
City of Woodhaven, Michigan

**Financial Report
with Supplemental Information
June 30, 2020**

City of Woodhaven, Michigan

Management's Discussion and Analysis (Continued)

General Fund Budgetary Highlights

Over the course of the year, the City amended the budget to take into account events during the year. Total General Fund expenditures were under budget by approximately \$750,000, with the majority of the difference due to capital projects budgeted during 2020 that were not started. Also, due to COVID-19 and the uncertainty of 2020-2021 state revenue sharing, precautions were taken to minimize expenditures to lessen the impact on next year's finances. There were no city departments over budget.

Capital Assets and Debt Administration

At the end of 2020, the City had approximately \$51,152,000 (net of depreciation) invested in a broad range of capital assets, including land, buildings, police and fire equipment, roads, and water and sewer lines.

Economic Factors and Next Year's Budgets and Rates

Due to the impact of Proposal A and the Headlee amendment on the taxable value of properties located within the City, the City needs to continue to watch its budget very closely. The statewide Tax Reform Act limits growth in taxable value on any individual property to the lesser of inflation or 5 percent. The City of Woodhaven, Michigan is projecting an increase of less than 1.5 percent in property values for the year ending June 30, 2021. While the increase seems insignificant, the City plans to continue monitoring its expenditures and maintain an appropriate level of fund balance. With COVID-19 continuing to impact the City at all levels, administrators will consistently monitor and work with state officials to minimize the effect on the City. New ideas, partnered with proper planning, allow us to use existing funds set aside by the City Council and administration to continue investing in our wonderful city.

A brief summary of some of the City's past and future improvements is listed below:

- In an effort to promote Woodhaven, the Downtown Development Authority (the "Authority") continues to enhance the area within its boundaries. Last year, work began on installing new, energy-efficient streetlights along Allen Road. Development of the property next to White Castle and Meijer also started. The property will contain several businesses, a walkable pond, a playground, and an area for outdoor events. The completion date is tentatively set for the summer of 2021.
- Outside of the Authority's district, the City works hard to maintain and improve at all levels. Roads and sidewalks continue to be replaced, along with trails and paths throughout the parks. Over the next couple of years, a portion of property behind Ford Lane is being developed into a walkable nature preserve. This area will feature a network of walking paths that wind through the woodlands and alongside several ponds where abundant wildlife can be observed and enjoyed.

The City met all of the requirements of the City, Village, and Township Revenue Sharing (CVTRS), which allowed the City to receive all possible funding from the State of Michigan. The City intends to continue meeting all future CVTRS requirements.

Requests for Further Information

This financial report is intended to provide a general overview of the City's finances and demonstrate the City's accountability for the money it receives. If you have questions about this report or need additional information, please contact the administrative offices at City Hall. This report, city budgets, and other financial information are available on the City's website at www.woodhavenmi.org.

City of Woodhaven, Michigan

Statement of Net Position

June 30, 2020

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Downtown Development Authority
Assets				
Cash and investments	\$ 13,099,016	\$ 2,410,483	\$ 15,509,499	\$ 773,779
Receivables:				
Property taxes receivable	160,020	-	160,020	-
Customer receivables	-	903,950	903,950	-
Other receivables	297,238	-	297,238	-
Due from other governments	312,494	237,247	549,741	-
Due from component units	138,792	-	138,792	-
Internal balances	214,571	(214,571)	-	-
Inventory	12,741	32,852	45,593	-
Prepaid expenses and other assets	111,463	-	111,463	-
Restricted cash and cash equivalents	9,476	4,083,338	4,092,814	-
Investment in joint ventures (Note 12)	379,162	305,759	684,921	-
Land held for resale	213,880	-	213,880	-
Capital assets: (Note 4)				
Assets not subject to depreciation	2,259,503	297,753	2,557,256	-
Assets subject to depreciation - Net	31,157,629	17,436,937	48,594,566	-
Total assets	48,365,985	25,493,748	73,859,733	773,779
Deferred Outflows of Resources				
Deferred charges on bond refunding	200,216	-	200,216	-
Deferred pension costs (Note 9)	1,565,722	64,780	1,630,502	-
Deferred OPEB costs (Note 10)	929,803	25,558	955,361	-
Total deferred outflows of resources	2,695,741	90,338	2,786,079	-
Liabilities				
Accounts payable	811,627	476,967	1,288,594	13,199
Due to primary government	-	-	-	138,792
Accrued liabilities and other	323,329	249,116	572,445	5,522
Noncurrent liabilities:				
Due within one year:				
Compensated absences (Note 6)	93,732	3,026	96,758	-
Current portion of bonds payable (Note 6)	965,000	347,441	1,312,441	-
Due in more than one year:				
Compensated absences (Note 6)	94,898	-	94,898	-
Net pension liability (Note 9)	7,551,260	311,263	7,862,523	-
Net OPEB liability (Note 10)	21,571,930	592,957	22,164,887	-
Bonds payable - Net of current portion (Note 6)	4,520,782	5,456,158	9,976,940	-
Total liabilities	35,932,558	7,436,928	43,369,486	157,513
Deferred Inflows of Resources				
Deferred pension cost reductions (Note 9)	69,902	2,910	72,812	-
Deferred OPEB cost reductions (Note 10)	8,683,775	238,694	8,922,469	-
Total deferred inflows of resources	8,753,677	241,604	8,995,281	-
Net Position				
Net investment in capital assets	28,141,042	16,014,429	44,155,471	-
Restricted:				
Streets and highways	1,782,384	-	1,782,384	-
Police	494,559	-	494,559	-
Rubbish	112,861	-	112,861	-
Unrestricted	(24,155,355)	1,891,125	(22,264,230)	616,266
Total net position	\$ 6,375,491	\$ 17,905,554	\$ 24,281,045	\$ 616,266

See notes to financial statements.

City of Woodhaven, Michigan

Functions/Programs	Program Revenue			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 4,196,639	\$ 624,869	\$ -	\$ 54,955
District court	430,836	417,055	-	-
Public safety	4,646,897	529,226	88,916	-
Public works	3,916,067	113,666	1,130,331	280,891
Community and economic development	104,392	-	80,028	-
Recreation and culture	363,307	160,361	19,347	26,670
Interest on long-term debt	166,305	-	-	-
Total governmental activities	13,824,443	1,845,177	1,318,622	362,516
Business-type activities:				
Water and sewer	4,557,854	4,393,739	462,542	-
Recreational vehicle storage	23,444	27,614	-	-
Total business-type activities	4,581,298	4,421,353	462,542	-
Total primary government	<u>\$ 18,405,741</u>	<u>\$ 6,266,530</u>	<u>\$ 1,781,164</u>	<u>\$ 362,516</u>
Component units - Downtown Development Authority	<u>\$ 851,419</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

General revenue:

Property taxes
 Unrestricted state-shared revenue
 Unrestricted investment income
 Cable franchise fees
 Gain on sale of capital assets
 Other miscellaneous income

Total general revenue

Change in Net Position

Net Position - Beginning of year

Net Position - End of year

Statement of Activities

Year Ended June 30, 2020

Net (Expense) Revenue and Changes in Net Position			
Primary Government			
Governmental Activities	Business-type Activities	Total	Component Unit
\$ (3,516,815)	\$ -	\$ (3,516,815)	\$ -
(13,781)	-	(13,781)	-
(4,028,755)	-	(4,028,755)	-
(2,391,179)	-	(2,391,179)	-
(24,364)	-	(24,364)	-
(156,929)	-	(156,929)	-
(166,305)	-	(166,305)	-
(10,298,128)	-	(10,298,128)	-
-	298,427	298,427	-
-	4,170	4,170	-
-	302,597	302,597	-
(10,298,128)	302,597	(9,995,531)	-
-	-	-	(851,419)
10,594,315	-	10,594,315	1,076,402
2,925,761	-	2,925,761	-
125,288	14,757	140,045	6,721
279,722	-	279,722	-
6,800	-	6,800	-
62,167	-	62,167	-
13,994,053	14,757	14,008,810	1,083,123
3,695,925	317,354	4,013,279	231,704
2,679,566	17,588,200	20,267,766	384,562
\$ 6,375,491	\$ 17,905,554	\$ 24,281,045	\$ 616,266