

# CITY OF NOVI, MICHIGAN

## Statement of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - **General Fund**

For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Expenditures (concluded):</b>				
Current (concluded):				
Community and economic development:				
Building	\$ 2,042,215	\$ 1,895,727	\$ 1,855,640	\$ (40,087)
Planning	522,316	564,510	520,413	(44,097)
Total community and economic development	<u>2,564,531</u>	<u>2,460,237</u>	<u>2,376,053</u>	<u>(84,184)</u>
Recreation and culture:				
Youth assistance	45,948	43,948	42,260	(1,688)
Historical commission	13,860	4,860	3,548	(1,312)
Total recreation and culture	<u>59,808</u>	<u>48,808</u>	<u>45,808</u>	<u>(3,000)</u>
<b>Total expenditures</b>	<u>35,117,824</u>	<u>37,928,237</u>	<u>36,698,613</u>	<u>(1,229,624)</u>
Revenues over (under) expenditures	<u>190,000</u>	<u>1,318,735</u>	<u>3,359,451</u>	<u>2,040,716</u>
<b>Other financing sources (uses)</b>				
Proceeds from sale of capital assets	-	148,560	148,512	(48)
Insurance recovery	35,000	25,970	17,827	(8,143)
Transfers out	(225,000)	(561,410)	(446,716)	(114,694)
<b>Total other financing sources (uses)</b>	<u>(190,000)</u>	<u>(386,880)</u>	<u>(280,377)</u>	<u>106,503</u>
<b>Net change in fund balance</b>	<u>-</u>	<u>931,855</u>	<u>3,079,074</u>	<u>2,147,219</u>
Fund balance, beginning of year	<u>9,968,668</u>	<u>10,596,128</u>	<u>10,596,128</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u>\$ 9,968,668</u>	<u>\$ 11,527,983</u>	<u>\$ 13,675,202</u>	<u>\$ 2,147,219</u>

concluded.

The accompanying notes are an integral part of these basic financial statements.

**CITY OF NOVI, MICHIGAN**

**Balance Sheet**

Governmental Funds  
June 30, 2021

	General Fund	Local Street Fund	Capital Improvement Program	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets</b>					
Cash and cash equivalents	\$ 334,711	\$ 81,461	\$ -	\$ 1,454,705	\$ 1,870,877
Investments	21,710,033	2,561,888	162,000	24,333,263	48,767,184
Receivables:					
Accrued interest	145,506	-	-	-	145,506
Other	471,899	-	-	149,232	621,131
Due from other governments	1,241,566	274,713	-	833,940	2,350,219
Due from other funds	602,337	-	-	-	602,337
Advances to component units	-	-	-	3,663,123	3,663,123
Prepaid items and other assets	465,889	-	-	12,899	478,788
<b>Total assets</b>	<b>\$ 24,971,941</b>	<b>\$ 2,918,062</b>	<b>\$ 162,000</b>	<b>\$ 30,447,162</b>	<b>\$ 58,499,165</b>
<b>Liabilities</b>					
Accounts payable	\$ 882,170	\$ 1,755,275	\$ 655,671	\$ 2,167,685	5,460,801
Accrued salaries and wages	1,750,289	-	-	174,102	1,924,391
Other accrued liabilities	121,008	-	16,400	415,793	553,201
Refundable deposits	8,345,713	-	-	1,350	8,347,063
Unearned revenue	-	-	-	324,050	324,050
Advances from other funds	-	-	9,200,000	-	9,200,000
Due to other funds	-	-	588,569	13,768	602,337
<b>Total liabilities</b>	<b>11,099,180</b>	<b>1,755,275</b>	<b>10,460,640</b>	<b>3,096,748</b>	<b>26,411,843</b>
<b>Deferred inflows of resources</b>					
Unavailable revenue - grants	-	-	-	34,812	34,812
Unavailable revenue - other	197,559	-	-	-	197,559
<b>Total deferred inflows of resources</b>	<b>197,559</b>	<b>-</b>	<b>-</b>	<b>34,812</b>	<b>232,371</b>
<b>Fund balances</b>					
Nonspendable:					
Prepays	465,889	-	-	12,899	478,788
Perpetual drain maintenance	-	-	-	6,987,209	6,987,209
Restricted:					
Roads	-	1,162,787	-	5,887,554	7,050,341
Public safety	14,695	-	-	271,217	285,912
Community and economic development	2,682	-	-	-	2,682
Debt service	-	-	-	138,619	138,619
Infrastructure improvements	-	-	-	5,011,618	5,011,618
Parks, recreation, and cultural services	-	-	-	807,233	807,233
Library	-	-	-	4,190,034	4,190,034
Stormwater systems	-	-	-	198	198
Tree replacement and maintenance	-	-	-	3,685,152	3,685,152
Street lighting improvement	-	-	-	70,527	70,527
PEG access support fees	-	-	-	288,154	288,154
Assigned:					
Subsequent year's budget	779,494	-	-	-	779,494
ARPA funds	1,993,805	-	-	-	1,993,805
Unassigned (deficit)	10,418,637	-	(10,298,640)	(34,812)	85,185
<b>Total fund balances</b>	<b>13,675,202</b>	<b>1,162,787</b>	<b>(10,298,640)</b>	<b>27,315,602</b>	<b>31,854,951</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 24,971,941</b>	<b>\$ 2,918,062</b>	<b>\$ 162,000</b>	<b>\$ 30,447,162</b>	<b>\$ 58,499,165</b>

The accompanying notes are an integral part of these basic financial statements.

## CITY OF NOVI, MICHIGAN

### Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - American Rescue Plan Act Special Revenue Fund

For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Intergovernmental -				
Federal grants	\$ -	\$ 580,000	\$ 180,335	\$ (399,665)
<b>Expenditures</b>				
Current -				
Public safety:				
Personnel services	-	40,615	-	(40,615)
Other services and charges	-	154,385	-	(154,385)
Capital outlay	-	385,000	180,335	(204,665)
<b>Total expenditures</b>	-	580,000	180,335	(399,665)
<b>Net change in fund balance</b>	-	-	-	-
Fund balance, beginning of year	-	-	-	-
<b>Fund balance, end of year</b>	\$ -	\$ -	\$ -	\$ -

# CITY OF NOVI, MICHIGAN

## Statement of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - General Fund  
For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Taxes:				
Current property taxes	\$ 24,606,417	\$ 24,531,886	\$ 24,586,142	\$ 54,256
Trailer fees	11,750	10,966	10,961	(5)
Penalties and interest	165,000	251,410	251,410	-
Licenses, permits, and charges for services	4,277,333	3,742,815	3,133,342	(609,473)
Intergovernmental:				
Federal grants	80,000	3,100,663	4,974,494	1,873,831
State grants	4,411,243	5,979,987	5,640,504	(339,483)
Fines and forfeitures	330,000	330,000	354,961	24,961
Investment income	697,211	697,211	528,750	(168,461)
Other:				
Local donations	1,000	27,194	26,794	(400)
Miscellaneous	727,870	574,840	550,706	(24,134)
<b>Total revenues</b>	<b>35,307,824</b>	<b>39,246,972</b>	<b>40,058,064</b>	<b>811,092</b>
<b>Expenditures</b>				
Current:				
General government:				
City council	64,580	65,660	63,165	(2,495)
City manager	692,220	626,224	594,169	(32,055)
Finance	973,124	883,836	869,678	(14,158)
Treasury	355,981	400,009	382,789	(17,220)
Integrated solutions	1,453,942	1,554,214	1,526,898	(27,316)
Assessing	878,174	799,999	782,795	(17,204)
City attorney, insurance, and claims	863,303	770,303	697,077	(73,226)
City clerk	1,001,949	916,932	901,185	(15,747)
Facility management	1,273,031	1,567,049	1,432,810	(134,239)
Park maintenance	1,118,766	1,072,743	1,054,029	(18,714)
Human resources	581,338	580,665	522,690	(57,975)
Community relations	719,439	683,508	598,441	(85,067)
Economic development	53,128	118,632	94,428	(24,204)
Total general government	10,028,975	10,039,774	9,520,154	(519,620)
Public safety:				
Police	13,517,861	14,626,575	14,530,407	(96,168)
Fire	6,163,395	6,803,289	6,703,280	(100,009)
Total public safety	19,681,256	21,429,864	21,233,687	(196,177)
Public works:				
Administration	468,462	733,662	639,022	(94,640)
Engineering	426,340	403,155	333,346	(69,809)
Field operations	934,220	1,774,791	1,709,008	(65,783)
Fleet asset	954,232	1,037,946	841,535	(196,411)
Total public works	2,783,254	3,949,554	3,522,911	(426,643)

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# CITY OF NOVI, MICHIGAN

## Required Supplementary Information

### MERS Agent Multiple-Employer Defined Benefit Pension Plan

#### Schedule of Changes in the City's Net Pension Liability and Related Ratios

	Year Ended June 30,			
	2021	2020	2019	2018
<b>Change in total pension liability</b>				
Service cost	\$ 1,177,587	\$ 1,197,540	\$ 1,225,434	\$ 1,255,498
Interest	7,991,416	7,897,801	7,788,580	7,586,392
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	365,639	617,296	(1,404,136)	(366,993)
<b>Changes of assumptions</b>	<b>3,299,601</b>	<b>3,298,884</b>	-	-
Benefit payments, including refunds of member contributions	(6,738,163)	(6,409,461)	(6,051,911)	(5,813,104)
<b>Net change in total pension liability</b>	<b>6,096,080</b>	<b>6,602,060</b>	<b>1,557,967</b>	<b>2,661,793</b>
<b>Total pension liability, beginning</b>	<b>107,930,517</b>	<b>101,328,457</b>	<b>99,770,490</b>	<b>97,108,697</b>
<b>Total pension liability, ending (a)</b>	<b>114,026,597</b>	<b>107,930,517</b>	<b>101,328,457</b>	<b>99,770,490</b>
<b>Change in plan fiduciary net position</b>				
Contributions - employer	4,245,191	4,359,997	4,389,615	3,725,305
Contributions - member	495,015	520,863	528,872	558,097
<b>Net investment income (loss)</b>	<b>8,618,891</b>	<b>8,323,727</b>	<b>(2,592,555)</b>	7,797,188
Benefit payments, including refunds of member contributions	(6,738,163)	(6,409,461)	(6,051,911)	(5,813,104)
Administrative expense	(136,616)	(143,529)	(126,495)	(123,263)
<b>Net change in plan fiduciary net position</b>	<b>6,484,318</b>	<b>6,651,597</b>	<b>(3,852,474)</b>	<b>6,144,223</b>
<b>Plan fiduciary net position, beginning</b>	<b>68,371,196</b>	<b>61,719,599</b>	<b>65,572,073</b>	<b>59,427,850</b>
<b>Plan fiduciary net position, ending (b)</b>	<b>74,855,514</b>	<b>68,371,196</b>	<b>61,719,599</b>	<b>65,572,073</b>
<b>City's net pension liability, ending (a)-(b)</b>	<b>\$ 39,171,083</b>	<b>\$ 39,559,321</b>	<b>\$ 39,608,858</b>	<b>\$ 34,198,417</b>
Plan fiduciary net position as a percentage of the total pension liability	65.6%	63.3%	60.9%	65.7%
Covered payroll	\$ 10,519,199	\$ 10,574,181	\$ 10,645,669	\$ 10,616,668
City's net pension liability as a percentage of covered payroll	372.4%	374.1%	372.1%	322.1%

See notes to required supplementary information.

## CITY OF NOVI, MICHIGAN

### Required Supplementary Information

#### MERS Agent Multiple-Employer Defined Benefit Pension Plan

##### Schedule of City Contributions

Fiscal Year Ended	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
6/30/2021	\$ 4,252,968	\$ 4,886,819	\$ (633,851)	\$ 12,095,482	40.4%
6/30/2020	4,388,425	4,388,425	-	11,078,798	39.6%
6/30/2019	3,963,525	4,273,525	(310,000)	11,316,209	37.8%
6/30/2018	3,769,303	4,219,303	(450,000)	12,710,865	33.2%
6/30/2017	3,137,158	3,137,158	-	11,360,375	27.6%
6/30/2016	3,054,597	3,054,597	-	12,074,423	25.3%
6/30/2015	2,628,762	2,628,762	-	12,710,865	20.7%

See notes to required supplementary information.

**CITY OF NOVI, MICHIGAN**

**Required Supplementary Information**

**Retiree Healthcare Benefits Plan**

Schedule of Changes in the City's Net Other Postemployment Benefit Liability (Asset) and Related Ratios

	Year Ended June 30,				
	2021	2020	2019	2018	2017
<b>Change in total other postemployment benefit liability</b>					
Service cost	\$ 360,278	\$ 359,236	\$ 416,798	\$ 372,847	\$ 440,432
Interest	1,996,301	2,117,673	2,017,676	2,136,783	2,030,554
Differences between expected and actual experience	(217,034)	(3,397,416)	(15,504)	(4,022,732)	(86,522)
Changes of assumptions	-	1,222,422	-	1,819,912	-
Benefit payments, including refunds of member contributions	(959,652)	(1,026,609)	(995,230)	(948,145)	(885,353)
Other changes	-	-	(35,068)	-	-
<b>Net change in total other postemployment benefit liability</b>	<b>1,179,893</b>	<b>(724,694)</b>	<b>1,388,672</b>	<b>(641,335)</b>	<b>1,499,111</b>
<b>Total other postemployment benefit liability, beginning</b>	<b>28,818,271</b>	<b>29,542,965</b>	<b>28,154,293</b>	<b>28,795,628</b>	<b>27,296,517</b>
<b>Total other postemployment benefit liability, ending (a)</b>	<b>29,998,164</b>	<b>28,818,271</b>	<b>29,542,965</b>	<b>28,154,293</b>	<b>28,795,628</b>
<b>Change in plan fiduciary net position</b>					
Contributions - employer	73,750	315,689	363,994	613,678	617,207
Net investment income	9,140,709	1,222,103	2,224,284	2,845,010	3,399,591
Benefit payments, including refunds of member contributions	(959,652)	(1,026,609)	(995,230)	(948,145)	(885,353)
Administrative expense	(9,000)	(20,774)	(293,629)	(293,400)	(245,933)
Other	-	-	-	244	-
<b>Net change in plan fiduciary net position</b>	<b>8,245,807</b>	<b>490,409</b>	<b>1,299,419</b>	<b>2,217,387</b>	<b>2,885,512</b>
<b>Plan fiduciary net position, beginning</b>	<b>31,322,380</b>	<b>30,831,971</b>	<b>29,532,552</b>	<b>27,315,165</b>	<b>24,429,653</b>
<b>Plan fiduciary net position, ending (b)</b>	<b>39,568,187</b>	<b>31,322,380</b>	<b>30,831,971</b>	<b>29,532,552</b>	<b>27,315,165</b>
<b>City's net other postemployment benefit liability (asset), ending (a)-(b)</b>	<b>\$ (9,570,023)</b>	<b>\$ (2,504,109)</b>	<b>\$ (1,289,006)</b>	<b>\$ (1,378,259)</b>	<b>\$ 1,480,463</b>
Plan fiduciary net position as a percentage of the total other postemployment benefit liability	131.90%	108.69%	104.36%	104.90%	94.86%
Covered payroll	\$ 8,785,682	\$ 9,388,956	\$ 10,505,955	\$ 10,800,824	\$ 10,711,843
City's net other postemployment benefit liability (asset) as a percentage of covered payroll	-108.93%	-26.67%	-12.27%	-12.76%	13.82%

See notes to required supplementary information.

# CITY OF NOVI, MICHIGAN

## Required Supplementary Information

### Retiree Healthcare Benefits Plan

#### Schedule of City Contributions

Fiscal Year Ended	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
6/30/2021	\$ 36,952	\$ 73,750	\$ (36,798)	\$ 8,785,682	0.8%
6/30/2020	277,238	315,689	(38,451)	9,388,956	3.4%
6/30/2019	277,674	363,994	(86,320)	10,505,955	3.5%
6/30/2018	613,678	647,350	(33,672)	10,800,824	6.0%
6/30/2017	617,207	617,207	-	10,711,843	5.8%

See notes to required supplementary information.

## CITY OF NOVI, MICHIGAN

### Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Capital Improvement Program Capital Projects Fund

For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Property taxes	\$ 3,824,900	\$ 3,824,900	\$ 3,818,955	\$ (5,945)
Investment income	-	-	63	63
<b>Total revenues</b>	<u>3,824,900</u>	<u>3,824,900</u>	<u>3,819,018</u>	<u>(5,882)</u>
<b>Expenditures</b>				
Current:				
General government -				
Other services and charges	<u>1,000</u>	<u>1,000</u>	<u>814</u>	<u>(186)</u>
Public works -				
Capital outlay	<u>-</u>	<u>1,154,791</u>	<u>670,584</u>	<u>(484,207)</u>
Recreation and culture -				
Capital outlay	<u>463,500</u>	<u>2,494,037</u>	<u>2,042,555</u>	<u>(451,482)</u>
Debt service:				
Principal	-	2,280,746	-	(2,280,746)
Interest and fiscal charges	<u>524,535</u>	<u>524,535</u>	<u>277,530</u>	<u>(247,005)</u>
Total debt service	<u>524,535</u>	<u>2,805,281</u>	<u>277,530</u>	<u>(2,527,751)</u>
<b>Total expenditures</b>	<u>989,035</u>	<u>6,455,109</u>	<u>2,991,483</u>	<u>(3,463,626)</u>
<b>Net change in fund balance</b>	2,835,865	(2,630,209)	827,535	3,457,744
Fund balance (deficit), beginning of year	<u>(15,069,911)</u>	<u>(11,126,175)</u>	<u>(11,126,175)</u>	<u>-</u>
<b>Fund balance (deficit), end of year</b>	<u>\$ (12,234,046)</u>	<u>\$ (13,756,384)</u>	<u>\$ (10,298,640)</u>	<u>\$ 3,457,744</u>

# CITY OF NOVI, MICHIGAN

## Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual - Parks, Recreation, and Cultural Services Special Revenue Fund

For the Year Ended June 30, 2021

	Original Budget	Final Budget	Actual	Actual Over (Under) Final Budget
<b>Revenues</b>				
Property taxes	\$ 1,468,995	\$ 1,468,995	\$ 1,468,077	\$ (918)
Intergovernmental:				
Federal grants	-	74,134	74,134	-
Investment income	16,772	16,772	11,507	(5,265)
Other:				
Local donations	50,077	87,745	87,398	(347)
Recreational programs	1,383,025	937,868	1,014,449	76,581
Miscellaneous	5,000	300	302	2
<b>Total revenues</b>	<u>2,923,869</u>	<u>2,585,814</u>	<u>2,655,867</u>	<u>70,053</u>
<b>Expenditures</b>				
Current -				
Recreation and culture:				
Personnel services	1,441,686	1,195,075	1,171,139	(23,936)
Supplies	94,240	133,634	42,629	(91,005)
Other services and charges	1,289,548	1,062,181	938,128	(124,053)
Capital outlay	510,481	455,944	451,755	(4,189)
<b>Total expenditures</b>	<u>3,335,955</u>	<u>2,846,834</u>	<u>2,603,651</u>	<u>(243,183)</u>
Revenues over (under) expenditures	<u>(412,086)</u>	<u>(261,020)</u>	<u>52,216</u>	<u>313,236</u>
<b>Other financing sources</b>				
Proceeds from sale of capital assets	-	9,700	8,718	(982)
Transfers in	225,000	283,000	283,000	-
<b>Total other financing sources</b>	<u>225,000</u>	<u>292,700</u>	<u>291,718</u>	<u>(982)</u>
<b>Net change in fund balance</b>	<u>(187,086)</u>	<u>31,680</u>	<u>343,934</u>	<u>312,254</u>
Fund balance, beginning of year	<u>713,858</u>	<u>464,565</u>	<u>464,565</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u>\$ 526,772</u>	<u>\$ 496,245</u>	<u>\$ 808,499</u>	<u>\$ 312,254</u>

# CITY OF NOVI, MICHIGAN

## Statement of Revenues, Expenses and Changes in Fund Net Position

Proprietary Funds

For the Year Ended June 30, 2021

	Business-type Activities - Enterprise Funds				Governmental Activities
	Water and Sewer	Ice Arena	Senior Housing	Total	Internal Service Fund
<b>Operating revenues</b>					
Charges for services:					
Sale of water	\$ 12,721,712	\$ -	\$ -	\$ 12,721,712	\$ -
Sewage disposal charges	13,069,176	-	-	13,069,176	-
Concession sales	-	1,042	-	1,042	-
Installation fees	352,522	-	-	352,522	-
Rentals and other	14,850	1,135,566	2,112,574	3,262,990	-
Insurance	-	-	-	-	3,000,890
Fines and forfeitures	226,886	-	-	226,886	-
Other	37,950	6,699	4,048	48,697	180,154
<b>Total operating revenues</b>	<b>26,423,096</b>	<b>1,143,307</b>	<b>2,116,622</b>	<b>29,683,025</b>	<b>3,181,044</b>
<b>Operating expenses</b>					
Water	9,433,925	-	-	9,433,925	-
Sewage treatment	11,955,126	-	-	11,955,126	-
Maintenance and operation	1,619,605	464,412	348,759	2,432,776	-
Depreciation	4,454,628	313,106	451,958	5,219,692	-
Salaries and fringes	1,017,186	-	-	1,017,186	2,529,402
Professional services	-	502,796	359,285	862,081	-
Supplies and other	436,898	-	-	436,898	-
<b>Total operating expenses</b>	<b>28,917,368</b>	<b>1,280,314</b>	<b>1,160,002</b>	<b>31,357,684</b>	<b>2,529,402</b>
Operating income (loss)	(2,494,272)	(137,007)	956,620	(1,674,659)	651,642
<b>Nonoperating revenues (expenses)</b>					
Federal grants	27,441	7,341	-	34,782	-
Interest income	808,233	26,112	19,413	853,758	5,532
Interest and fiscal charges	-	(46,900)	(112,983)	(159,883)	-
<b>Total nonoperating revenues (expenses)</b>	<b>835,674</b>	<b>(13,447)</b>	<b>(93,570)</b>	<b>728,657</b>	<b>5,532</b>
<b>Income (loss) before capital contributions</b>	<b>(1,658,598)</b>	<b>(150,454)</b>	<b>863,050</b>	<b>(946,002)</b>	<b>657,174</b>
<b>Capital contributions</b>					
Lines donated by developers and others	2,461,545	-	-	2,461,545	-
Customer assessments - tap fees	1,239,990	-	-	1,239,990	-
<b>Total capital contributions</b>	<b>3,701,535</b>	<b>-</b>	<b>-</b>	<b>3,701,535</b>	<b>-</b>
<b>Change in net position</b>	<b>2,042,937</b>	<b>(150,454)</b>	<b>863,050</b>	<b>2,755,533</b>	<b>657,174</b>
Net position, beginning of year	195,856,698	5,351,916	5,889,928	207,098,542	296,368
<b>Net position, end of year</b>	<b>\$ 197,899,635</b>	<b>\$ 5,201,462</b>	<b>\$ 6,752,978</b>	<b>\$ 209,854,075</b>	<b>\$ 953,542</b>

The accompanying notes are an integral part of these basic financial statements.

# CITY OF NOVI, MICHIGAN

## Notes to Financial Statements

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
<b>Business-type activities</b>					
<b>General obligation bonds</b>					
<b>2014 Ice Arena Refunding Bonds,</b> installments of \$485,000 to \$520,000 through June 1, 2024, interest at 2.4%	\$ 1,995,000	\$ -	\$ (490,000)	\$ 1,505,000	\$ 500,000
<b>2015 Senior Complex Recreation</b> Facility Refunding Bonds, installments of \$850,000 to \$1,020,000 through October 1, 2025, interest at 2.29%	5,575,000	-	(855,000)	4,720,000	850,000
Total business-type activities general obligation bonds	7,570,000	-	(1,345,000)	6,225,000	1,350,000
Compensated absences	73,775	72,504	(73,594)	72,685	72,685
<b>Total business-type activities</b>	<u>\$ 7,643,775</u>	<u>\$ 72,504</u>	<u>\$ (1,418,594)</u>	<u>\$ 6,297,685</u>	<u>\$ 1,422,685</u>

Annual debt service requirements to maturity for long-term debt are as follows:

Year Ended June 30,	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2022	\$ 1,135,000	\$ 267,700	\$ 1,350,000	\$ 134,476
2023	1,195,000	221,100	1,355,000	102,782
2024	1,240,000	172,400	1,500,000	69,959
2025	1,295,000	121,700	1,000,000	34,808
2026	1,340,000	75,700	1,020,000	11,679
2027	1,390,000	27,800	-	-
	<u>\$ 7,595,000</u>	<u>\$ 886,400</u>	<u>\$ 6,225,000</u>	<u>\$ 353,704</u>

All general obligation bonded debt is supported by the City's full faith and credit. Interest is payable on all obligations semi-annually. Principal is paid on an annual basis.

Compensated absences are generally liquidated by the general fund, parks, recreation, and cultural services special revenue fund, library special revenue fund, and the water and sewer enterprise fund.

# CITY OF NOVI, MICHIGAN

## Notes to Financial Statements

### 8. LONG-TERM DEBT

The following is a summary of long-term debt transactions of the City for the year ended June 30, 2021:

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
<b>Governmental activities</b>					
<b>General obligation bonds</b>					
2008 Unlimited Tax Library Bonds, installments of \$750,000 to \$765,000 through October 1, 2020, interest at 4.00% to 5.00%	\$ 765,000	\$ -	\$ (765,000)	\$ -	\$ -
<b>2016 Unlimited Tax Library</b>					
Refunding Bonds, installments of \$265,000 to \$1,390,000 through October 1, 2026, interest at 2.0% to 4.0%	7,900,000	-	(305,000)	7,595,000	1,135,000
Total governmental activities general obligation bonds	8,665,000	-	(1,070,000)	7,595,000	1,135,000
<b>Unamortized premium</b>					
2016 Unlimited Tax Library Refunding Bonds	768,181	-	(128,030)	640,151	128,030
Compensated absences	2,564,095	2,232,679	(2,246,204)	2,550,570	2,040,456
<b>Total governmental activities</b>	<u>\$ 11,997,276</u>	<u>\$ 2,232,679</u>	<u>\$ (3,444,234)</u>	<u>\$ 10,785,721</u>	<u>\$ 3,303,486</u>

# CITY OF NOVI, MICHIGAN

## Notes to Financial Statements

Capital asset activity for the year of the City's **business-type activities** was as follows:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
<b>Business-type activities</b>					
Capital assets not being depreciated:					
Land	\$ 2,272,256	\$ -	\$ -	\$ -	\$ 2,272,256
Construction in progress	10,591,207	11,802,622	-	(4,669,409)	17,724,420
	<u>12,863,463</u>	<u>11,802,622</u>	<u>-</u>	<u>(4,669,409)</u>	<u>19,996,676</u>
Capital assets being depreciated:					
Water and sewer distribution systems	194,110,051	2,461,545	(415,055)	127,188	196,283,729
Buildings and Improvements	28,752,511	15,692	-	3,045,220	31,813,423
Machinery and equipment	3,329,912	394,377	(22,540)	-	3,701,749
Land improvements	1,280,465	338,357	-	1,497,001	3,115,823
	<u>227,472,939</u>	<u>3,209,971</u>	<u>(437,595)</u>	<u>4,669,409</u>	<u>234,914,724</u>
Less accumulated depreciation for:					
Water and sewer distribution systems	(83,167,546)	(3,917,991)	415,055	-	(86,670,482)
Buildings and Improvements	(12,456,745)	(877,221)	-	-	(13,333,966)
Machinery and equipment	(2,214,375)	(289,409)	22,540	-	(2,481,244)
Land improvements	(222,828)	(135,071)	-	-	(357,899)
	<u>(98,061,494)</u>	<u>(5,219,692)</u>	<u>437,595</u>	<u>-</u>	<u>(102,843,591)</u>
Total capital assets being depreciated, net	<u>129,411,445</u>	<u>(2,009,721)</u>	<u>-</u>	<u>4,669,409</u>	<u>132,071,133</u>
<b>Business-type activities capital assets, net</b>	<u>\$ 142,274,908</u>	<u>\$ 9,792,901</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 152,067,809</u>

# CITY OF NOVI, MICHIGAN

## Notes to Financial Statements

### 7. CAPITAL ASSETS

Capital asset activity for the year of the City's governmental activities was as follows:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
<b>Governmental activities</b>					
Capital assets not being depreciated:					
Land	\$ 33,898,143	\$ 25,289	\$ -	\$ -	\$ 33,923,432
Construction in progress	29,160,478	6,263,918	-	(21,498,314)	13,926,082
	<u>63,058,621</u>	<u>6,289,207</u>	<u>-</u>	<u>(21,498,314)</u>	<u>47,849,514</u>
Capital assets being depreciated:					
Roads	139,374,290	6,200,245	(4,503,622)	6,311,059	147,381,972
Nonmotorized pathway improvements	12,795,598	93,099	-	1,497,329	14,386,026
Bridges	2,256,131	-	-	-	2,256,131
Drains	17,699,278	484,700	(1,201,063)	1,268,605	18,251,520
Buildings and Improvements	47,936,692	1,974	-	8,299,497	56,238,163
Machinery and equipment	21,338,418	1,747,738	(569,077)	1,529,134	24,046,213
Land improvements	6,042,896	469,018	-	2,592,690	9,104,604
Library books	3,797,832	444,451	(524,916)	-	3,717,367
	<u>251,241,135</u>	<u>9,441,225</u>	<u>(6,798,678)</u>	<u>21,498,314</u>	<u>275,381,996</u>
Less accumulated depreciation for:					
Roads	(75,615,093)	(5,817,687)	4,503,622	-	(76,929,158)
Nonmotorized pathway improvements	(5,342,246)	(645,597)	-	-	(5,987,843)
Bridges	(1,501,922)	(88,275)	-	-	(1,590,197)
Drains	(10,030,315)	(730,060)	1,201,063	-	(9,559,312)
Buildings and Improvements	(22,481,963)	(1,284,437)	-	-	(23,766,400)
Machinery and equipment	(14,701,251)	(1,669,999)	566,863	-	(15,804,387)
Land improvements	(473,101)	(364,184)	-	-	(837,285)
Library books	(1,103,789)	(269,404)	524,916	-	(848,277)
	<u>(131,249,680)</u>	<u>(10,869,643)</u>	<u>6,796,464</u>	<u>-</u>	<u>(135,322,859)</u>
Total capital assets being depreciated, net	<u>119,991,455</u>	<u>(1,428,418)</u>	<u>(2,214)</u>	<u>21,498,314</u>	<u>140,059,137</u>
<b>Governmental activities capital assets, net</b>	<u>\$ 183,050,076</u>	<u>\$ 4,860,789</u>	<u>\$ (2,214)</u>	<u>\$ -</u>	<u>\$ 187,908,651</u>

# CITY OF NOVI, MICHIGAN

## Notes to Financial Statements

Capital asset activity for the year of the discretely presented component units was as follows:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
<b>Component Unit - Economic Development Corporation</b>					
Capital assets not being depreciated -					
Historical treasure	\$ 35,000	\$ -	\$ -	\$ -	\$ 35,000
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Transfers</u>	<u>Ending Balance</u>
<b>Component Unit - Corridor Improvement Authority</b>					
Capital assets not being depreciated -					
Construction in progress	\$ 2,901,173	\$ 1,065,083	\$ -	\$ -	\$ 3,966,256

Depreciation expense was charged to governmental activities functions as follows:

General government	\$ 473,236
Public safety	1,269,794
Public works	7,937,305
Community and economic development	48,939
Recreation and culture	1,140,369
Total governmental activities	<u>\$ 10,869,643</u>

Depreciation expense was charged to business-type activities functions as follows:

Water and sewer	\$ 4,454,628
Ice arena	313,106
Senior housing	451,958
Total business-type activities	<u>\$ 5,219,692</u>

Construction commitments consisted of the following at June 30, 2021:

<b>Governmental activities:</b>	
Sidewalks and pathways	\$ 548,870
Street construction	1,176,570
Land improvements	173,852
Building and improvements	293,476
Drains	750,917
	<u>\$ 2,943,685</u>
<b>Business-type activities</b>	
Water and sewer	<u>\$ 939,881</u>