	1,147,765	-	-	-	-	-
Community and economic development	-	-	-	948,179	-	-	-	-	-	-
Recreation and culture	-	-	4,864,424	-	-	452,799	3,705,716	-	-	616,207
Capital outlay	-	-	-	-	-	-	-	-	-	-
Debt service:										
Principal retirement	-	-	-	-	-	-	-	-	-	-
Interest and other	-	-	-	-	-	-	-	-	-	-
Total expenditures	1,854,629	2,662,632	4,864,424	1,783,604	1,147,765	452,799	3,705,716	872,757	186,893	616,207
Excess of Revenue Over (Under) Expenditures	6,643,485	558,853	1,914,880	85,621	131,758	(57,508)	466,109	(459,570)	102,991	372,061
Other Financing Sources (Uses)										
Transfers in	-	7,200,000	-	17,573	-	-	-	-	-	-
Transfers out	(7,200,000)	(7,900,000)	(2,178,308)	-	-	-	-	-	-	-
Total other financing (uses) sources	(7,200,000)	(700,000)	(2,178,308)	17,573	-	-	-	-	-	-
Net Change in Fund Balances	(556,515)	(141,147)	(263,428)	103,194	131,758	(57,508)	466,109	(459,570)	102,991	372,061
Fund Balances - Beginning of year	3,836,035	1,382,295	4,505,008	(10,115)	761,936	918,503	4,636,451	4,204,946	2,126,808	1,020,161
Fund Balances - End of year	**$ 3,279,520**	**$ 1,241,148**	**$ 4,241,580**	**$ 93,079**	**$ 893,694**	**$ 860,995**	**$ 5,102,560**	**$ 3,745,376**	**$ 2,229,799**	**$ 1,392,222**

Year Ended November 30, 2021

Special Revenue Funds			Debt Service Funds			Capital Projects Funds					
Designated Purpose	Historical Commission	Arts Commission Fund	2015 MBA Refunding	2016 MBA Refunding	2017 MBA Refunding	Golf Course Capital Improvement	Capital Improvement	Special Assessments	Court Building Improvements	Building Improvement Fund	Total Nonmajor Governmental Funds
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,607,245	$ -	$ -	$ -	$ 9,165,634
-	-	-	-	-	-	-	-	159,935	-	-	1,440,481
-	-	-	-	-	-	-	-	-	-	-	1,587,815
-	-	-	-	-	-	-	-	-	-	-	13,426,229
-	3,689	-	-	-	-	146,941	-	-	-	-	3,413,001
-	-	-	-	-	-	-	-	-	216,201	-	513,213
-	(394)	(95)	-	-	-	(291)	(9,385)	1,140	(489)	(3,718)	(40,397)
95,076	137,637	12,678	-	-	-	-	22,066	-	-	-	788,366
95,076	140,932	12,583	-	-	-	146,650	1,619,926	161,075	215,712	(3,718)	30,294,342
-	-	-	-	-	-	-	-	-	-	-	1,895,075
-	-	-	-	-	-	-	-	-	-	-	5,665,026
-	-	-	-	-	-	-	-	-	-	-	948,179
35,905	64,557	12,319	-	-	-	-	-	-	-	-	9,751,927
-	-	-	-	-	-	112,388	1,679,332	192,119	-	27,302	2,011,141
-	-	-	165,000	335,000	1,370,000	-	-	-	-	-	1,870,000
-	-	-	19,457	216,000	623,850	-	-	-	-	-	859,307
35,905	64,557	12,319	184,457	551,000	1,993,850	112,388	1,679,332	192,119	-	27,302	23,000,655
59,171	76,375	264	(184,457)	(551,000)	(1,993,850)	34,262	(59,406)	(31,044)	215,712	(31,020)	7,293,687
-	-	-	184,457	551,000	1,993,850	-	1,095,831	-	-	1,395,000	12,437,711
-	-	-	-	-	-	-	-	-	(551,000)	-	(17,829,308)
-	-	-	184,457	551,000	1,993,850	-	1,095,831	-	(551,000)	1,395,000	(5,391,597)
59,171	76,375	264	-	-	-	34,262	1,036,425	(31,044)	(335,288)	1,363,980	1,902,090
292,895	232,296	84,063	-	-	-	187,487	8,242,438	1,133,872	694,666	3,310,897	37,560,642
$ 352,066	**$ 308,671**	**$ 84,327**	**$ -**	**$ -**	**$ -**	**$ 221,749**	**$ 9,278,863**	**$ 1,102,828**	**$ 359,378**	**$ 4,674,877**	**$ 39,462,732**

Other Supplemental Information
Combining Statement of Fiduciary Net Position
Fiduciary Funds

November 30, 2021

	Pension and Other Employee Benefit Trust Funds				Custodial Funds					
	Employees Retirement System	Police and Fire Revised Retirement Plan	VEBA	Total	Special Trust Fund	Undistributed Tax Fund	Special Operation Team	Western Wayne Mobile Field Force Team	District Court Fund	Total
Assets										
Cash and cash equivalents	$ 356,904	$ -	$ 129,669	$ 486,573	$ 319,490	$ 5,489,568	$ 72,654	$ 28,306	$ 896,947	$ 6,806,965
Investments:										
U.S. government securities	6,094,311	-	8,101,370	14,195,681	-	-	-	-	-	-
Collateralized mortgage obligations	2,701,729	-	3,344,931	6,046,660	-	-	-	-	-	-
Common stocks	132,437,748	1,798,009	66,317,832	200,553,589	-	-	-	-	-	-
Corporate bonds	7,249,974	-	7,813,502	15,063,476	-	-	-	-	-	-
Real estate investment trust	1,884,990	-	923,169	2,808,159	-	-	-	-	-	-
Foreign bonds	548,945	-	1,145,753	1,694,698	-	-	-	-	-	-
Mutual funds	91,222,540	-	50,589,176	141,811,716	-	-	-	-	-	-
Accounts receivable	100,701	-	1,722,966	1,823,667	-	-	-	-	-	-
Due from primary government	182,538	175,446	50,525	408,509	-	-	-	-	-	-
Due from other funds	7,300	-	-	7,300	-	-	-	-	-	-
Total assets	242,787,680	1,973,455	140,138,893	384,900,028	319,490	5,489,568	72,654	28,306	896,947	6,806,965
Liabilities										
Accounts payable	909,422	-	1,487,443	2,396,865	3,909	-	-	-	-	3,909
Due to other governmental units	38,276	-	-	38,276	-	5,489,568	6,199	-	61,915	5,557,682
Due to primary government	-	-	326,680	326,680	-	-	-	-	-	-
Due to other funds	-	7,300	-	7,300	-	-	-	-	-	-
Bonds and other deposits	-	-	-	-	315,581	-	-	-	136,467	452,048
Total liabilities	947,698	7,300	1,814,123	2,769,121	319,490	5,489,568	6,199	-	198,382	6,013,639
Net Position										
Restricted:										
Pension	241,839,982	1,966,155	-	243,806,137	-	-	-	-	-	-
Postemployment benefits other than pension	-	-	138,324,770	138,324,770	-	-	-	-	-	-
Individuals, organizations, and other governments	-	-	-	-	-	-	66,455	28,306	698,565	793,326
Total net position	**$ 241,839,982**	**$ 1,966,155**	**$ 138,324,770**	**$ 382,130,907**	**$ -**	**$ -**	**$ 66,455**	**$ 28,306**	**$ 698,565**	**$ 793,326**

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

Year Ended November 30, 2021

	Pension and Other Employee Benefit Trust Funds				Custodial Funds					
	Employees Retirement System	Police and Fire Revised Retirement Plan	VEBA	Total	Special Trust Fund	Undistributed Tax Fund	Special Operation Team	Western Wayne Mobile Field Force Team	District Court Fund	Total
Additions										
Investment income (loss):										
Interest and dividends	$ 4,317,014	$ -	$ 2,822,785	$ 7,139,799	$ -	$ 16	$ (95)	$ (38)	$ 162	$ 45
Net increase in fair value of investments	33,444,992	-	15,558,336	49,003,328	-	-	-	-	-	-
Investment costs	(649,155)	-	(376,775)	(1,025,930)	-	-	-	-	-	-
Net investment income (loss)	37,112,851	-	18,004,346	55,117,197	-	16	(95)	(38)	162	45
Contributions:										
Employer	1,948,485	1,037,028	5,529,951	8,515,464	-	-	-	-	-	-
Employee	175,358	936,427	375,139	1,486,924	-	-	-	-	-	-
Total contributions	2,123,843	1,973,455	5,905,090	10,002,388	-	-	-	-	-	-
Collections for other governments	-	-	-	-	279,494	147,606,679	84,000	30,000	-	148,000,173
Fines and fees	-	-	-	-	-	-	-	-	923,133	923,133
Bond receipts	-	-	-	-	-	-	-	-	61,062	61,062
Restitutions, judgments, and other	-	-	-	-	-	-	-	-	146,390	146,390
Property tax collections for other governments	-	-	-	-	-	-	-	-	239,794	239,794
Total additions	39,236,694	1,973,455	23,909,436	65,119,585	279,494	147,606,695	83,905	29,962	1,370,541	149,370,597
Deductions										
Pension benefit payments	19,070,223	-	-	19,070,223	-	-	-	-	-	-
Medical benefit payments	-	-	8,099,503	8,099,503	-	-	-	-	-	-
Disability benefit payments	-	-	187,190	187,190	-	-	-	-	-	-
Refunds of contributions	678,516	-	-	678,516	-	-	-	-	-	-
Administrative expenses	255,672	7,300	53,730	316,702	-	-	-	-	-	-
Disbursements to other governments	-	-	-	-	279,494	147,606,695	81,135	1,656	923,223	148,892,203
Bond forfeitures	-	-	-	-	-	-	-	-	61,062	61,062
Restitutions, judgments, and other refunds	-	-	-	-	-	-	-	-	259,084	259,084
Volunteer work program and civil drug fund	-	-	-	-	-	-	-	-	146,390	146,390
Total deductions	20,004,411	7,300	8,340,423	28,352,134	279,494	147,606,695	81,135	1,656	1,389,759	149,358,739
Net Increase in Fiduciary Net Position	19,232,283	1,966,155	15,569,013	36,767,451	-	-	2,770	28,306	(19,218)	11,858
Net Position - Beginning of year	222,607,699	-	122,755,757	345,363,456	-	-	63,685	-	717,783	781,468
Net Position - End of year	**$ 241,839,982**	**$ 1,966,155**	**$ 138,324,770**	**$ 382,130,907**	**$ -**	**$ -**	**$ 66,455**	**$ 28,306**	**$ 698,565**	**$ 793,326**

City of Livonia, Michigan

Federal Awards Supplemental Information

November 30, 2021

Contents

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

Independent Auditor's Report

To the City Council
City of Livonia, Michigan

We have audited the 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 Livonia, Michigan (the "City") as of and for the year ended November 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated May 25, 2022, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements. We have not performed any procedures with respect to the audited financial statements subsequent to May 25, 2022.

The accompanying schedule of expenditures of federal awards and the reconciliation of financial statements federal revenue with schedule of expenditures of federal awards are presented for the purpose of additional analysis as required by the Uniform Guidance and are 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

May 25, 2022

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Independent Auditor's Report

To Management and the City Council
City of Livonia, Michigan

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the 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 Livonia, Michigan (the "City") as of and for the year ended November 30, 2021 and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated May 25, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Livonia, Michigan's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Livonia, Michigan's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

May 25, 2022

Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance

Independent Auditor's Report

To the City Council
City of Livonia, Michigan

Report on Compliance for Each Major Federal Program

We have audited the City of Livonia, Michigan's (the "City") compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement that could have a direct and material effect on the City's major federal program for the year ended November 30, 2021. The City's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal program.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the City's major federal program based on our audit of the types of compliance requirements referred to above.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Livonia, Michigan's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the City of Livonia, Michigan's compliance.

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the major federal program for the year ended November 30, 2021.

Report on Internal Control Over Compliance

Management of the City of Livonia, Michigan is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Livonia, Michigan's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

To the City Council
City of Livonia, Michigan

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

May 25, 2022

Schedule of Expenditures of Federal Awards

Year Ended November 30, 2021

Federal Agency/Pass-through Agency/Program Title	Assistance Listing Number	Pass-through Entity Identifying Number	Total Amount Provided to Subrecipients	Federal Expenditures
U.S. Department of Agriculture - Food Distribution Cluster - Passed through the Wayne Metropolitan Community Services Agency - Emergency Food Assistance Program (Food Commodities)	10.569	N/A	$ -	$ 41,437
U.S. Department of Housing and Urban Development:				
Community Development Block Grant - Entitlement Grants Cluster:				
Program year 2021	14.218	N/A	-	454,041
Program year 2020	14.218	N/A	26,920	333,785
COVID-19 - CDBG Entitlement Grant	14.218	N/A	-	90,758
Total CDBG Entitlement Grants			26,920	878,584
Passed through Wayne County, Michigan - HOME Investment Partnership Program - Program year 2021	14.239	N/A	-	69,596
Total U.S. Department of Housing and Urban Development			26,920	948,180
U.S. Department of Justice:				
Federal Equitable Sharing Program	16.922		-	88,820
U.S. Marshals - Detroit Fugitive Apprehension Task Force	16.unknown		-	7,565
Federal Bureau of Investigation - Drug Enforcement Task Force	16.unknown		-	4,752
Federal Bureau of Investigation - Detroit Major Crimes Task Force	16.unknown		-	14,257
COVID-19 - Coronavirus Emergency Supplemental Funding Program	16.034		-	11,804
Passed through Wayne County, Michigan - 2019 Edward Byrne Memorial Justice Assistance Grant	16.738	DJ-BX-0930	-	8,604
Total U.S. Department of Justice			-	135,802
U.S. Department of Transportation:				
Highway Safety Cluster - Passed through the Michigan Office of Highway Safety - State and Community Highway Safety - Belt Enforcement	20.600	PT-19-7	-	6,014
Transit Services Programs Cluster - Enhanced Mobility of Seniors and Individuals with Disabilities - Section 5310	20.513	N/A	-	24,261
COVID-19 - Federal Transit Cluster - Urbanized Area Formula Program - Section 5307	20.507	N/A	-	19,904
Total U.S. Department of Transportation			-	50,179
U.S. Department of Treasury:				
Passed through Michigan Department of Treasury -				
Coronavirus Aid, Relief, and Economic Security Act:				
COVID-19 - Coronavirus Relief Fund (PSPHPRP)	21.019	N/A	-	231,409
COVID-19 - Coronavirus State and Local Fiscal Recovery Fund	21.027	N/A	-	393,999
Total U.S. Department of Treasury			-	625,408

See notes to schedule of expenditures of federal awards.

Schedule of Expenditures of Federal Awards (Continued)

Year Ended November 30, 2021

Federal Agency/Pass-through Agency/Program Title	Assistance Listing Number	Pass-through Entity Identifying Number	Total Amount Provided to Subrecipients	Federal Expenditures
National Endowment For the Humanities -				
Passed through the Michigan Department of Education				
Grants to States	45.310		$ -	$ 2,331
COVID-19 - Grants to States	45.310	N/A	-	3,456
Total National Endowment For the Humanities			-	5,787
U.S. Department of Environmental Protection Agency -				
Passed through the Michigan Department of Environmental Quality -				
Drinking Water State Revolving Fund Cluster - Capitalization Grants for Drinking Water State Revolving Funds	66.468	7453-01	-	7,332
U.S. Election Assistance Commission -				
Passed through Michigan Department of State -				
COVID-19 - 2018 HAVA Election Security Grants	90.404		-	604
U.S. Department of Health and Human Services -				
COVID-19 - Provider Relief Funding	93.498		-	58,596
U.S. Department of Homeland Security:				
Passed through the Michigan Department of State Police				
2020 Emergency Management Performance Grant	97.042		-	30,014
COVID-19 - Public Assistance Grant Program	97.036		-	61,783
Total U.S Department of Homeland Security			-	91,797
Total federal awards			**$ 26,920**	**$ 1,965,122**

See notes to schedule of expenditures of federal awards.

Reconciliation of Basic Financial Statements Federal Revenue with Schedule of Expenditures of Federal Awards

Year Ended November 30, 2021

Revenue from federal sources - As reported on financial statements (includes all funds)	$ 1,881,007
Program income in excess of expenditures	(28,290)
Add value of noncash assistance	41,437
Federal expenditures in excess of current year revenue	80,997
Funds to be reported on FY 2021 SEFA per the compliance supplement	58,596
Add value of loans received	7,332
Deferred revenue not reported for year ended November 30, 2020	(177,050)
Deferred revenue not reported for year ended November 30, 2021	101,093
Federal expenditures per the schedule of expenditures of federal awards	**$ 1,965,122**

Notes to Schedule of Expenditures of Federal Awards

Year Ended November 30, 2021

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal grant activity of City of Livonia, Michigan (the “City”) under programs of the federal government for the year ended November 30, 2021. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the “Uniform Guidance”). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported in the Schedule are reported on the same basis of accounting as the financial statements with the exception of the expenditures related to CFDA 66.468, *Capitalization Grants for Drinking Water State Revolving Funds (DWSRF) program*. The DWSRF expenditures are reported on cash basis in accordance with the subrecipient reporting guidelines outlined in the 2021 OMB Compliance Supplement for CFDA 66.468.

Such expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement, except for expenditures related to CFDA 21.019, *Coronavirus Relief Fund* (CRF) and CFDA 93.498, *Provider Relief Fund* (PRF). CRF and PRF do not apply the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, but rather applies the U.S. Department of Treasury’s guidance and the U.S. Department of Health and Human Services’ guidance. The pass-through entity identifying numbers are presented where available.

The City of Livonia, Michigan has elected not to use the 10 percent *de minimis* indirect cost rate to recover indirect costs as allowed under the Uniform Guidance.

Note 3 - Noncash Assistance

The value of the noncash assistance received was determined in accordance with the provisions of the Uniform Guidance.

The grantee received the following noncash assistance during the year ended November 30, 2021 that is included in the schedule of expenditures of federal awards:

Federal Program	CFDA Number	Description	Amount
U.S. Department of Agriculture - Passed through Wayne Metropolitan Community Services Agency	10.569	USDA Food Distribution	$ 41,437

Note 4 - Disaster Grants Public Assistance Program

Included in the Schedule for the year ended November 30, 2021 is $61,783 of expenditures incurred, under the Disaster Grants Public Assistance grant (CFDA 97.036), in a previous fiscal year. The project worksheet for these expenditures was approved in the current fiscal year and these expenditures have been reported in the current fiscal year in accordance with the reporting requirements outlined in the 2021 Compliance Supplement.

Schedule of Findings and Questioned Costs

Year Ended November 30, 2021

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ____ Yes __X__ No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? ____ Yes __X__ None reported

Noncompliance material to financial statements noted? ____ Yes __X__ None reported

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? ____ Yes __X__ No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? ____ Yes __X__ None reported

Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516(a)? ____ Yes __X__ No

Identification of major programs:

Assistance Listing Number	Name of Federal Program or Cluster	Opinion
14.218	Community Development Block Grant – Entitlement Grants Cluster	Unmodified

Dollar threshold used to distinguish between type A and type B programs: $750,000

Auditee qualified as low-risk auditee? __X__ Yes ____ No

Section II - Financial Statement Audit Findings

Reference Number	Finding
Current Year	None

Section III - Federal Program Audit Findings

Reference Number	Finding	Questioned Costs
Current Year	None	

May 25, 2022

To the Honorable Mayor,
Members of the City Council,
and Management
City of Livonia, Michigan

We have audited the financial statements of the City of Livonia, Michigan (the "City") as of and for the year ended November 30, 2021 and have issued our report thereon dated May 25, 2022. Professional standards require that we provide you with the following information related to our audit, which is divided into the following sections:

Section I - Required Communications with Those Charged with Governance

Section II - Other Recommendations and Related Information

Section III – Legislative and Informational Items

Section I includes information that current auditing standards require independent auditors to communicate to those individuals charged with governance. We will report this information annually to the mayor, members of the City Council, and management of the City.

Section II presents recommendations related to internal control, procedures, and other matters noted during our current year audit. These comments are offered in the interest of helping the City in its efforts toward continuous improvement, not just in the areas of internal control and accounting procedures, but also in operational or administrative efficiency and effectiveness.

Section III contains updated legislative and informational items that we believe will be of interest to you.

We would like to take this opportunity to thank the City's staff for the cooperation and courtesy extended to us during our audit. Their assistance and professionalism are invaluable.

This report is intended solely for the use of the mayor, members of the City Council, and management of the City and is not intended to be and should not be used by anyone other than these specified parties.

We welcome any questions you may have regarding the following communications, and we would be willing to discuss these and any other questions that you might have at your convenience.

Very truly yours,

Plante & Moran, PLLC

Stacey L. Reeves

Keith Szymanski

Section I - Required Communications with Those Charged with Governance

Our Responsibility Under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated January 14, 2022, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities. Our responsibility is to plan and perform the audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement.

As part of our audit, we considered the internal control of the City. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters.

Our audit of the City's financial statements has also been conducted in accordance with *Government Auditing Standards*, issued by the Comptroller General of the United States. Under *Government Auditing Standards*, we are obligated to communicate certain matters that come to our attention related to our audit to those responsible for the governance of the City, including compliance with certain provisions of laws, regulations, contracts, and grant agreements; certain instances of error or fraud; illegal acts applicable to government agencies; and significant deficiencies in internal control that we identify during our audit. Toward this end, we issued a separate letter dated May 25, 2022 regarding our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our meeting about planning matters on February 10, 2022.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the City are described in Note 1 to the financial statements.

No new accounting policies were adopted, and the application of existing policies was not changed during 2021.

We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus.

There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were the value of the alternative investments held by the City's retirement system and VEBA and the net pension and OPEB asset/liabilities.

Management has reported the alternative investments at amounts provided by the various funds. We obtained audited financial statements for the investment funds as of December 31, 2020 and performed various procedures to evaluate the calculations and assumptions used by fund management for the unaudited quarterly reports and member equity statements received since the date of the audit. We also performed limited analytical procedures on the revenue and expenses reported by funds from January 1, 2021 to November 30, 2021. We performed these procedures on the data used by management to develop the estimate to determine that it is reasonable in relation to the financial statements taken as a whole.

The net OPEB liability recorded is based on an actuarial valuation that includes significant assumptions related to health care costs, projected salary increases, the length of time over which participants will receive benefits, and future rates of return on investments. The net pension asset and liability recorded are based on actuarial valuations performed that include significant assumptions related to life expectancies, projected salary increases, and future rates of return on investments. Based on our review of the actuarial studies performed in connection with these requirements, we noted that the methods and assumptions used in the actuarial studies are reasonable in relation to the financial statements taken as a whole.

The disclosures in the financial statements are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Disagreements with Management

For the purpose of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management considers the fact that no compensated absence liability is recorded related to sick leave for employees not yet vested with 10 years of service and the fact that capital expenditures below the capitalization threshold are not capitalized, even when related items are above the threshold in total, to be immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Significant Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, business conditions affecting the City, and business plans and strategies that may affect the risks of material misstatement, with management each year prior to our retention as the City's auditors.

However, these discussions occurred in the normal course of our professional relationship, and our responses were not a condition of our retention.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated May 25, 2022.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a second opinion on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Section II - Other Recommendations and Related Information

As part of our audit, we offer the following comments in the interest of helping the City in its efforts toward continuous improvement, not just in the areas of internal control and accounting procedures, but also in operational or administrative efficiency and effectiveness.

General Fund

For the year ended November 30, 2021, General Fund revenue exceeded General Fund expenditures by approximately $216,000. Actual spending in the General Fund was approximately $1.4 million less than the amended budget, while actual revenue in the General Fund was approximately $1.2 million less than the amended budget.

We commend the City for maintaining its sound financial position through a couple of turbulent years. While the City saw a significant decrease in federal revenue and recorded a small loss on investments, the largest revenue sources – property taxes and state-shared revenue – had modest increases. Fines and forfeitures revenue from the District Court remains approximately $2 million below its pre-pandemic levels. Expenditures and transfers out were kept slightly below total revenue for the year.

During 2021, the City received the first half of its $8.9 million award from the American Rescue Plan passed by the federal government in March 2021. Approximately $400,000 was spent during the year. Revised guidance published in the last year provides the City significantly flexibility in how the money can be spent but given the one-time nature of this award. In addition, there are still additional pandemic related funds at the state and federal level that may provide opportunities for local communities to continue to align additional funding with strategic initiatives.

Court Building Improvements Fund

The reduced activity at the District Court impacts not just the General Fund, but the Court Building Improvements capital project fund as well. This fund receives a surcharge added to each infraction to fund the debt service related to the new court building. In the last two years, the fund balance in the fund has decreased from $943,000 to $359,000. Annual debt service is approximately $550,000. If fiscal year 2022 revenue is similar the 2021, the fund will be forced to use up its remaining fund balance. Unless the court's activity soon returns to its pre-pandemic levels, the City will need to consider increasing the surcharge in order for this revenue stream to continue to fully fund the debt service.

Legacy Costs - Pension

Legacy costs and the funded status of plans continue to be an area of focus for local governments. The City's defined benefit pension system is 104 percent funded as of November 30, 2021 based on the GASB Statement No. 68 actuarial valuation. The funded status is dependent on a number of assumptions (how long participants live, investment performance, etc.).

For a number of years, employer contributions to the pension system were not actuarially required. In fiscal years 2012 through 2021, the City was required to make contributions to the defined benefit pension plan after having gone without any required contributions since 2003. Total contributions between 2012 and 2021 were approximately $13.2 million. During fiscal year 2021, the City contributed the actuarially determined amount of approximately $1.9 million. The required contributions calculated by the actuary for fiscal year 2022 are approximately $1.8 million.

In addition to the existing pension system, the Police and Fire Revised Retirement Plan was reported for the first time in 2021. There were 133 participants in the plan and nearly $1.7 million in the trust as of November 30, 2021. Required contributions for 2022 are expected to approximate $2 million.

As noted above, because there are a variety of factors that impact the calculation and estimates made by the City's actuary, future contributions by the City may be required and should be considered for budget and long-term financial planning purposes.

Legacy Costs - Retiree Health Care

The City has been actuarially funding the liability associated with postemployment health care for many years, ahead of the recent accounting standards and, as a result, has been able to accumulate, as of November 30, 2021, approximately $138.3 million in net position for these costs. The City's defined benefit postemployment health care system (VEBA) is 68 percent funded as of November 30, 2021 based on the GASB Statement No. 75 actuarial valuation. Similar to the pension plan, the funded status is dependent on a number of assumptions (how long participants live, investment performance, actual health care costs, etc.). The net OPEB liability as of November 30, 2021 amounted to $66.1 million.

During fiscal year 2021, the actuarily required contribution for the VEBA was approximately $4.0 million, and the City contributed $5.5 million. Going forward, the VEBA has instructed the actuary to calculate the contributions required to fully fund the plan within a set number of years. As a result of this assumption, annual required contributions are expected to increase significantly going forward.

Section III – Legislative and Informational Items

COVID-19 Resource Center and ARPA

Throughout the COVID-19 pandemic, Plante & Moran, PLLC's COVID-19 task force of leaders across the firm has monitored, addressed, and provided insight related to the virus and the unique challenges our local governments have faced while continuing to provide essential services to their communities through our COVID-19 resource center at https://www.plantemoran.com/explore-our-thinking/areas-of-focus/covid-19-government-resource-center. This will continue as our nation emerges from this crisis.

In March 2021, the president signed the American Rescue Plan Act (ARPA) into law, which included federal stimulus funding for state and local governments of all sizes. The largest of all funding streams, the Coronavirus State and Local Fiscal Recovery Funds (CSLFRF), represents a $350 billion top-line allocation for state and local governments. Funding began to be distributed nationwide in May 2021.

The ARPA award terms provide that payments from the Fiscal Recovery Funds as a general matter will be subject to the provision of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"), including the cost principles and restrictions on general provisions for selected items of cost. The City will need to understand these reforms and may be required to evaluate, document, and monitor internal procedures around compliance, including maintaining certain required policies.

The COVID-19 resource center is being continuously updated for the latest guidance and strategy related to CSLFRF and will help keep the City running smoothly through our nation's recovery.

Want to receive relevant content directly to your email? Subscribe at https://www.plantemoran.com/subscribe where you can customize your subscription preferences based on your specific interests and industry selection.

Cybersecurity and Information Technology Controls

Cyberattacks are on the rise across the globe, and the cost of these attacks is ever increasing. Because of these attacks, municipalities stand to lose their reputation, the ability to operate efficiently, and proprietary information or assets. Communities potentially can also be subject to financial and legal liabilities. Managing this issue is especially challenging because even a municipality with a highly mature cybersecurity risk management program still has a residual risk that a material cybersecurity breach could occur and not be detected in a timely manner. We understand that the technology department continues to monitor and evaluate this risk, which are critical best practices. Additionally, periodic assessments of the system in order to verify that the control environment is working as intended are key parts of measuring associated business risk. We encourage administration and those charged with governance to work with the technology team on this very important topic. If we can be of assistance in the process, we would be happy to do so.

Upcoming Accounting Standards Requiring Preparation

GASB Statement No. 87 - Leases

This new accounting pronouncement will be effective for fiscal year 2022. This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

We recommend beginning to accumulate information now related to all significant lease agreements in order to more efficiently implement this new standard once it becomes effective.

Plante & Moran, PLLC has been providing trainings and other resources to our clients to help prepare for the implementation of all these new standards. Please reach out to your engagement team for assistance in getting started.

GASB Statement No. 96 - Subscription-Based Information Technology Arrangements (SBITAs)

This new accounting pronouncement will be effective for the City's year ending November 30, 2023, but the City may want to implement along with GASB 87. This statement defines SBITAs and provides accounting and financial reporting for SBITAs by governments, including requiring a government to recognize a subscription liability and an intangible right-to-use subscription asset for SBITAs.

Significant GASB Proposals Worth Watching

The GASB is working on three interrelated projects that result in a comprehensive look at financial reporting for state and local governments. Of these three efforts, two are likely to result in significant changes to governmental financial statements in the future.

The Financial Reporting Model is currently in exposure draft stage and is expected to be issued as a final statement next year. While this standard proposes changes to many aspects of the City's financial statements, this proposed standard will most significantly impact the City's governmental fund financial statements.

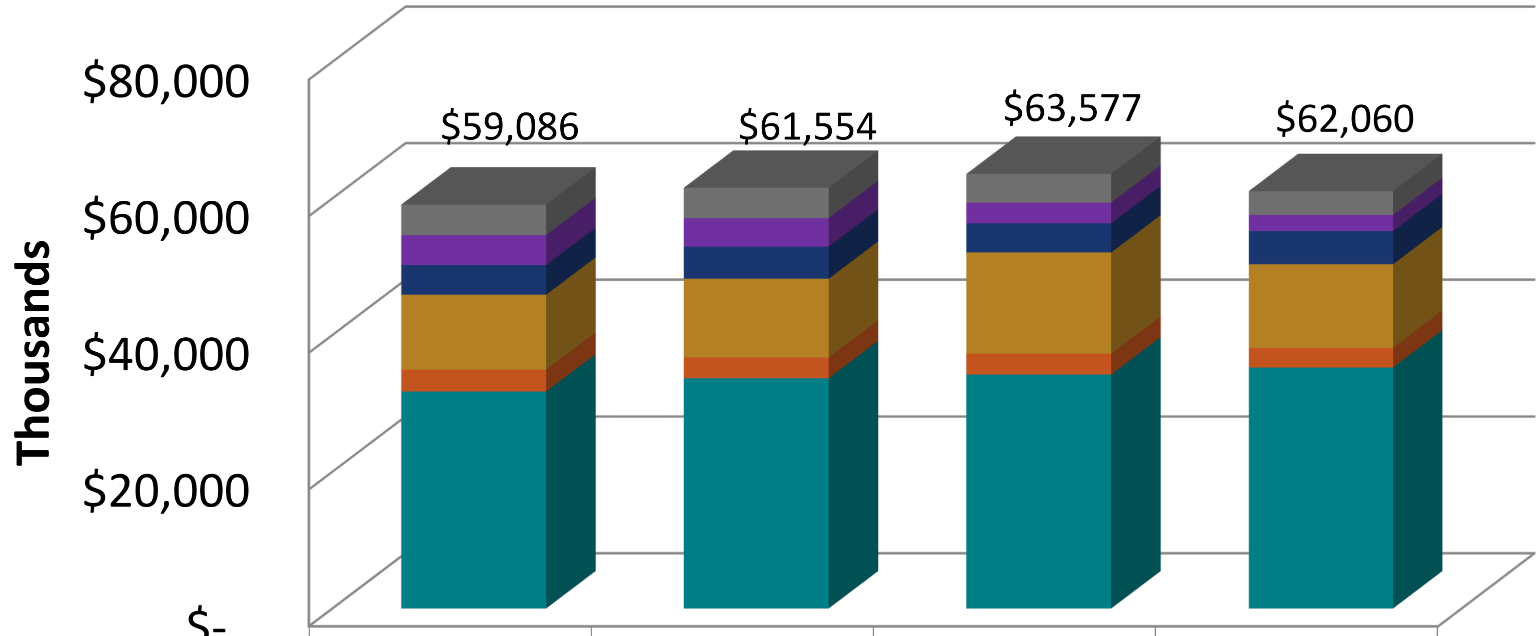
The Revenue and Expense Recognition project aims to develop a comprehensive accounting and financial reporting model for transactions that result in revenue and expenses. Currently, the GASB has issued a preliminary views document that proposes a new categorization framework that replaces the exchange/nonexchange transaction notion with a four-step process for classifying a transaction. In addition to this new framework, the proposal also addresses recognition and measurement of revenue and expense transactions.

Plante & Moran, PLLC has spent significant time digesting these new proposed standards and previously testified to the GASB about our feedback. We strongly encourage the City to monitor developments with these standards, as the potential impacts are quite broad.

City of Livonia Audit Presentation

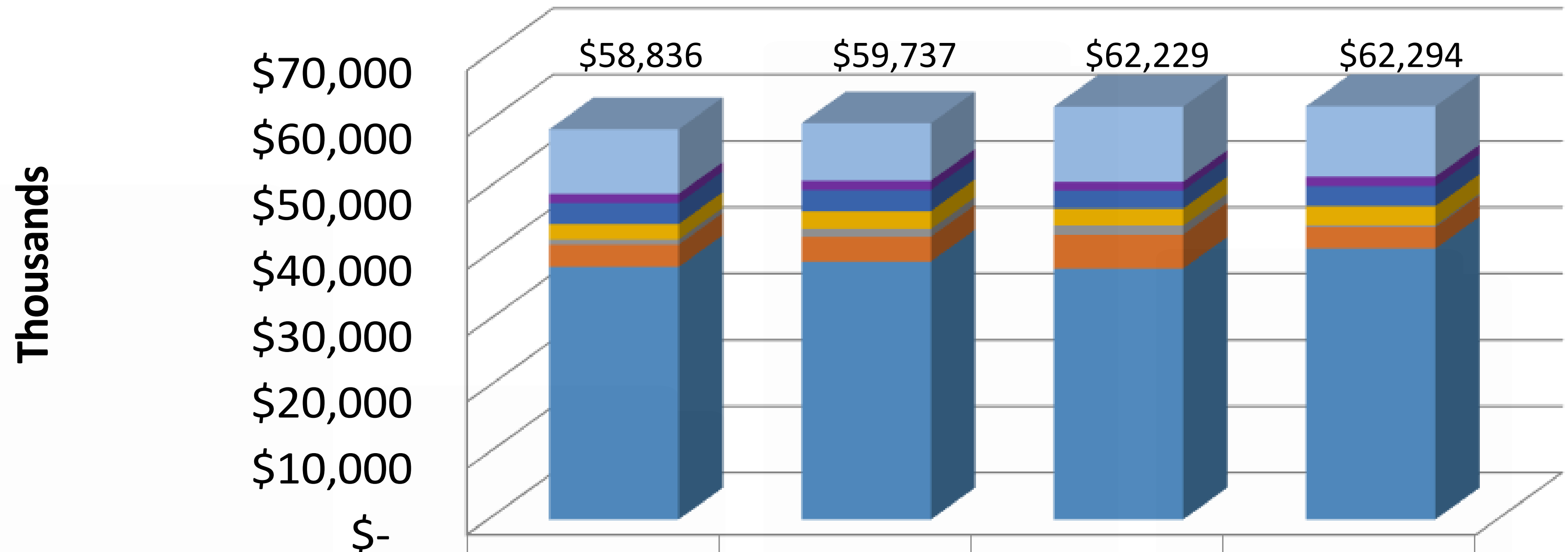
For Year Ended November 30, 2021

City of Livonia
General Fund Revenue
Years Ended November 30



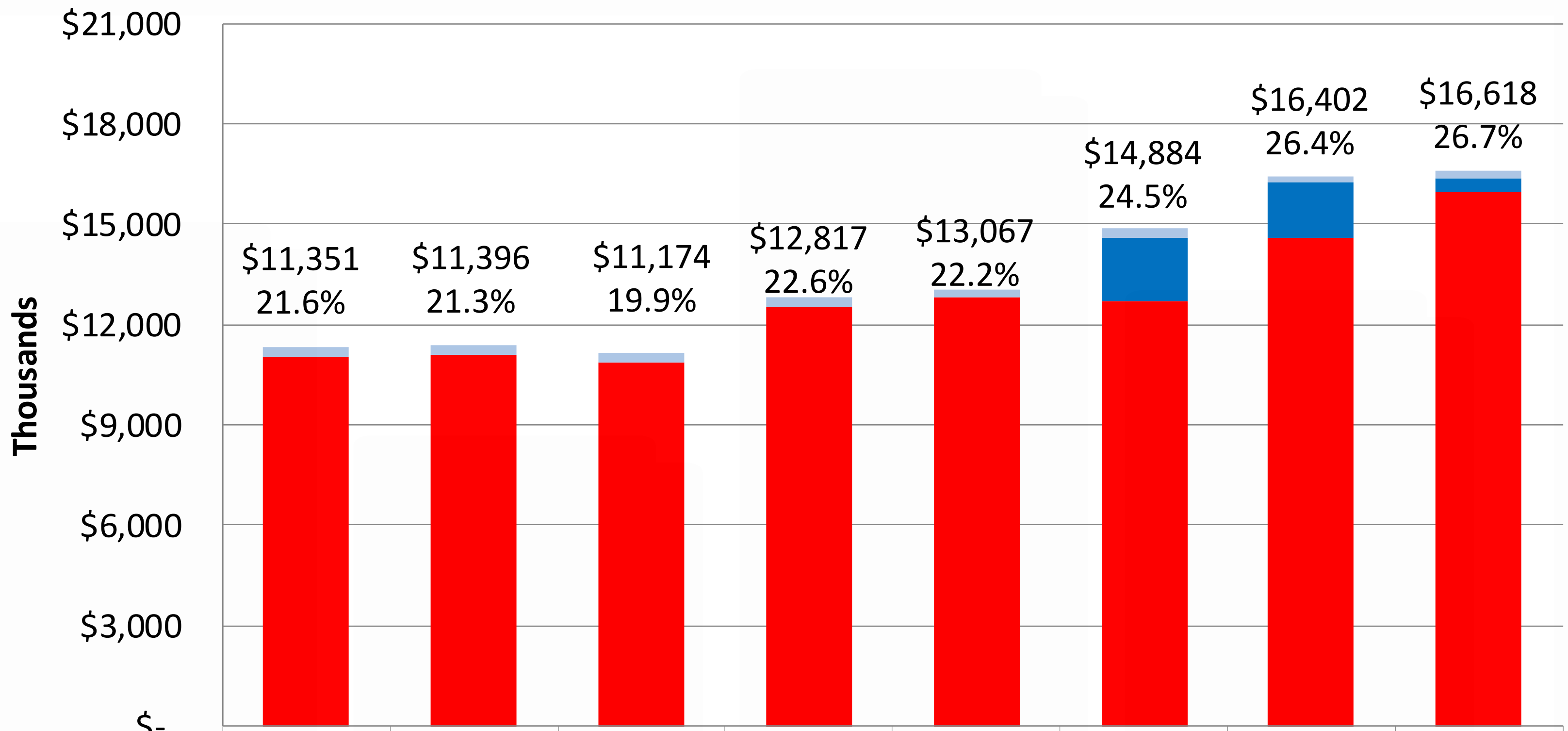
	2018	2019	2020	2021
Interest and Other	$4,461	$4,449	$4,194	$3,495
Fines and Forfeitures	$4,394	$4,181	$3,024	$2,368
Charges for Services	$4,340	$4,699	$4,283	$4,840
Intergovernmental Revenue	$10,978	$11,518	$14,812	$12,234
Licenses and Permits	$3,182	$3,043	$3,051	$2,891
Property Taxes	$31,731	$33,664	$34,213	$35,232

City of Livonia
General Fund Expenditures
Year Ended November 30



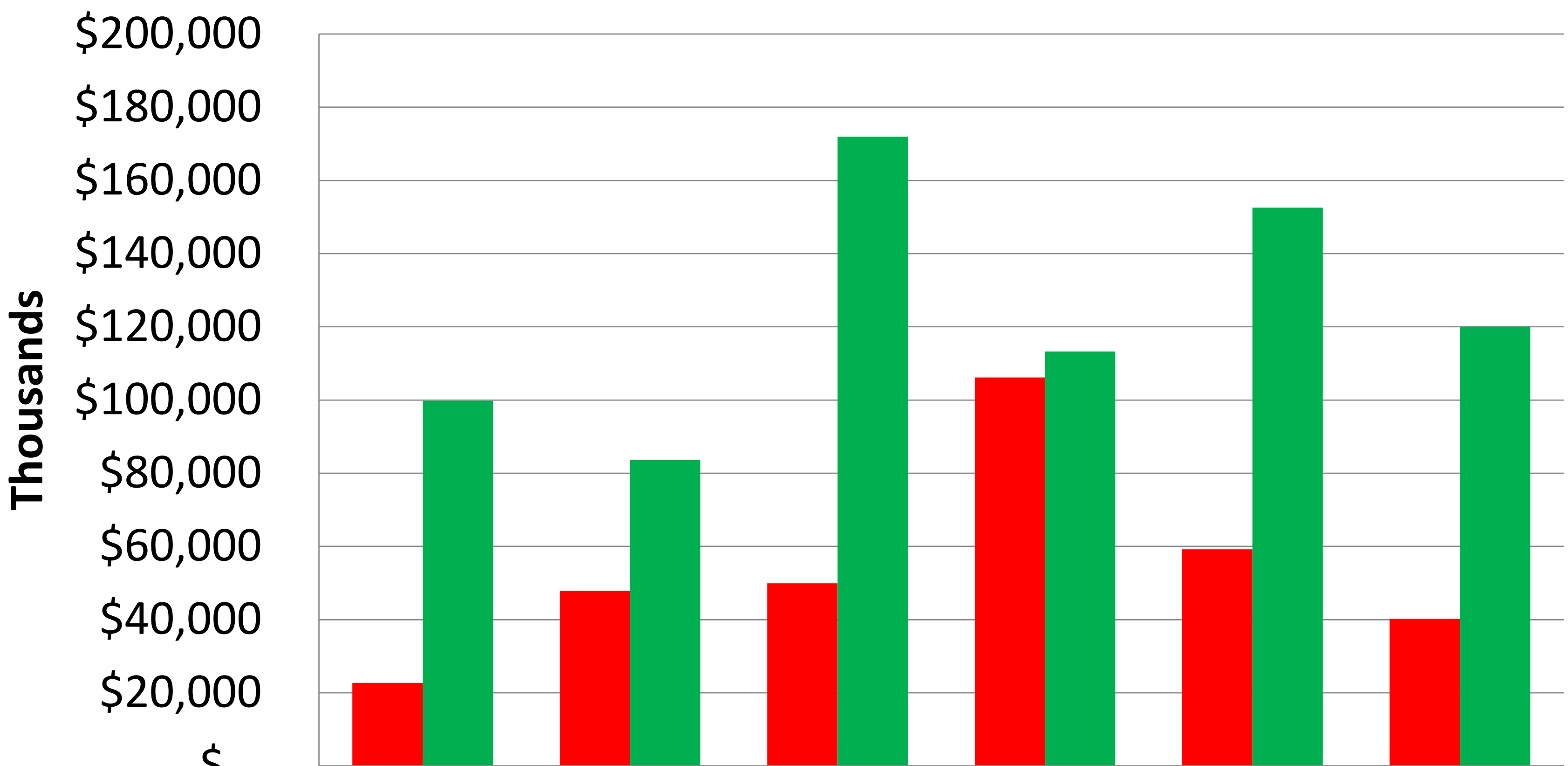
	2018	2019	2020	2021
Other	$9,724	$8,665	$11,354	$10,611
Cultural	$1,421	$1,388	$1,267	$1,422
Judicial	$3,142	$3,180	$2,742	$3,036
Financial Administration	$2,330	$2,706	$2,557	$2,859
Parks & Recreation	$788	$1,167	$1,354	$292
Public Works	$3,338	$3,715	$5,128	$3,225
Public Safety	$38,093	$38,916	$37,827	$40,849

City of Livonia
General Fund - Comparison of Fund Balance As a Percentage of Expenditures Year Ended November 30



	2014	2015	2016	2017	2018	2019	2020	2021
Nonspendable	$334	$311	$289	$300	$275	$302	$153	$248
Committed	$-	$-	$-	$-	$-	$1,854	$1,666	$387
Unassigned	$11,017	$11,085	$10,885	$12,517	$12,791	$12,728	$14,583	$15,982

City of Livonia
Comparison of Unrestricted Net Position
(excluding impact of net pension and OPEB liabilities)
Governmental Activities



	Livonia - 23%	Farmington Hills - 57%	Ann Arbor - 29%	Southfield - 94%	Dearborn - 39%	Sterling Heights - 33%
Unrestricted Net Position	$22,709	$47,791	$49,903	$106,133	$59,222	$40,174
Stmt of Activities Expenses	$99,780	$83,604	$171,930	$113,275	$152,557	$120,011

Thank You for the opportunity to serve as auditors for the City of Livonia

LETTER TO THE LIVONIA CITY COUNCIL

2.

Finance
February 8, 2022

MEETING DATE	PREPARED BY
Finance and Budget Committee Meeting of May 25, 2022	DeAnne Bates, Program Supervisor,

AGENDA ITEM

ADMINISTRATIVE RESPONSE TO CR 02-22: Department of Finance, re: Report and Recommendation regarding the City's purchasing policy limits.

BACKGROUND

City Council resolution #02-22 requested a report and recommendation regarding the City's purchasing policy under a certain limit. The purchasing thresholds are outlined in sections 3.04.130 and 3.04.140 of the Livonia Code of Ordinances. Currently, the ordinance provides that for purchases between $1,500 and $14,999, three (3) quotes be obtained. For purchases of $15,000 or more, sealed bids shall be solicited and Council authorization obtained prior to award of the contract.

The current limits were established in 1994. In 2011, the Administration requested that the Council modify these thresholds. That request was not approved by the City Council. We welcome the Council's interest in once again reviewing these amounts.

Adjusting the current limits for inflation from 1994 to 2021, as measured by the Consumer Price Index (CPI-U), would change the quote requirement from $1,500 to $2,793 and the sealed bid requirement would change from $15,000 to $27,930.

In addition, the limits for administrative approval of minor contract adjustments and the contract amount for the 3% local bidder preference have not been adjusted since 1994. Increasing these amounts for an inflation adjustment is recommended.

Revising the current limits will result in improved efficiency in completing projects and a reduction in staff administrative time.

RECOMMENDATION

It is recommended that City Council revise sections 3.04.130 and 3.04.140 of the Livonia Code of Ordinances as follows:

1. Modify the requirement for obtaining quotes to purchases between $3,000 and $29,999.

2. Modify the requirement for soliciting sealed bids to purchases of $30,000 or more.

3. Modify the limit for administrative approval of minor adjustments to awarded contracts to an amount up to 5% of the contract, but not to exceed $30,000.

4. Modify the limit for applying the 3% preference for city-based firms to $200,000.

The amended ordinance language as prepared by the Law Department in attached for your consideration.

FISCAL CONSIDERATION

N/A

ATTACHMENTS

1. Ordinance Revison Sections 03.04.103 and 104
2. R011922 Subject matter of the City's purchasing policy under a certain dollar amount to F&B CR 02-22

APPROVED BY

Michael Slater, Finance Director — Date: February 08, 2022

Paul Bernier, City Attorney — Date: February 08, 2022

Maureen Miller Brosnan, Mayor — Date: February 14, 2022

AN ORDINANCE AMENDING SECTIONS 130 AND 140 OF TITLE 3, CHAPTER 04 (FINANCIAL PROCEDURES) OF THE LIVONIA CODE OF ORDINANCES, AS AMENDED.

THE CITY OF LIVONIA ORDAINS:

Section 1. Section 130 of Title 3, Chapter 04 of the Livonia Code of Ordinances, as amended, is hereby amended to read as follows:

3.04.130 Contracts -- Approval by council or budget officer -- Minor adjustments.

A. Where not prohibited by law and where otherwise permitted by this chapter, contracts on behalf of the city for the purchase of personal property or services involving an obligation on the part of the city less than ~~one thousand five hundred dollars ($1,500.00)~~ three thousand dollars ($3,000.00) may be approved by the budget officer subject to the provisions of Section 3.04.140 after his or her receiving a proper requisition from a director or head of the department requiring such property or services without first obtaining approval of the city council.

B. After any contract has been approved by the council, minor adjustments may be made regarding such contracts at the discretion of the director or head of the department in an amount up to five percent (5%) of the contract amount, but not to exceed a total amount of ~~fifteen thousand dollars ($15,000.00)~~ thirty thousand dollars ($30,000.00).

Section 2. Section 140 of Title 3, Chapter 04 of the Livonia Code of Ordinances, as amended, is hereby amended to read as follows:

3.04.140 Bids -- Required when -- Procedures -- Council authority.

A. Where the obligation of the city under a contract is ~~one thousand five hundred dollars ($1,500.00)~~ three thousand dollars ($3,000.00) or less, no bids shall be required prior to the making of such contract. Prior to the making of any contract imposing an obligation on the city of an amount greater than ~~one thousand five hundred dollars ($1,500.00),~~ three thousand dollars ($3,000.00) but less than ~~fifteen thousand dollars ($15,000.00),~~ thirty thousand dollars ($30,000.00) the director or department head of the particular department involved, or the purchasing agent, if there is one, shall procure at least three (3) quotes in writing; provided, however, that less than three (3) quotes may be procured where the director, department head or purchasing agent certifies in writing the reasons why three (3) quotes cannot be procured.

B. In determining whether or not the amount of any purchase requires the taking of quotes or bids for materials or services, the total estimated expenditures for the next succeeding twelve (12) months shall govern.

C. The council, at its discretion, shall have the right to reject any and all bids, including, but not limited to, the reason that there is a lack of sufficient American manufactured content. Except as otherwise set forth in this chapter, no contract shall be awarded other than to the lowest bidder except by authority of the council. Where the obligation of the city under a proposed contract is ~~fifteen thousand dollars ($15,000.00)~~ thirty thousand dollars ($30,000.00) or more, sealed bids shall be solicited by advertisement in the official newspaper, or via the Internet or other electronic media, if allowed by state law, by the director or head of the department. Such advertisement shall reasonably state pertinent information concerning the proposed contract and fix a period of at least seven (7) days following the date of publication within which bids shall be received. Wherever possible, the plans and specifications for the items to be bid upon shall be drafted so as to allow at least two (2) bids to be received. Where drafting of the plans and specifications in such manner is not possible, the director or head of the department shall submit proper documentation establishing that such is the case to the city council. All advertisements for bids shall be approved as to form by the city attorney, by the budget officer as to an existing sufficient appropriation, shall require that bids when submitted be identified and marked “sealed bids” and shall be addressed to the city. All bids requiring advertisement shall be presented publicly, unopened, to a bid committee consisting of the city clerk and the budget officer, or their representatives, and the representative of the requisitioning authority at a time and place set forth in the advertisement. Council members shall receive electronic notice of bid committee meetings. The bids shall then be referred by the bid committee to the requisitioning authority for report and recommendation to the city council. All advertisements for bids shall also provide that bids may be received prior to the specified time of the public opening of such bids.

D. Notwithstanding the foregoing provisions of this section, no bids shall be required prior to the making of a contract in the following instances:

1. In the case of an emergency which is fully explained in a written memorandum, approved by the mayor, filed with the city clerk, and transmitted to the council; and

2. In connection with contracts for engineering, legal, accounting, architectural, insurance or other professional services provided that:

a. the council approves the contract and sets forth the reasons for not taking bids in an authorizing resolution; or

b. the council has previously adopted a resolution authorizing the administration or a city department to award a contract or contracts through a qualification based selection ("QBS") process. For purposes of this section, QBS shall mean that the qualifications of the person, firm, company, corporation or entity to provide the professional services are the primary determining factors in the selection process; and

3. Where the subject of the contract is a product or material not competitive in nature and no advantage to the city would result from requiring competitive bidding, and the city council, upon written recommendation of the mayor, authorizes execution of a contract without competitive bidding.

4. When the city joins with other units of government in cooperative purchasing efforts that are deemed to be in the best interests of the city, such cooperative purchasing may include, but is not limited to, consortiums, joint or multi-party contracts between public procurement units, and open-ended county, state or federal public procurement contracts which are made available to the city.

E. Bids from City-Based Firms.

1. In comparing bids, the bid of any city-based firm may be deemed a better bid than the bid of any competing firm which is not city-based, whenever the bid of such competing firm shall be less than three percent (3%) lower than the bid of the city-based firm on any contract bid in an amount of ~~one~~two hundred thousand dollars ($~~1~~200,000.00) or less, and less than one percent (1%) lower on any amount bid in excess thereof. The foregoing percentages shall each be deemed to apply to the city-based bid and, as the case may be, to the full and complete amount of the contract bid, e.g., the equalization credit of one percent (1%) would apply to the full contract amount bid, and not merely to the amount in excess of ~~one~~two hundred thousand dollars ($~~1~~200,000.00). The firm making the lowest bid thus evaluated shall be deemed the lowest bidder. No contract hereafter awarded by reason of an equalization percentage credit shall be sublet to any subcontractor which is not a city-based firm. Any bidder who claims entitlement to an equalization percentage credit shall agree to make available to the city the records necessary to establish eligibility. Section 3.04.140(E) shall not apply to contracts authorized pursuant to Section 3.04.140(D).

2. "City-based firm" means a firm which is located within the city and which has made payment of commercial, office, manufacturing or research and engineering property taxes on real or personal property for at least one (1) calendar year.

F. All bids, regardless of amount, shall constitute public records, and shall be preserved in the office of the city clerk for a period of six (6) years following the date of opening.

Section 3. All ordinances or parts of ordinances in conflict herewith are hereby repealed only to the extent necessary to give this ordinance full force and effect.

Section 4. Should any portion of this ordinance be held invalid for any reason, such holding shall not be construed as affecting the validity of any of the remaining portions of this ordinance.

P:\Brenda\Ordinances\Code\Title 03 - Finance\03.04.103 and 104.doc

On a motion by Donovic, seconded by McCullough, and unanimously adopted, it was:

#02-22 RESOLVED, that upon the motion by Councilmember Rob Donovic, seconded by Councilmember Brandon McCullough, at the Regular Meeting held January 19, 2022, the Council does hereby refer the subject matter of the City's purchasing policy under a certain dollar amount to the Finance and Budget Committee for its report and recommendation.

RESOLUTION REQUESTED BY COUNCIL (Regular Meeting of January 19,2022)
REFER TO FINANCE AND BUDGET COMMITTEE

Motion by: **Donovic**
Seconded by: **McCullough**
ROLL CALL:
Ayes: **Bahr, Donovic, Morgan, McCullough, McIntyre, Jolly**
Nays: **None**
Absent: **Toy**