City of Grosse Pointe Farms, Michigan

Annual Comprehensive Financial Report







For The Year Ended

June 30, 2025

City of Grosse Pointe Farms, Michigan

Annual Comprehensive Financial Report
with Supplementary Information
Fiscal Year Ended June 30, 2025

Mayor
Louis Theros, Mayor

City Council
Beth Konrad-Wilberding, Mayor Pro Tem
Sierra Leone Donaven
John J. Gillooly
Joe Ricci
Neil Sroka
Lev Wood

Audit Committee
Lev Wood
John J. Gillooly
Louis Theros

City Manager
Shane L. Reeside

Director of Finance
Tim Rowland

Prepared by:
City's Finance Department

City of Grosse Pointe Farms, Michigan

Contents

Introductory Section

Letter of Transmittal i-v

GFOA Certificate of Achievement vi

Organization Chart vii

Financial Section

Independent Auditor's Report 1-3

Management's Discussion and Analysis 4-7

Basic Financial Statements

Government-wide Financial Statements:
- Statement of Net Position 8
- Statement of Activities 9-10

Fund Financial Statements:

Governmental Funds:
- Balance Sheet 11
- Reconciliation of the Balance Sheet to the Statement of Net Position 12
- Statement of Revenue, Expenditures, and Changes in Fund Balances 13
- Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balances to the Statement of Activities 14

Proprietary Funds:
- Statement of Net Position 15
- Statement of Revenue, Expenses, and Changes in Net Position 16
- Statement of Cash Flows 17

Fiduciary Funds:
- Statement of Fiduciary Net Position 18
- Statement of Changes in Fiduciary Net Position 19

Notes to Financial Statements 20-52

Required Supplementary Information 53

Budgetary Comparison Schedule - General Fund 54
Budgetary Comparison Schedule - Special Revenue Fund 55
Schedule of Changes in the Net Pension Liability (Asset) and Related Ratios 56
Schedule of Pension Contributions 57
Schedule of Pension Investment Returns 58
Schedule of Changes in the Net Pension Liability (Asset) and Related Ratios 59
Schedule of Pension Contributions 60
Schedule of Pension Investment Returns 61
Schedule of Changes in the Net OPEB Liability and Related Ratios 62
Schedule of OPEB Contributions 63
Schedule of OPEB Investment Returns 64
Schedule of Changes in the Net OPEB Liability and Related Ratios 65
Schedule of OPEB Contributions 66
Schedule of OPEB Investment Returns 67
Notes to Required Supplementary Information 68-70

Contents (Continued)

Supplementary Information 71

Nonmajor Governmental Funds:
- Combining Balance Sheet 72
- Combining Statement of Revenue, Expenditures, and Changes in Fund Balances 73

Budgetary Comparison Schedule - Capital Projects Fund 74
Budgetary Comparison Schedules - Nonmajor Governmental Funds 75-79

Nonmajor Enterprise Funds:
- Combining Statement of Net Position 80
- Combining Statement of Revenue, Expenses, and Changes in Net Position 81
- Combining Statement of Cash Flows 82

Internal Service Funds:
- Combining Statement of Net Position 83
- Combining Statement of Revenue, Expenses, and Changes in Net Position 84
- Combining Statement of Cash Flows 85

Fiduciary Funds:
- Combining Statement of Fiduciary Net Position 86
- Combining Statement of Changes in Fiduciary Net Position 87

Statistical Section 88

Financial Trend Information 89
- Net Position by Component 90
- Changes in Net Position 91-92
- Fund Balances of Governmental Funds 93
- Changes in Fund Balances of Governmental Funds 94

Revenue Capacity information 95
- Property Taxes Levies and Collections 96
- Property Tax Rates - Direct and Overlapping Governments 97
- Assessed Taxable Values (History of Property Values) 98
- Principal Property Tax Payers (Major Taxpayers) 99

Debt Capacity Information 100
- Ratios of General Bonded Debt Outstanding 101
- Ratios of Outstanding Debt by Type 102
- Legal Debt Margin 103
- Direct and Overlapping - Governmental Activities Debt 104

Demographic and Economic Information 105
- Demographic and Economic Statistics 106
- Principal Employers 107

Operating Information 108
- Operating Indicators 109
- Capital Asset Statistics by Function 110
- Full-Time Equivalent Government Employees by Function 111

City of Grosse Pointe Farms
90 Kerby Road, Grosse Pointe Farms, Michigan 48236-3161
phone 313 885.6600
www.grossepointefarms.org

October 31, 2025

To The Honorable Mayor, City Council, and Citizens of the City of Grosse Pointe Farms
City of Grosse Pointe Farms
Grosse Pointe Farms, Michigan 48236

With this letter, we transmit the City of Grosse Pointe Farms' Annual Comprehensive Financial Report (ACFR) for the fiscal year which ended June 30, 2025. These statements are in compliance with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards. This transmittal letter is designed to complement the Management's Discussion and Analysis (MD&A) section of this report and should be used in conjunction with it. The MD&A immediately follows the report of the independent auditors.

The financial statements have been prepared by the Finance Department for the purpose of disclosing the City's financial condition to its residents, elected officials, and other interested parties. Management assumes full responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures.

The City of Grosse Pointe Farms' financial statements have been audited by Plante & Moran, PLLC. The purpose of an independent audit is to provide reasonable assurance that the financial statements are free of material misstatement. The independent audit involves examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The audit concluded that there was a reasonable basis for rendering an unmodified opinion that the City of Grosse Pointe Farms' financial statements for the year ended June 30, 2025 are fairly presented in conformity with GAAP. Plante & Moran, PLLC's report is presented as the first component of the financial section of this report.

The Annual Comprehensive Financial Report is presented in three sections: introductory, financial, and statistical. The introductory section includes this transmittal letter and the City's organizational chart. The financial section includes the basic financial statements and the combining and individual fund financial statements and schedules, as well as the auditor's report on the financial statements and schedules.

The statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

This report includes all funds of the City. The City provides a full range of services including police and fire protection, sanitation services, recreational activities, parks, construction and maintenance of streets and infrastructures, community planning, zoning and code enforcement and the operation of a water utility system.

ECONOMIC CONDITION & OUTLOOK

The City of Grosse Pointe Farms is an affluent, suburban community located in the northeast corner of Wayne County and nestled among its four Grosse Pointe neighbors between the City of Detroit on its west and Lake St. Clair on its east. Its population of 10,148 (per the 2020 census figures) is distributed among approximately 4,058 households, having a median household income of $160,589 and an average per capita income of $94,810. The average value of a residential property in the City is $642,384. The labor force is composed largely of managerial and professional personnel, of which over 77 percent have a bachelor's, graduate or post graduate degree. The unemployment rate among Farms' residents is considerably lower than in the rest of the region.

The City is ideally situated in relation to major transportation routes, including I-94 and I-696. Its location along Lake St. Clair provides a scenic and recreational asset of indeterminable value. The reputation for excellence of the Grosse Pointe Public School System is widely recognized and draws families to the community. But more importantly, the City itself is committed to preserving and enhancing the viability of the community, its history and heritage, the quality of its housing stock, the repair and replacement of its infrastructure, the safety and welfare of its citizens and visitors, the aesthetics of its environs, the provision of cost-efficient services, and the special enhancements that make a city a community.

Approximately 5.8 percent of the City's total revenues are derived from State shared revenue. In recent years, distribution have remained stable following increases associated with the 2020 census population increase. The City continues to take a conservative approach in estimating the revenue source. Grosse Pointe Farms' reliance on state-shared revenue is a relatively small portion of the City's budget.

The residential tax base continues to be the primary source of funding for City operations, comprising approximately 93 percent of the taxable value and accounting for about 61 percent of total governmental revenues. Over the past year and continuing into the current fiscal period, residential property values have shown notable appreciation, accompanied by shorter market times for home sales. Inflationary pressures have influenced this trend, with taxable values increasing by the Headlee Amendment maximum of 5.0% for fiscal year 2024–2025 and 3.1% for fiscal year 2025–2026. The approved operating millage rate of 16.4655 for FY 2024–2025 remains at the maximum allowable level under current law.

In conclusion, the economic outlook for the City of Grosse Pointe Farms remains strong, outperforming many municipalities across Michigan. Through disciplined fiscal management, cost-control measures, intergovernmental cooperation, and prudent budgeting practices, the City continues to maintain a stable financial position while delivering high-quality public services

MAJOR INITIATIVES

The City continues to strive to provide excellence in service levels in a cost-efficient manner. The following are among the significant initiatives accomplished by the City and in partnerships with the private sector during the past fiscal year:

- The City invested more than $2.04 million dollars in capital outlay that includes new vehicles and equipment for Public Safety and Public Works. As part of the Capital Project Fund, the City continues to set aside funds, in separate reserves, for new firefighting equipment, Pool Replacement, and City Hall building improvements.

- The City has issued the first series of bonds totaling $11.875 Million and commenced construction on the Inland District Sewer Separation Project. This four-part sewer improvement project includes the construction of a new pump station and will separate storm and sanitary sewers within the Inland District portion of the City. This project is anticipated to continue through 2027 and will include a subsequent bond issue in the next fiscal year.

- The City repaved approximately 1.43 miles of roadway this year using funds collected from the fourth year of the five-year road millage. The road millage collections for fiscal year 2024-2025 were $1,967,746. In November of 2024, voters approved a renewal of this millage for five additional years, ensuring continued investment in the city's infrastructure.

- The City formed an ad hoc pool committee, which, in collaboration with the Parks and Recreation Advisory Committee, evaluated the existing pool facility and provided recommendations to design a new pool and bathhouse facility. It is anticipated that this project will begin in early 2026 and be funded through private donations and a new bond issuance.

The Kercheval (The Hill) and Mack Avenue Business Districts

The City's two major business districts on Kercheval Avenue and Mack Avenue continue to flourish. Though the districts make up a small part of the community in terms of geography, they are vitally important to the quality of life our residents enjoy.

The Hill district continues to be a vibrant hub for dining, retail, and community engagement. Recent enhancements include the establishment of a Social District, approved by the City Council in December 2024. This initiative allows patrons of participating establishments, such as The Bronze Door, Luxe Bar and Grille, and Flyleaf Bookstore, to enjoy alcoholic beverages outdoors within designated areas along Kercheval Avenue between McMillan and Muir roads

FINANCIAL INFORMATION

Management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft, or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable assurances that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

Budgeting Controls

The object of budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council. Activities of the General, Special Revenue, Capital Projects, and Debt Service Funds are included in the annual appropriated budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established by function within an individual fund.

As demonstrated by the statements and schedules included in the financial section of this report, the City continues to meet its responsibility for sound financial management.

Long-term Financial Planning

The City's management style integrated long-term considerations into the day-to-day decision-making processes.

Management has been evaluating staffing levels in accordance with departmental needs. Operations have been evaluated and through training and technological advances, efficiency gains have allowed the City to pare back full-time staff, mostly through attrition and, if necessary, replaced with part-time staff. Personnel costs are typically the highest expenditure area of any municipality, and management will continue to evaluate staffing levels annually.

To facilitate planning to meet the City's infrastructure and equipment needs, each year a five-year capital improvement program is developed. This program details all planned projects, improvement and equipment needs. In addition to estimated expenditures, funding sources are also identified.

The City continues to aggressively seek and secure outside resources to match internal sources to finance infrastructure evaluation and construction.

General Fund Balance

The total fund balance of the General Fund increased $336,901, to $7,259,400. A total of $759,779 was nonspendable for inventories, prepaid items, and leases. $720,967 was committed for parking and harbor, and $295,250 was assigned for the subsequent year's budget and the K9 program, leaving an unassigned fund balance of $5,483,404.

Enterprise Operations

The City operates its own water supply and sewage pumping system. The operating revenue of the Water and Sewer Fund amounted to $8,380,643 which is a increase of $309,924 from the preceding year. During the same period, operating expenses, excluding depreciation, were $6,248,605. After providing for depreciation and non-operating revenues and expenses, the system experienced a positive change in net position of $1,455,110.

Pension Trust Fund Operations

The City of Grosse Pointe Farms Public Safety Officers (PSRS) and General Employees Retirement Systems (GERS) are single-employer defined-benefit pension plans, which cover eligible full-time employees of the City. Each system is managed by a five-member board, under the provisions of the City's defined-benefit pension ordinance.

The General Employees plan is closed to all new hires of the City. The City and new hires instead make contributions into a defined contribution plan. As a matter of policy, the City fully funds each year's annual required contribution to the pension plan, which for the fiscal year ended June 30, 2025 totaled $126,771 for the PSRS and $513,079 for the GERS.

The operations of the Public Safety Officers and General Employees' Retirement Systems posted a return on investments of 8.99 percent for PSRS and 8.93 percent for GERS. The systems' reserves fair value increased $2,088,736 PSRS and $1,382,443 GERS, respectively. The annual actuarial valuation funding level for PSRS is approximately 112.14 percent and 95.66 percent for GERS.

The City also provides retiree health-care benefits to qualifying full-time employees. All new hires after July 1, 2007 are not eligible for the post-retirement health-care plan. Instead, new employees and the City are contributing annually to a Health Savings Account (HSA), which will be available for healthcare needs upon retirement. The City has been pre-funding for retiree healthcare for several years and is currently funded 74.5 percent for PSRS and 72.5 percent for GERS.

Debt Administration

On June 30, 2025, the City had $20,874,004 of general obligation debt outstanding, which is also the net direct tax-supported debt. This is the equivalent of $2,057 per capita and represents about 1.99 percent of the City's taxable valuation. Under current state statutes, the City's general obligation bonded debt issues are subject to a legal limitation based on 10 percent of total equalized value of real and personal property. As of June 30, 2025, the City's general obligation bonded debt was well below the legal limit of $139,287,780.

Independent Audit

The City Charter and state statutes require an annual audit of all accounts of the City by certified public accountants. The accounting firm of Plante & Moran, PLLC was selected by the City Council. The

auditor's report on the basic financial statements and combining and individual fund financial statements is included in the financial section of this report.

Awards and Acknowledgements

The Government Finance Officer's Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Grosse Pointe Farms for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2024. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement for Excellence in Financial Reporting, the City published an easily readable and efficiently organized annual comprehensive financial report. This report satisfies both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City of Grosse Pointe Farms has received a Certificate for the last 32 consecutive years (fiscal years 1993-2024). We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and are submitting it to the GFOA.

The preparation of this Annual Comprehensive Financial Report was made possible by the dedicated service of the accounting staff as well as various employees throughout the City. Our sincere appreciation is expressed to each of them as well as to the City Council for their consistent support throughout the year in matters pertaining to the financial affairs of the City.

Respectfully submitted,





Shane L. Reeside
City Manager

Tim Rowland
City Controller/Treasurer

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Grosse Pointe Farms
Michigan

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

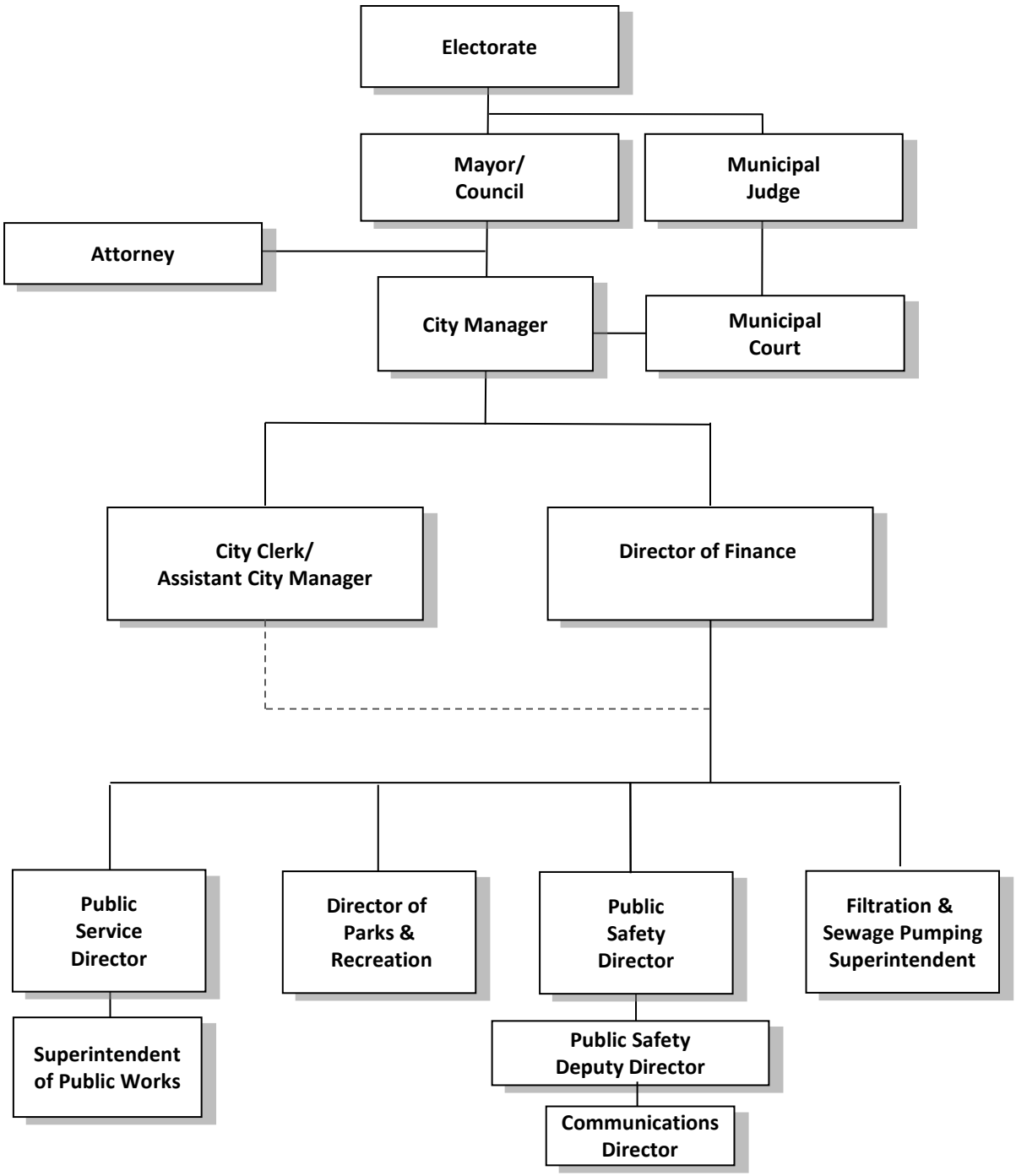
Christopher P. Morrill

Executive Director/CEO

City of Grosse Pointe Farms

June 30, 2025

Organizational Chart



Plante & Moran, PLLC
1098 Woodward Avenue
Detroit, MI 48226-1906
Tel: 313.496.7200
Fax: 313.496.7201
plantemoran.com

Independent Auditor's Report

To the City Council
City of Grosse Pointe Farms, Michigan

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Grosse Pointe Farms, Michigan (the "City") as of and for the year ended June 30, 2025 and the related notes to the financial statements, which collectively comprise the City's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2025 and the respective changes in its financial position and, where applicable, its cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the City and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

PRAXITY™
Empowering Business Globally

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

To the City Council
City of Grosse Pointe Farms, Michigan

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 31, 2025 on 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, 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'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's internal control over financial reporting and compliance.

Plante & Moran, PLLC

October 31, 2025

As management of the City of Grosse Pointe Farms, Michigan (the "City"), we offer readers this narrative overview and analysis of the financial activities for the year ended June 30, 2025.

Using This Annual Report

This annual report consists of a series of financial statements. The statement of net position and the statement of activities provide information about the activities of the City of Grosse Pointe Farms, Michigan as a whole and present a longer-term view of the City's finances. This longer-term view uses the accrual basis of accounting so that it can measure the cost of providing services during the current year and whether the taxpayers have funded the full cost of providing government services.

The fund financial statements present a short-term view; they tell the reader how the taxpayers' resources were spent during the year, as well as how much is available for future spending. Fund financial statements also report the City's operations in more detail than the government-wide financial statements by providing information about the City's most significant funds. The fiduciary fund statements provide financial information about activities for which the City acts solely as a trustee or agent for the benefit of those outside of the government.

The City's Net Position

The following table shows, in a condensed format, the net position as of June 30, 2025 compared to the prior year:

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Assets						
Current and other assets	$ 26,280,181	$ 27,298,835	$ 17,989,586	$ 6,217,668	$ 44,269,767	$ 33,516,503
Capital assets	29,348,917	26,589,355	25,855,787	21,688,085	55,204,704	48,277,440
Total assets	55,629,098	53,888,190	43,845,373	27,905,753	99,474,471	81,793,943
Deferred Outflows of Resources	2,231,180	649,012	149,567	-	2,380,747	649,012
Liabilities						
Current liabilities	1,207,281	1,632,644	1,345,597	317,058	2,552,878	1,949,702
Noncurrent liabilities	12,660,659	10,209,250	19,366,998	7,119,987	32,027,657	17,329,237
Total liabilities	13,867,940	11,841,894	20,712,595	7,437,045	34,580,535	19,278,939
Deferred Inflows of Resources	6,687,109	7,286,640	158,192	175,935	6,845,301	7,462,575
Net Position						
Net investment in capital assets	26,006,220	22,436,765	18,974,467	15,665,920	44,980,687	38,102,685
Restricted	9,680,548	9,663,896	-	-	9,680,548	9,663,896
Unrestricted	1,618,461	3,308,007	4,149,686	4,442,757	5,768,147	7,750,764
Total net position	**$ 37,305,229**	**$ 35,408,668**	**$ 23,124,153**	**$ 20,108,677**	**$ 60,429,382**	**$ 55,517,345**

For governmental activities, the City's net position increased due to bond repayments, capital purchases, a decrease in net pension liability, and offset by an increase in net OPEB liability.

For business-type activities, the City's net position increased due to bond repayments and capital purchases. Assets and liabilities both increased because of the issuance of bonds and unspent bond proceeds on hand.

The City's Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Revenue						
Program revenue:						
Charges for services	$ 2,510,997	$ 2,525,717	$ 8,798,982	$ 8,490,402	$ 11,309,979	$ 11,016,119
Operating grants and contributions	18,253	36,811	1,427,696	1,315,864	1,445,949	1,352,675
Capital grants and contributions	1,682,162	2,584,612	-	-	1,682,162	2,584,612
General revenue:						
Property taxes	17,076,274	16,111,332	6,744	4,959	17,083,018	16,116,291
State-shared revenue	1,197,570	1,214,932	-	-	1,197,570	1,214,932
Investment gain	975,281	911,632	154,428	112,248	1,129,709	1,023,880
Franchise fees and other	519,174	476,572	-	-	519,174	476,572
Total revenue	23,979,711	23,861,608	10,387,850	9,923,473	34,367,561	33,785,081
Expenses						
General government	3,336,430	3,316,291	-	-	3,336,430	3,316,291
Municipal court	407,839	398,503	-	-	407,839	398,503
Public safety	10,058,880	4,470,187	-	-	10,058,880	4,470,187
Public works	5,377,912	5,248,339	-	-	5,377,912	5,248,339
Community and economic development	67,985	117,499	-	-	67,985	117,499
Parks and recreation	2,228,139	2,081,605	-	-	2,228,139	2,081,605
Debt service	98,234	126,955	-	-	98,234	126,955
Water and sewer	-	-	7,480,360	7,767,783	7,480,360	7,767,783
Municipal Radio System	-	-	117,298	118,187	117,298	118,187
Recycling program	-	-	282,447	268,232	282,447	268,232
Total expenses	21,575,419	15,759,379	7,880,105	8,154,202	29,455,524	23,913,581
Transfers	(507,731)	-	507,731	-	-	-
Change in Net Position	1,896,561	8,102,229	3,015,476	1,769,271	4,912,037	9,871,500
Net Position - Beginning of year	35,408,668	27,306,439	20,108,677	18,339,406	55,517,345	45,645,845
Net Position - End of year	**$ 37,305,229**	**$ 35,408,668**	**$ 23,124,153**	**$ 20,108,677**	**$ 60,429,382**	**$ 55,517,345**

Governmental Activities

The City's total governmental activities revenue increased from the previous fiscal year. Property tax revenue increased by $964,942 due to a 5.8 percent increase in taxable value of property. Capital grants decreased by $902,450 due to funding received from the State of Michigan in the prior year for repairs to the seawall. The local real estate market has been strong, with properties being sold quickly and oftentimes above asking price. State-shared revenue decreased slightly by $17,362 due to lower allocations from the State of Michigan. Investment earnings were impacted by higher interest rates combined with fair market value increases at June 30, 2025. In a rising interest rate environment, investments held at lower interest rates experience a decrease in fair value. Large downward market adjustments were necessary in the prior year, and the City was able to see a positive market adjustment in the current year.

Overall fund balance in the General Fund increased by $336,901. This increase was primarily in nonspendable fund balance, which increased by $166,548 due to accounting for GASB 87 lease differences in timing of payments and fiscal years. Unassigned fund balance increased by $105,464.

Fund balance in the Capital Projects Fund decreased by $247,621 to $2,812,081. Overall fund balance decreased due to the planned purchase of a Vactor sewer truck and the purchase of property on Mack Avenue.

The following represents some of the more significant financial highlights for the year ended June 30, 2025:

- The City's taxable value increased by 5.8 percent compared to a 5.9 percent increase the year before due to uncapping of property values on sales, increased building permit activity, and an overall increase in local real estate fair market values.
- The City has assigned the $2,812,081 fund balance in the Capital Projects Fund for future capital purchases, including fire department equipment, the Pier Park pool project, vehicle purchases, and city hall improvements.

Business-type Activities

The City's business-type activities consist of the Water and Sewer Fund, Recycling Program Fund, and Municipal Radio System Fund. The City provides water to our residents and the residents of the City of Grosse Pointe, Michigan through our municipal water filtration plant. The City pumps its sewage to the Great Lakes Water Authority for treatment and disposal. Operating costs for water and sewer remained consistent and decreased by $368,185, or 4.9 percent. Water and sewer rates were increased, not only to cover projected operational costs, but to fund additional water main replacements.

Financial Analysis of Individual Funds

Our analysis of the City's major funds begins following the government-wide financial statements. The fund financial statements provide detailed information about the most significant funds, not the City as a whole. The City Council creates funds to help manage money for specific purposes and show accountability for certain activities, such as the Healthcare Retention Fund, Insurance Retention Fund, and Recycling Program Fund. The City's major funds are the General Fund, Major Streets Fund, Capital Projects Fund, and Water and Sewer Fund.

The General Fund pays for most of the City's governmental services. The most significant are public safety, which incurred expenses of $8,274,823 during fiscal year 2025. The General Fund is supported primarily by property taxes and state-shared revenue. The Major Streets Fund maintains the City's major streets (as contrasted with the neighborhood streets, which are maintained by the Local Streets Fund) and is supported by state gas and weight taxes. The Local Streets Fund also receives gas and weight taxes, as well as transfers from the City's General Fund and Major Streets Fund. The Municipal Street Fund receives and tracks the dedicated road improvement millage levy and the related project spending. The Healthcare Retention Fund accounts for expenditures for the City's self-insured employee health insurance. The Insurance Retention Fund accounts for expenditures for the City's self-insured workers' compensation. The Capital Projects Fund is utilized to account for purchases of individual items greater than $5,000.

General Fund Budgetary Highlights

Approaching the end of the year, the City's administration and City Council amended the budget to account for any variances throughout the year. The most significant revenue budget amendments were due to state grants received to offset public safety training costs. Expense adjustments were made to reduce the budget in public works and parks and recreation due to fewer repairs being needed and weather-related emergency expenses. As a result of these adjustments, the City was able to transfer an additional $450,000 to the Capital Projects Fund to be reserved for future pool replacement costs.

Capital Assets and Debt Administration

At the end of fiscal year 2025, the City had approximately $55,205,000 invested in a wide range of capital assets, including land; buildings; fire equipment; vehicles; and water, sewer, and storm sewer lines (see Note 4 to the financial statements for additional information).

Debt reported in these financial statements is related largely to 2012 sewage pumping plant improvements and the newly issued 2025 Sewer Separation Project Bond, which are recorded in the Water and Sewer Fund (see Note 6 to the financial statements for additional information). The City also issued $3,225,000 in water and sewer improvement bonds in 2015 and $2,780,000 in Harbor Project refunding bonds. During 2018, the City issued $3,705,000 in general obligation unlimited tax bonds in order to pay for all settlement claims relating to the 2011 flooding events. The Harbor Project refunding bonds will be paid off in fiscal year 2026.

Economic Factors and Next Year's Budgets and Rates

The City's budget for next year reflects no change in the City's total millage rate at 17.2943. This is the result of voters passing a new 0.35 mill senior services millage in November 2024, as well as additional millage for sewer separation bonds. The overall property tax revenue was higher due to the increase in taxable values. Cost cutting measures undertaken by the city administration and the utilization of $200,000 of fund balance for capital improvements made a balanced budget possible.

Requests for Further Information

This financial report is intended to provide our citizens, taxpayers, customers, and investors with an overview of the City's finances and to show the City's accountability for the revenue it receives. If you have any questions about this report or need additional information, we invite you to contact the Grosse Pointe Farms city controller's office.

City of Grosse Pointe Farms, Michigan

Statement of Net Position

June 30, 2025

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents (Note 3)	$ 5,523,907	$ 2,077,071	$ 7,600,978
Investments (Note 3)	9,015,205	786,808	9,802,013
Receivables:			
Property taxes receivable	7,918	72	7,990
Customer receivables	-	2,585,757	2,585,757
Accrued interest receivable	53,631	3,724	57,355
Leases receivable (Note 14)	4,896,065	-	4,896,065
Other receivables	152,469	1,125,801	1,278,270
Due from other governmental units	413,331	54,886	468,217
Internal balances	1,077	(1,077)	-
Inventory	2,646	4,383	7,029
Prepaids and other assets	292,668	-	292,668
Restricted assets - Unspent bond proceeds	-	11,352,161	11,352,161
Investment in joint ventures (Note 13)	55,698	-	55,698
Net pension asset (Note 8)	5,865,566	-	5,865,566
Capital assets:			
Assets not subject to depreciation (Note 4)	6,175,178	2,376,196	8,551,374
Assets subject to depreciation - Net (Note 4)	23,173,739	23,479,591	46,653,330
Total assets	55,629,098	43,845,373	99,474,471
Deferred Outflows of Resources			
Deferred charges on bond refunding (Note 6)	19,530	-	19,530
Deferred pension costs (Note 8)	1,455,278	33,669	1,488,947
Deferred OPEB costs (Note 10)	756,372	115,898	872,270
Total deferred outflows of resources	2,231,180	149,567	2,380,747
Liabilities			
Accounts payable	582,803	1,137,940	1,720,743
Refundable deposits, bonds, etc.	161,209	21,036	182,245
Accrued liabilities and other	439,633	186,621	626,254
Unearned revenue	23,636	-	23,636
Noncurrent liabilities:			
Due within one year:			
Payable from restricted assets	-	721,704	721,704
Compensated absences (Note 6)	638,130	69,393	707,523
Provision for uninsured losses (Note 6)	399,257	-	399,257
Current portion of long-term debt (Note 6)	620,279	275,832	896,111
Due in more than one year:			
Compensated absences (Note 6)	946,487	129,166	1,075,653
Net pension liability (Note 8)	1,102,759	294,069	1,396,828
Net OPEB liability (Note 10)	6,211,799	640,889	6,852,688
Long-term debt (Note 6)	2,741,948	17,235,945	19,977,893
Total liabilities	13,867,940	20,712,595	34,580,535
Deferred Inflows of Resources			
Deferred pension cost reductions (Note 8)	2,137,489	121,750	2,259,239
Deferred OPEB cost reductions (Note 10)	383,153	36,442	419,595
Deferred inflows from leases (Note 14)	4,166,467	-	4,166,467
Total deferred inflows of resources	6,687,109	158,192	6,845,301
Net Position:			
Net investment in capital assets	26,006,220	18,974,467	44,980,687
Restricted:			
Roads	3,814,982	-	3,814,982
Net pension asset	5,865,566	-	5,865,566
Unrestricted	1,618,461	4,149,686	5,768,147
Total net position	**$ 37,305,229**	**$ 23,124,153**	**$ 60,429,382**

See notes to financial statements.

Functions/Programs	Expenses	Program Revenue: Charges for Services	Program Revenue: Operating Grants and Contributions	Program Revenue: Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	$ 3,336,430	$ 394,770	$ -	$ -
Municipal court	407,839	141,037	-	-
Public safety	10,058,880	766,477	5,000	-
Public works	5,377,912	438,672	7,253	1,675,566
Community and economic development	67,985	-	6,000	-
Parks and recreation	2,228,139	770,041	-	6,596
Interest on long-term debt	98,234	-	-	-
Total governmental activities	21,575,419	2,510,997	18,253	1,682,162
Business-type activities:				
Water and sewer	7,480,360	8,380,643	1,427,696	-
Municipal Radio System	117,298	117,298	-	-
Recycling program	282,447	301,041	-	-
Total business-type activities	7,880,105	8,798,982	1,427,696	-
Total primary government	**$ 29,455,524**	**$ 11,309,979**	**$ 1,445,949**	**$ 1,682,162**
General revenue:				
Property taxes				
Unrestricted state-shared revenue				
Investment income				
Cable franchise fees				
Other miscellaneous income				
Total general revenue				
Transfers				
Change in Net Position				
Net Position - Beginning of year				
Net Position - End of year				

Statement of Activities

Year Ended June 30, 2025

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business-type Activities	Total
$ (2,941,660)	$ -	$ (2,941,660)
(266,802)	-	(266,802)
(9,287,403)	-	(9,287,403)
(3,256,421)	-	(3,256,421)
(61,985)	-	(61,985)
(1,451,502)	-	(1,451,502)
(98,234)	-	(98,234)
(17,364,007)	-	(17,364,007)
-	2,327,979	2,327,979
-	-	-
-	18,594	18,594
-	2,346,573	2,346,573
(17,364,007)	2,346,573	(15,017,434)
17,076,274	6,744	17,083,018
1,197,570	-	1,197,570
975,281	154,428	1,129,709
199,547	-	199,547
319,627	-	319,627
19,768,299	161,172	19,929,471
(507,731)	507,731	-
1,896,561	3,015,476	4,912,037
35,408,668	20,108,677	55,517,345
$ 37,305,229	**$ 23,124,153**	**$ 60,429,382**

City of Grosse Pointe Farms, Michigan

Governmental Funds
Balance Sheet

June 30, 2025

	General Fund	Major Streets Fund	Capital Projects Fund	Nonmajor Funds	Total
Assets					
Cash and cash equivalents (Note 3)	$ 1,487,767	$ 169,050	$ 779,749	$ 2,827,420	$ 5,263,986
Investments (Note 3)	5,535,620	667,089	1,996,247	194,009	8,392,965
Receivables:					
Property taxes receivable	6,903	-	-	1,015	7,918
Accrued interest receivable	38,290	4,057	8,449	298	51,094
Leases receivable (Note 14)	4,896,065	-	-	-	4,896,065
Other receivables	65,291	-	86,964	214	152,469
Due from other governmental units	199,271	148,592	-	65,468	413,331
Due from other funds	7,077	-	-	-	7,077
Inventory	2,646	-	-	-	2,646
Prepaids and other assets	27,535	-	-	-	27,535
Total assets	**$ 12,266,465**	**$ 988,788**	**$ 2,871,409**	**$ 3,088,424**	**$ 19,215,086**
Liabilities					
Accounts payable	$ 293,803	$ 122,081	$ 59,328	$ 88,891	$ 564,103
Due to other funds	-	-	-	6,000	6,000
Refundable deposits, bonds, etc.	161,087	61	-	61	161,209
Accrued liabilities and other	385,708	9,043	-	12,457	407,208
Unearned revenue	-	-	-	23,636	23,636
Total liabilities	840,598	131,185	59,328	131,045	1,162,156
Deferred Inflows of Resources					
Unavailable revenue	-	-	-	6,000	6,000
Deferred inflows from leases	4,166,467	-	-	-	4,166,467
Total liabilities and deferred inflows of resources	5,007,065	131,185	59,328	137,045	5,334,623
Fund Balances					
Nonspendable:					
Inventory	2,646	-	-	-	2,646
Prepaids	27,535	-	-	-	27,535
Leases	729,598	-	-	-	729,598
Restricted -					
Roads	-	857,603	-	2,957,379	3,814,982
Committed:					
Parking	397,650	-	-	-	397,650
Harbor	323,317	-	-	-	323,317
Assigned:					
Subsequent year's budget	200,000	-	-	-	200,000
Capital projects	-	-	2,812,081	-	2,812,081
Public safety equipment	95,250	-	-	-	95,250
Unassigned	5,483,404	-	-	(6,000)	5,477,404
Total fund balances	7,259,400	857,603	2,812,081	2,951,379	13,880,463
Total liabilities, deferred inflows of resources, and fund balances	**$ 12,266,465**	**$ 988,788**	**$ 2,871,409**	**$ 3,088,424**	**$ 19,215,086**

See notes to financial statements.

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

June 30, 2025

Fund Balances Reported in Governmental Funds	$	13,880,463
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets and lease assets used in governmental activities are not financial resources and are not reported in the funds		29,348,917
Receivables that are not collected soon after year end are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds		6,000
Certain changes in pension plan net position are reported as deferred inflows of resources in the statement of net position but are not reported as revenue in the governmental funds		(2,137,489)
Deferred charges on bond refunding associated with long-term debt payable are not reported in the funds		19,530
Certain pension contributions and changes in pension plan net position are reported as deferred outflows of resources in the statement of net position but are not reported as expenses in the governmental funds		1,455,278
Accrued interest is not due and payable in the current period and is not reported in the funds		(32,425)
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		(1,584,617)
Pension benefits		4,762,807
Retiree health care benefits		(6,211,799)
Total employee fringe benefits not reported as fund liabilities		(3,033,609)
Investments in joint ventures are not financial resources and are not reported in the funds		55,698
Bonds payable, unamortized premium, and long term due to other governmental units are not due and payable in the current period and are not reported in the funds		(3,362,227)
Internal service funds are included as part of governmental activities		731,874
Certain changes in OPEB plan net position are reported as deferred inflows of resources in the statement of net position but are not reported as revenue in the governmental funds		(383,153)
Certain OPEB contributions and changes in OPEB plan net position are reported as deferred outflows of resources in the statement of net position but are not reported as expenses in the governmental funds		756,372
Net Position of Governmental Activities	**$**	**37,305,229**

See notes to financial statements.

City of Grosse Pointe Farms, Michigan

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

Year Ended June 30, 2025

	General Fund	Major Streets Fund	Capital Projects Fund	Nonmajor Funds	Total
Revenue					
Property taxes	$ 15,107,524	$ -	$ -	$ 1,968,750	$ 17,076,274
Intergovernmental:					
Federal grants	12,253	-	71,114	20,000	103,367
State sources	1,371,320	932,210	90,861	407,631	2,802,022
Charges for services	1,590,271	-	-	-	1,590,271
Fines and forfeitures	288,154	-	-	-	288,154
Licenses and permits	509,865	-	-	-	509,865
Interest and rentals:					
Investment income	659,580	42,710	125,929	100,348	928,567
Lease revenue	438,575	-	-	-	438,575
Other revenue	179,214	-	18,596	7,200	205,010
Total revenue	20,156,756	974,920	306,500	2,503,929	23,942,105
Expenditures					
Current services:					
General government	2,834,344	-	-	-	2,834,344
Municipal court	346,858	-	-	60,981	407,839
Public safety	8,274,823	-	-	-	8,274,823
Public works	3,297,549	1,752,982	-	1,987,509	7,038,040
Other functions - Other services	32,599	-	-	-	32,599
Community and economic development	-	-	-	6,000	6,000
Parks and recreation	1,686,953	-	-	-	1,686,953
Capital outlay	-	-	2,046,760	-	2,046,760
Debt service	-	-	-	938,419	938,419
Total expenditures	16,473,126	1,752,982	2,046,760	2,992,909	23,265,777
Excess of Revenue Over (Under) Expenditures	3,683,630	(778,062)	(1,740,260)	(488,980)	676,328
Other Financing Sources (Uses)					
Transfers in (Note 5)	-	710,220	2,000,370	2,276,579	4,987,169
Transfers out (Note 5)	(3,346,729)	(75,000)	(507,731)	(1,565,440)	(5,494,900)
Total other financing (uses) sources	(3,346,729)	635,220	1,492,639	711,139	(507,731)
Net Change in Fund Balances	336,901	(142,842)	(247,621)	222,159	168,597
Fund Balances - Beginning of year	6,922,499	1,000,445	3,059,702	2,729,220	13,711,866
Fund Balances - End of year	**$ 7,259,400**	**$ 857,603**	**$ 2,812,081**	**$ 2,951,379**	**$ 13,880,463**

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 June 30, 2025

Net Change in Fund Balances Reported in Governmental Funds	$	168,597
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:		
Depreciation expense		(2,033,560)
Loss on sale of capital assets		(3,626)
Capital outlay		4,796,748
Grant revenue is recorded in the statement of activities when earned; it is not reported in the funds until collected or collectible within 60 days of year end		(14,000)
Deferred charge on debt refunding is a deferred outflow in the governmental activities but not in the governmental funds		(3,908)
Repayment of bond principal is an expenditure in the governmental funds but not in the statement of activities (where it reduces long-term debt)		853,801
Change in accrued interest and other		7,685
Changes in net pension liability/asset and deferred outflows/inflows related to pensions 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		1,180,939
Change in accumulated employee sick and vacation pay and other similar expenses 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		(62,779)
Changes in net OPEB liability and deferred outflows/inflows related to OPEB reported in the statement of activities reported in the prior year require use of current resources and, therefore, are reported in the fund statements		(2,730,588)
Legal settlement on property annexation is recorded as an expenditure in the governmental funds; it reduces the liability in the governmental activities because the expenditure was previously incurred		40,000
Change in investment in Grosse Pointes-Clinton Refuse Disposal Authority joint venture is recorded in the governmental funds		2,323
Internal service funds are included as part of governmental activities:		(305,071)
Change in Net Position of Governmental Activities	**$**	**1,896,561**

City of Grosse Pointe Farms, Michigan

Proprietary Funds
Statement of Net Position

June 30, 2025

	Enterprise Funds			Governmental Activities
	Water and Sewer	Nonmajor Enterprise	Total	Internal Service Funds
Assets				
Current assets:				
Cash and cash equivalents (Note 3)	$ 1,940,055	$ 137,016	$ 2,077,071	$ 259,921
Investments (Note 3)	786,808	-	786,808	622,240
Receivables:				
Property taxes receivable	72	-	72	-
Customer receivables	2,585,757	-	2,585,757	-
Accrued interest receivable	3,724	-	3,724	2,537
Other receivables	1,081,849	43,952	1,125,801	-
Due from other governmental units	33,372	21,514	54,886	-
Inventory	-	4,383	4,383	-
Prepaids and other assets	-	-	-	265,133
Total current assets	6,431,637	206,865	6,638,502	1,149,831
Noncurrent assets				
Restricted assets - Unspent bond proceeds	11,352,161	-	11,352,161	-
Capital assets				
Assets not subject to depreciation (Note 4)	2,376,196	-	2,376,196	-
Assets subject to depreciation - Net (Note 4)	23,479,591	-	23,479,591	-
Total noncurrent assets	37,207,948	-	37,207,948	-
Total assets	43,639,585	206,865	43,846,450	1,149,831
Deferred Outflows of Resources				
Deferred pension costs	33,669	-	33,669	-
Deferred OPEB costs	115,898	-	115,898	-
Total deferred outflows of resources	149,567	-	149,567	-
Liabilities				
Current liabilities:				
Accounts payable	1,132,715	5,225	1,137,940	18,700
Due to other funds	-	1,077	1,077	-
Refundable deposits, bonds, etc.	1,259	19,777	21,036	-
Accrued liabilities and other	185,961	660	186,621	-
Compensated absences (Note 6)	69,393	-	69,393	-
Provision for uninsured losses	-	-	-	399,257
Current portion of long-term debt (Note 6)	275,832	-	275,832	-
Total current liabilities	1,665,160	26,739	1,691,899	417,957
Noncurrent liabilities:				
Payable from restricted assets	721,704	-	721,704	-
Compensated absences (Note 6)	129,166	-	129,166	-
Net pension liability (Note 8)	294,069	-	294,069	-
Net OPEB liability (Note 10)	640,889	-	640,889	-
Long-term debt (Note 6)	17,235,945	-	17,235,945	-
Total noncurrent liabilities	19,021,773	-	19,021,773	-
Total liabilities	20,686,933	26,739	20,713,672	417,957
Deferred Inflows of Resources				
Deferred pension cost reductions (Note 8)	121,750	-	121,750	-
Deferred OPEB cost reductions (Note 10)	36,442	-	36,442	-
Total deferred inflows of resources	158,192	-	158,192	-
Net Position				
Net investment in capital assets	18,974,467	-	18,974,467	-
Unrestricted	3,969,560	180,126	4,149,686	731,874
Total net position	**$ 22,944,027**	**$ 180,126**	**$ 23,124,153**	**$ 731,874**

See notes to financial statements.

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

Year Ended June 30, 2025

	Enterprise Funds			Governmental Activities
	Water and Sewer	Nonmajor Enterprise	Total Enterprise Funds	Internal Service Funds
Operating Revenue				
Sale of water	$ 4,972,529	$ -	$ 4,972,529	$ -
Sewage disposal charges	3,141,398	-	3,141,398	-
Interest and penalty charges	-	5,324	5,324	-
Charges for services	-	-	-	2,958,676
Recycling charges	-	295,717	295,717	-
Radio system charges	-	117,298	117,298	-
Other	266,716	-	266,716	-
Total operating revenue	8,380,643	418,339	8,798,982	2,958,676
Operating Expenses				
Cost of water	1,804,476	-	1,804,476	-
Cost of sewage treatment	3,698,649	-	3,698,649	-
Other operating and maintenance costs	-	399,745	399,745	-
Billing and administrative costs	497,136	-	497,136	-
Pension and OPEB expense	248,344	-	248,344	-
Benefit payments	-	-	-	3,310,461
Depreciation	964,604	-	964,604	-
Total operating expenses	7,213,209	399,745	7,612,954	3,310,461
Operating Income (Loss)	1,167,434	18,594	1,186,028	(351,785)
Nonoperating Revenue (Expense)				
Property tax revenue	6,744	-	6,744	-
Investment interest and FMV changes	152,347	2,081	154,428	46,714
Interest and amortization expense	(267,151)	-	(267,151)	-
Operating grants	1,427,696	-	1,427,696	-
Total nonoperating revenue	1,319,636	2,081	1,321,717	46,714
Transfers In	507,731	-	507,731	-
Change in Net Position	2,994,801	20,675	3,015,476	(305,071)
Net Position - Beginning of year	19,949,226	159,451	20,108,677	1,036,945
Net Position - End of year	**$ 22,944,027**	**$ 180,126**	**$ 23,124,153**	**$ 731,874**

See notes to financial statements.

City of Grosse Pointe Farms, Michigan

Proprietary Funds
Statement of Cash Flows

Year Ended June 30, 2025

	Enterprise Funds			Governmental Activities
	Water and Sewer	Nonmajor Enterprise	Total	Internal Service Funds
Cash Flows from Operating Activities				
Receipts from customers	$ 8,136,461	$ 419,215	$ 8,555,676	$ 2,969,923
Payments to suppliers	(3,203,098)	(107,140)	(3,310,238)	(296,631)
Payments to employees and fringes	(1,696,069)	(291,241)	(1,987,310)	(3,036,955)
Net cash and cash equivalents provided by (used in) operating activities	3,237,294	20,834	3,258,128	(363,663)
Cash Flows Provided by Noncapital Financing Activities				
- Operating grants and subsidies	1,444,934	-	1,444,934	-
Cash Flows from Capital and Related Financing Activities				
Issuance of bonds	11,882,639	-	11,882,639	-
Property taxes restricted for capital items	6,854	-	6,854	-
Purchase of capital assets	(5,132,306)	-	(5,132,306)	-
Principal and interest paid on capital debt	(570,862)	-	(570,862)	-
Transfers from other funds	507,731	-	507,731	-
Net cash and cash equivalents provided by capital and related financing activities	6,694,056	-	6,694,056	-
Cash Flows from Investing Activities				
Interest received on investments	151,652	2,081	153,733	46,752
Purchases of investment securities	(11,921,718)	-	(11,921,718)	(18,505)
Net cash and cash equivalents (used in) provided by investing activities	(11,770,066)	2,081	(11,767,985)	28,247
Net (Decrease) Increase in Cash and Cash Equivalents	(393,782)	22,915	(370,867)	(335,416)
Cash and Cash Equivalents - Beginning of year	2,333,837	114,101	2,447,938	595,337
Cash and Cash Equivalents - End of year	**$ 1,940,055**	**$ 137,016**	**$ 2,077,071**	**$ 259,921**
Reconciliation of Operating Income (Loss) to Net Cash from Operating Activities				
Operating income (loss)	$ 1,167,434	$ 18,594	$ 1,186,028	$ (351,785)
Adjustments to reconcile operating income (loss) to net cash from operating activities:				
Depreciation and amortization	964,604	-	964,604	-
Changes in assets and liabilities:				
Receivables	(244,182)	876	(243,306)	11,247
Inventories	-	(71)	(71)	-
Prepaid and other assets	-	-	-	(64,993)
Net pension or OPEB asset	(117,401)	(7)	(117,408)	-
Accounts payable	1,466,839	1,522	1,468,361	41,868
Accrued and other liabilities	-	(80)	(80)	-
Total adjustments	2,069,860	2,240	2,072,100	(11,878)
Net cash and cash equivalents provided by (used in) operating activities	**$ 3,237,294**	**$ 20,834**	**$ 3,258,128**	**$ (363,663)**

See notes to financial statements.

Fiduciary Funds
Statement of Fiduciary Net Position

June 30, 2025

	Pension and Other Postemployment Benefit Trust Funds	Custodial Fund - Tax Collections
Assets		
Cash and cash equivalents	$ 1,780,337	$ -
Investments:		
Collective investment trust	36,398,437	-
Mutual funds	65,949,094	-
Prepaids and other assets	37,670	-
Total assets	104,165,538	-
Liabilities - Accounts payable	70,182	-
Net Position		
Restricted:		
Pension	84,943,461	-
Postemployment benefits other than pension	19,151,895	-
Total net position	**$ 104,095,356**	**$ -**

See notes to financial statements.

Fiduciary Funds
Statement of Changes in Fiduciary Net Position

Year Ended June 30, 2025

	Pension and Other Postemployment Benefit Trust Funds	Custodial Fund - Tax Collections
Additions		
Investment income:		
Interest and dividends	$ 2,769,404	$ -
Change in fair value of investments	5,952,689	-
Net investment income	8,722,093	-
Contributions:		
Employer contributions	2,739,860	-
Employee contributions	440,491	-
Total contributions	3,180,351	-
Property tax collections from other governments	-	34,627,847
Total additions	11,902,444	34,627,847
Deductions		
Benefit payments	6,350,414	-
Administrative expenses	227,674	-
Tax disbursements to other governments	-	34,627,847
Total deductions	6,578,088	34,627,847
Net Increase in Net Position Restricted for Pensions and OPEB	5,324,356	-
Net Position Restricted for Pensions and OPEB - Beginning of year	98,771,000	-
Net Position Restricted for Pensions and OPEB - End of year	**$ 104,095,356**	**$ -**

See notes to financial statements.

Note 1 - Nature of Business and Significant Accounting Policies

The accounting policies of the City of Grosse Pointe Farms, Michigan (the "City") conform to accounting principles generally accepted in the United States of America (GAAP), as applicable to governmental units. The following is a summary of the significant accounting policies used by the City:

Reporting Entity

The City is governed by an elected seven-member City Council. In accordance with government accounting principles, there are no component units to be included in the City's reporting entity.

The Public Safety Retirement Pension System and Retirement Health Plan are governed by a five-member board that includes two council members, a community member selected by council, and two employees voted on by active members of the system. Although legally separate from the City, they are reported as a fiduciary component unit because the plans impose a financial burden on the City.

The General Employees' Retirement Pension System and Retirement Health Plan are governed by a five-member board that includes two council members, a community member selected by council, and two employees voted on by active members of the system. Although legally separate from the City, they are reported as a fiduciary component unit because the plans impose a financial burden on the City.

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, as applicable. 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.

Note 1 - Nature of Business and Significant Accounting Policies (Continued)

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 a 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 Capital Projects Fund is used to record bond proceeds or other revenue and the disbursement of invoices specifically designated for acquiring buildings, equipment, and technology upgrades, as well as for remodeling and repairs.
- The Major Streets Fund accounts for maintenance and improvements to the City’s network of major streets. This fund accounts for ACT 51 Michigan Transportation Fund distributions from the State of Michigan and also receives revenue transfers from the Municipal Street Fund for construction projects.

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 provides water to customers and disposes of sanitary sewage in exchange for quarterly user charges.

The City's internal service funds are used to allocate insurance costs to the various funds on a full accrual basis so that the full costs are recognized and allocated to the various funds in the year that the costs are incurred.

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 postemployment benefit trust funds account for the activities of the General Employees' and Public Safety Retirement Pension Systems and Retirement Health Plans, which accumulate resources for pension and health care benefit payments to qualified general and public safety employees.
- The custodial fund accounts for assets held by the City as an agent for individuals, organizations, or other governments. Custodial fund activity consists of tax collections activity.

Note 1 - Nature of Business and Significant Accounting Policies (Continued)

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.

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 and interest associated with the current fiscal period.

Proprietary funds and fiduciary funds, as applicable, 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, Cash Equivalents, 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 based upon quoted market prices.

Inventories and Prepaid Items

Inventories are valued at cost on a first-in, first-out basis. Inventories and prepaid items 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, when applicable.

Note 1 - Nature of Business and Significant Accounting Policies (Continued)

Restricted Assets

The sewer separation bonds issued by the Water and Sewer Fund are set aside for construction projects with proceeds invested in the Michigan CLASS investment pool. As of June 30, 2025, there are $11,352,161 in unspent bond proceeds that are held is this account that are restricted for future use. In addition, the Water and Sewer Fund reports payables related to restricted assets of $721,704 as of June 30, 2025.

Capital Assets

Capital assets, which include property, plant, equipment, intangible assets, 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.

Capital assets are depreciated using the straight-line method over the following useful lives:

Capital Asset Class	Depreciable Life - Years
Infrastructure	20-25
Utility systems	20-80
Building and building improvements	20-50
Office furnishings	10-20
Machinery and equipment	3-20
Vehicles	5-10

Unearned Revenue

Unearned revenue represents money received that does not yet meet the criteria for revenue recognition. As of June 30, 2025, the nonmajor funds recorded unearned revenue includes $23,636 of state grants received in advance of eligibility criteria. Unearned amounts are reported as liabilities.

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 bond 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, debt service funds, and Water and Sewer Fund are generally used to liquidate government-wide long-term debt.

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 assets that applies to future periods and will not be recognized as an outflow of resources (expense/expenditure) until then.

Note 1 - Nature of Business and Significant Accounting Policies (Continued)

The City reports deferred outflows related to deferred charges on bond refunding. The City also reports deferred outflows of resources related to the defined benefit pension plans and other postemployment benefit (OPEB) plans. The deferred outflows of resources related to these defined benefit plans and OPEB plans are reported in the government-wide financial statements and the Water and Sewer Fund. Details of the deferred outflows of resources related to the defined benefit pension plans and OPEB plans can be found in Notes 8 and 10, respectively.

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 assets that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time.

The City has three items that qualify for reporting in this category. Deferred inflows related to unavailable revenue are reported only in the governmental funds balance sheet. The governmental funds report unavailable revenue from grants. The amount is deferred and recognized as an inflow of resources in the period that the amount becomes available. The City also reports a deferred inflow of resources related to the defined benefit pension, other postemployment benefit plans, and lease revenue for future lease receipts. The deferred inflow of resources related to the defined benefit plans is reported in the government-wide financial statements and the Water and Sewer Fund. Details of the deferred inflows of resources related to the defined benefit pension and OPEB plans can be found in Notes 8 and 10, respectively.

Net Position

Net position of the City is classified in three components. Net investment in capital assets consists of capital assets net of accumulated depreciation and is reduced by the current balances of any outstanding borrowings used to finance the purchase or construction of those assets. The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Unrestricted net position is the remaining net position that does not meet the definition of invested in capital or restricted.

Net Position Flow Assumption

The City will sometimes fund outlays for a particular purpose from both restricted 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 (as applicable), 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.

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. 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.

Note 1 - Nature of Business and Significant Accounting Policies (Continued)

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 nonspendable fund balance component represents amounts that are not in spendable form or are legally or contractually required to be maintained intact. Restricted fund balance represents amounts that are legally restricted by outside parties, constitutional provisions, or enabling legislation for use for a specific purpose. 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 government for specific purposes but do not meet the criteria to be classified as committed. The City Council has the authority to 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 exist only 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.

Unassigned fund balance is only reported in the General Fund, except for situations where negative unassigned fund balance is reported.

Property Tax Revenue

Properties are assessed as of December 31. The related property taxes are billed and become a lien on July 1 of the following year. Taxes are considered delinquent on February 28 of the following year, at which time they are added to the county tax rolls.

The City's 2024 property tax revenue was levied and collectible on July 1, 2024 and is recognized as revenue in the year ended June 30, 2025, when the proceeds of the levy are budgeted and available for the financing of operations.

The initial 2024 taxable valuation of the City totaled $1,004,465,782, on which taxes levied consisted of 11.5588 mills for operating purposes, 2.5810 mills for rubbish removal, 0.3620 mills for debt service, and 1.9637 mills for road improvements. This resulted in $11,610,419 for operating, $2,592,526 for rubbish removal, $363,617 for debt service, and $1,972,469 for road improvement. The operating, rubbish removal, and debt amounts are recognized in the General Fund and road improvement amounts are recognized in the Municipal Street Fund.

Note 1 - Nature of Business and Significant Accounting Policies (Continued)

Pension

The City offers defined benefit pension plans to its employees. The City records a net pension asset/liability for the difference between the total pension liability calculated by the actuary and the pension plans' fiduciary net position. For the purpose of measuring the net pension asset/liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the General Employees' Retirement Pension System and Public Safety Retirement Pension System 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. The General Fund and the Water and Sewer Fund are used primarily to liquidate this obligation.

Other Postemployment Benefit Costs

The City offers defined benefit other postemployment benefits plans to retirees. The City records a net OPEB liability for the difference between the total OPEB liability calculated by the actuary and the OPEB plans' 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 General Employees' Retirement Health Plan and Public Safety Retirement Health Plan and additions to/deductions from the OPEB plans' fiduciary net position have been determined on the same basis as they are reported by the OPEB 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. The General Fund and the Water and Sewer Fund are used primarily to liquidate this obligation.

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. All sick and vacation pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A leave liability is recognized due to the leave attributable to services already rendered, leave that accumulates, and leave that is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means..

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 proprietary funds is charges to customers for sales or services. Operating expenses for these funds include the cost of sales or services and administrative expenses and may include 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.

Leases

The City is a lessor for noncancelable leases of a pump station and use of the land on which it resides. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and fund financial statements.

Note 1 - Nature of Business and Significant Accounting Policies (Continued)

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the City determines the discount rate it uses to discount the expected lease receipts to present value, lease term, and lease receipts.

- The City uses the actual rate charged to lessees as the discount rate for leases.
- The lease term includes the noncancelable period of the lease. Lease receipts included in the measurement of the lease receivable are composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Upcoming Accounting Pronouncements

In April 2024, the Governmental Accounting Standards Board issued Statement No. 103, *Financial Reporting Model Improvements*, which establishes new accounting and financial reporting requirements or modifies existing requirements related to the following: management's discussion and analysis; unusual or infrequent items; presentation of the proprietary fund statement of revenue, expenses, and changes in fund net position; information about major component units in basic financial statements; budgetary comparison information; and financial trends information in the statistical section. The provisions of this statement are effective for the City's financial statements for the year ending June 30, 2026.

In September 2024, the Governmental Accounting Standards Board issued Statement No. 104, *Disclosure of Certain Capital Assets*, which requires certain types of capital assets, such as lease assets, intangible right-of-use assets, subscription assets, and other intangible assets, to be disclosed separately by major class of underlying asset in the capital assets note. This statement also requires additional disclosures for capital assets held for sale. The provisions of this statement are effective for the City's financial statements for the year ending June 30, 2026.

Note 2 - Stewardship, Compliance, and Accountability

Excess of Expenditures Over Appropriations in Budgeted Funds

The City did not have significant expenditure budget variances except expenditures in excess of the budget in the Major Streets Fund.

Note 2 - Stewardship, Compliance, and Accountability (Continued)

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 July 1, 2000 is as follows:

Cumulative shortfall at July 1, 2024	$	(249,409)
Current year permit revenue		318,280
Related expenses		479,650
Current year deficiency		(161,370)
Cumulative shortfall at June 30, 2025	$	(410,779)

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 and other postemployment benefit trust funds 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 12 banks for the deposit of its funds. The investment policy adopted by the board 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 but not the remainder of state statutory authority, as listed above. The City's deposits and investments are in accordance with statutory authority.

The City's cash and investments are subject to several types of risk, which are examined in more detail below:

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 stated for custodial credit risk. At year end, the City had bank deposits of $7,349,472 (certificates of deposit and 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.

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.

Note 3 - Deposits and Investments (Continued)

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

Investment	Fair Value	Weighted-average Maturity (Years)
Primary government:		
U.S. government agency securities	$ 1,639,514	3.97
Asset-backed securities	4,073,146	9.89
Bank investment pool	11,486,267	0.107
Municipal bonds	1,256,771	1.25
Negotiable certificates of deposit	2,698,476	3.86
Total	21,154,174	
Fiduciary funds - Mutual funds	65,949,094	0.97
Total	$ 87,103,268	

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 June 30, 2025, the credit quality ratings of debt securities (other than the U.S. government) are as follows:

Investment	Fair Value	Rating	Rating Organization
Primary government:			
U.S. government agency securities	$ 1,639,514	AA+	S&P
Asset-backed securities	4,073,146	N/A	N/A
Bank investment pool	11,486,267	AAAm	S&P
Municipal bonds	1,256,771	AA/AA-	S&P
Negotiable certificates of deposit	2,698,476	N/A	N/A
Total primary government	21,154,174		
Fiduciary funds - Pension and other postemployment benefit trust funds			
Collective investment trust	36,398,437	A	S&P
Mutual funds	11,308,462	A	S&P
Mutual funds	28,082,243	BBB	S&P
Mutual funds	26,558,389	Not rated	N/A
Total fiduciary funds	102,347,531		
Total	$ 123,501,705		

Concentration of Credit Risk

The City places no limit on the amount it may invest in any one issuer; however, the City's funds are limited by law in that investments in any one issuer (other than the U.S. government) may not exceed 5 percent of total investments. At June 30, 2025, there were no investments in any one issuer (other than the U.S. government) that exceeded 5 percent of total investments for the primary government or fiduciary funds.

Note 3 - Deposits and Investments (Continued)

Fair Value Measurements

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs, and Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using net asset value per share (NAV) (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 above 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 June 30, 2025:

	Assets Measured at Fair Value on a Recurring Basis			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at June 30, 2025
Investments by fair value level:				
U.S. government obligations and other	$ -	$ 9,667,907	$ -	$ 9,667,907
Registered investment companies	65,949,094	-	-	65,949,094
Total investments by fair value level	$ 65,949,094	$ 9,667,907	$ -	75,617,001
Investments measured at NAV:				
Collective trusts				36,398,437
Michigan CLASS investment pool				11,486,267
Total investments measured at NAV				47,884,704
Total investments				$ 123,501,705

Registered investment companies and money market funds classified in Level 1 are valued at the daily closing price reported by the fund. Funds held by the plan are open-ended mutual funds and money market funds that are registered with the U.S. Securities and Exchange Commission. The funds are required to publish their daily net asset value and to transact at that price. The funds held by the plan are deemed to be actively traded.

The fair value of debt securities at June 30, 2025 was determined primarily based on Level 2 inputs. The City estimates the fair value of these investments using quoted market prices and other market data for the same or comparable instruments and transactions in establishing prices, discounted cash flow models, and other pricing models.

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.

Note 3 - Deposits and Investments (Continued)

At June 30, 2025, the fair value, unfunded commitments, and redemption rules of those investments are as follows:

The Michigan CLASS investment pool invests in U.S. Treasury obligations, federal agency obligations of the U.S. government, high-grade commercial paper (rated "A1" or better), collateralized bank deposits, repurchase agreements (collateralized at 102 percent by treasuries and agencies), and approved money market funds. The program is designed to meet the needs of Michigan public sector investors. It purchases securities that are legally permissible under state statutes and are available for investment by Michigan counties, cities, townships, school districts, authorities, and other public agencies. There are no unfunded commitments or significant redemption restrictions as of June 30, 2025.

Collective trusts are valued at net asset value. Net asset value is used as a practical expedient to estimate fair value. This practical expedient would not be used if it is probable that the investment will be sold for an amount different from the reported net asset value. Transactions may occur daily. The collective investment trusts invest in U.S domestic core fixed-income securities. There are no unfunded commitments or significant redemption restrictions as of June 30, 2025.

Note 4 - Capital Assets

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

Governmental Activities

	Balance July 1, 2024	Additions	Disposals and Adjustments	Balance June 30, 2025
Capital assets not being depreciated - Land	$ 5,968,178	$ 207,000	$ -	$ 6,175,178
Infrastructure:				
Infrastructure	20,846,298	3,199,077	-	24,045,375
Buildings and improvements	11,047,801	918,817	(52,368)	11,914,250
Machinery and equipment	1,376,448	100,014	-	1,476,462
Vehicles	4,532,131	224,201	(42,046)	4,714,286
Office furnishings	847,801	-	(29,168)	818,633
Land improvements	13,132,921	147,639	-	13,280,560
Subtotal	51,783,400	4,589,748	(123,582)	56,249,566
Accumulated depreciation:				
Infrastructure	9,208,149	793,521	-	10,001,670
Buildings and improvements	7,164,528	276,363	(48,742)	7,392,149
Machinery and equipment	660,810	111,128	-	771,938
Vehicles	3,473,525	371,006	(42,046)	3,802,485
Office furnishings	551,380	37,475	(29,168)	559,687
Land improvements	10,103,831	444,067	-	10,547,898
Subtotal	31,162,223	2,033,560	(119,956)	33,075,827
Net capital assets being depreciated	20,621,177	2,556,188	(3,626)	23,173,739
Net governmental activities capital assets	$ 26,589,355	$ 2,763,188	$ (3,626)	$ 29,348,917

Note 4 - Capital Assets (Continued)

Business-type Activities

	Balance July 1, 2024	Additions	Disposals and Adjustments	Balance June 30, 2025
Capital assets not being depreciated:				
Land	$ 441,799	$ -	$ -	$ 441,799
Construction in progress	28,370	2,494,454	(588,427)	1,934,397
Subtotal	470,169	2,494,454	(588,427)	2,376,196
Capital assets being depreciated:				
Water and sewer lines	24,746,973	1,473,877	588,427	26,809,277
Buildings and improvements	8,982,309	-	-	8,982,309
Machinery and equipment	3,217,870	656,244	-	3,874,114
Vehicles	328,012	507,731	(215,000)	620,743
Office furnishings	168,973	-	-	168,973
Land improvements	69,106	-	-	69,106
Subtotal	37,513,243	2,637,852	373,427	40,524,522
Accumulated depreciation:				
Water and sewer lines	7,711,801	404,722	-	8,116,523
Buildings and improvements	5,444,800	365,534	-	5,810,334
Machinery and equipment	2,630,048	151,334	-	2,781,382
Vehicles	301,054	30,919	(215,000)	116,973
Office furnishings	145,614	8,640	-	154,254
Land improvements	62,010	3,455	-	65,465
Subtotal	16,295,327	964,604	(215,000)	17,044,931
Net capital assets being depreciated	21,217,916	1,673,248	588,427	23,479,591
Net business-type activity capital assets	$ 21,688,085	$ 4,167,702	$ -	$ 25,855,787

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

Governmental activities:	
General government	$ 137,262
Public safety	309,595
Public works	951,517
Recreation and culture	635,186
Total governmental activities	$ 2,033,560
Business-type activities - Water and sewer	$ 964,604

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
2025 Road Paving Project	$ 99,971	$ 2,398,555
Pickle Ball Piergola	36,750	7,350
Sewer Separation Contract #1	1,095,845	9,006,557

Note 5 - Interfund Receivables, Payables, and Transfers

The composition of interfund balances is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor governmental funds	$ 6,000
	Nonmajor enterprise funds	1,077

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

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

Paying Fund (Transfer Out)	Receiving Fund (Transfer In)	Amount
General Fund	Capital Projects Fund	$ 2,000,370
	Nonmajor governmental funds	1,346,359
	Total General Fund	3,346,729
Capital Projects Fund	Water and Sewer Fund	507,731
Major Streets Fund	Nonmajor governmental funds	75,000
Nonmajor governmental funds	Major Streets Fund	710,220
	Nonmajor governmental funds	855,220
	Total nonmajor governmental funds	1,565,440
	Total	$ 5,494,900

Note 5 - Interfund Receivables, Payables, and Transfers (Continued)

General Fund and Capital Projects Fund transfers provide funding for capital projects, capital acquisitions, and debt services from unrestricted sources. The Major Streets Fund transfer to nonmajor governmental funds represents a transfer from the Major Streets Fund to the Local Streets Fund. The nonmajor governmental fund transfers represents a redistribution of property tax moneys from the road improvement millage.

Note 6 - 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.

Long-term debt activity for the year ended June 30, 2025 can be summarized as follows:

Governmental Activities

	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Other debt - General obligation bonds:							
2014 General Obligation Refunding Bond:							
Amount of issue - $1,840,625 Maturing through 2025	2.29%	$237,500	$ 237,500	$ -	$ (237,500)	$ -	$ -
2015 Harbor Project Refunding Bond:							
Amount of issue - $2,780,000 Maturing through 2026	5.00%	$310,000 - $330,000	640,000	-	(310,000)	330,000	330,000
Unamortized premium of issuance			36,018	-	(36,018)	-	-
2017 General Obligation Unlimited Tax Bonds:							
Amount of issue - $3,705,000 Maturing through 2033	4.00%	$245,000 - $450,000	3,075,000	-	(245,000)	2,830,000	265,000
Unamortized premium of issuance			227,510	-	(25,283)	202,227	25,279
Total general obligation bonds			4,216,028	-	(853,801)	3,362,227	620,279
Compensated absences			1,521,838	1,069,806	(1,007,027)	1,584,617	638,130
Provision for uninsured losses			364,842	3,399,260	(3,364,845)	399,257	399,257
Due to Grosse Pointe Woods, Michigan			40,000	-	(40,000)	-	-
Total governmental activities long-term debt			$ 6,142,708	$ 4,469,066	$ (5,265,673)	$ 5,346,101	$ 1,657,666

Note 6 - 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 -							
2015 Sewer Relief Fund Bond:							
Amount of issue - $250,000 Maturing through 2034	2.50%	$10,000 - $10,098	$ 100,098	$ -	$ (10,000)	$ 90,098	$ 10,000
Other debt:							
2012 Sewer Pumping Plant Improvement Bond:							
Amount of issue - $4,500,000 Maturing through 2033	2.75% - 3.05%	$225,000 - $300,000	2,400,000	-	(225,000)	2,175,000	250,000
Unamortized discount of issuance			2,790	-	(349)	2,441	349
2014 General Obligation Refunding Bond:							
Amount of issue - $1,104,375 Maturing through 2025	2.29%	$142,500	142,500	-	(142,500)	-	-
2015 Water Improvement Bond:							
Amount of issue - $3,225,000 Maturing through 2036	2.70% - 4.00%	$275,000 - $380,000	3,225,000	-	-	3,225,000	-
Unamortized premium of issuance			151,777	-	(15,178)	136,599	15,178
2025 Sewer Separation Bond:							
Amount of issue - $11,875,000 Maturing through 2051	4.00% - 6.00%	$70,000 - $990,000	-	11,875,000	-	11,875,000	-
Unamortized premium of issuance			-	7,639	-	7,639	305
Total other debt principal outstanding			5,922,067	11,882,639	(383,027)	17,421,679	265,832
Total bonds and contracts payable			6,022,165	11,882,639	(393,027)	17,511,777	275,832
Compensated absences			182,185	99,943	(83,569)	198,559	69,393
Total business-type activities long-term debt			$ 6,204,350	$11,982,582	$ (476,596)	$17,710,336	$ 345,225

The City had deferred outflows of $19,530 related to deferred charges on bond refundings at June 30, 2025.

Other Long-term Liabilities

Claims and judgments are typically liquidated from the Insurance Retention Fund for workers' compensation and the General Fund, Water and Sewer Fund, and Municipal Radio System Fund for respective employee medical and other claims.

Note 6 - Long-term Debt (Continued)

Debt Service Requirements to Maturity

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

	Governmental Activities			Business-type Activities				
	Other Debt			Direct Borrowings and Direct Placements		Other Debt		
Years Ending June 30	Principal	Interest	Total	Principal	Interest	Principal	Interest	Total
2026	$ 620,279	$ 116,150	$ 736,429	$ 10,000	$ 2,127	$ 265,832	$ 685,778	$ 963,737
2027	315,279	96,800	412,079	10,000	1,877	610,832	717,103	1,339,812
2028	340,279	84,700	424,979	10,000	1,627	640,832	693,915	1,346,374
2029	360,279	71,700	431,979	10,000	1,377	700,830	670,208	1,382,415
2030	390,279	57,700	447,979	10,000	1,127	790,832	644,475	1,446,434
2031-2035	1,335,832	78,000	1,413,832	40,098	2,009	3,777,924	2,737,900	6,557,931
Thereafter	-	-	-	-	-	10,634,597	4,347,852	14,982,449
Total	$ 3,362,227	$ 505,050	$ 3,867,277	$ 90,098	$ 10,144	$ 17,421,679	$ 10,497,231	$ 28,019,152

Note 7 - 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 claims in excess of $175,000. The City participates in the Michigan Municipal League risk pool for claims relating to property loss and general liability. The City is uninsured for workers' compensation claims up to $750,000 and $500,000 for police and fire employees and all other employees, respectively. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past five fiscal years.

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

Medical

The City is self-funding medical benefits up to a retention amount, at which time the City's reinsurance coverage begins. The self-funding program is done in conjunction with the cities of Grosse Pointe, Grosse Pointe Park, Grosse Pointe Woods, and the Village of Grosse Pointe Shores, Michigan. The City of Grosse Pointe Woods, Michigan serves as the administrative agent for the program; however, each municipality is responsible for its individual claims.

The City estimates the liability for medical benefit claims that have been incurred through the end of the fiscal year, including claims that have been reported, as well as those that have not yet been reported. The City's liability is based on individual claims and management's evaluation of experience with respect to the probable number and nature of claims.

Workers' Compensation

The City is self-insured for workers' compensation claims. Under the program, the City is held liable for the first $750,000 of any occurrence. The City has purchased excess insurance to cover claims greater than $750,000.

Note 7 - Risk Management (Continued)

The City estimates the liability for workers' compensation and medical benefits that have been incurred through the end of the fiscal year, including claims that have been reported, as well as those that have not yet been reported, which includes estimates of both future payments of losses and related claim adjustment expense, both allocated and unallocated. The liability is based on individual claims and management's evaluation of experience with respect to the probable number and nature of claims. Any adjustments resulting from the settlement of losses will be reflected in earnings at the time the adjustments are determined. These estimates are recorded in the internal service Insurance Retention Fund and within the governmental activities column of the statement of net position.

The City's estimates of the liability for workers' compensation and medical claims at June 30, 2025 and 2024 are as follows:

	Workers' Compensation		Medical Claims	
	2025	2024	2025	2024
Unpaid claims - Beginning of year	$ 95,673	$ 122,399	$ 269,169	$ 673,928
Incurred claims, including claims incurred but not yet reported	209,993	122,352	3,189,267	2,358,765
Claim payments	(146,481)	(149,078)	(3,218,364)	(2,763,524)
Unpaid claims - End of year	$ 159,185	$ 95,673	$ 240,072	$ 269,169

Note 8 - Pension Plans

Plan Description

Public Safety Retirement Pension System

The retirement board administers the Public Safety Retirement Pension System, a single-employer defined benefit pension plan that provides pensions for all full-time police and fire employees of the City. Benefit terms have been established by contractual agreements between the City and the various employee union representation; amendments are subject to the same process. The plan does not issue a separate financial report.

General Employees' Retirement Pension System

The retirement board administers the General Employees' Retirement Pension System, a single-employer defined benefit pension plan that provides pensions for all general employees of the City. Benefit terms have been established by contractual agreements between the City and the various employee union representation; amendments are subject to the same process. The plan does not issue a separate financial report.

Benefits Provided

Public Safety Retirement Pension System

The pension plan provides retirement, disability, and death benefits. In addition to providing pension benefits, the system provides health care benefits for plan members if they reach normal retirement age while working for the City. Benefit terms are established by city ordinances and negotiations with the City's collective bargaining units and may be amended through negotiations with the City's collective bargaining units.

Note 8 - Pension Plans (Continued)

General Employees' Retirement Pension System

The pension plan provides retirement, disability, and death benefits. In addition to providing pension benefits, the system provides health care benefits for plan members if they reach normal retirement age while working for the City. Benefit terms are established by city ordinances and negotiations with the City's collective bargaining units and may be amended through negotiations with the City's collective bargaining units.

The plan is closed to union and department heads and clerical staff hired after July 1, 2007. The plan is closed to dispatchers hired after December 30, 2011.

Employees Covered by Benefit Terms

At the June 30, 2025 measurement date, the following members were covered by the benefit terms:

	Public Safety Retirement Pension System	General Employees' Retirement Pension System
Inactive plan members or beneficiaries currently receiving benefits	45	59
Inactive plan members entitled to but not yet receiving benefits	-	2
Active plan members	36	16
Total employees covered by the plan	81	77

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 retirement board 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 city ordinances and negotiations with the City's collective bargaining units.

Public Safety Retirement Pension System

For the year ended June 30, 2025, the average active employee contribution rate was 9.08 percent of annual pay, and the City's average contribution rate was 11.1 percent of annual payroll.

General Employees' Retirement Pension System

For the year ended June 30, 2025, the average active employee contribution rate was 5.75 percent of annual pay, and the City's average contribution rate was 63.9 percent of annual payroll.

Note 8 - Pension Plans (Continued)

Net Pension Asset/Liability

The City chooses a date for each pension plan to measure its net pension asset/liability (NPA/NPL). 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.

	Public Safety Retirement System	General Employees' Retirement System
Measurement date used for the City's NPA/NPL	June 30, 2025	June 30, 2025
Based on a comprehensive actuarial valuation as of	June 30, 2025	June 30, 2025

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

Public Safety Retirement Pension System

Changes in Net Pension Asset	Increase (Decrease) Total Pension Liability	Plan Net Position	Net Pension Asset
Balance at July 1, 2024	$ 46,178,749	$ 52,092,980	$ (5,914,231)
Changes for the year:			
Service cost	993,524	-	993,524
Interest	3,235,624	-	3,235,624
Differences between expected and actual experience	1,062,344	-	1,062,344
Contributions - Employer	-	451,780	(451,780)
Contributions - Employee	-	369,172	(369,172)
Net investment income	-	4,438,239	(4,438,239)
Benefit payments, including refunds	(3,154,091)	(3,154,091)	-
Administrative expenses	-	(16,364)	16,364
Net changes	2,137,401	2,088,736	48,665
Balance at June 30, 2025	$ 48,316,150	$ 54,181,716	$ (5,865,566)

The plan's fiduciary net position represents 112.14 percent of the total pension liability.

Note 8 - Pension Plans (Continued)

General Employees' Retirement Pension System

Changes in Net Pension Liability	Increase (Decrease) Total Pension Liability	Plan Net Position	Net Pension Liability
Balance at July 1, 2024	$ 31,020,065	$ 29,379,302	$ 1,640,763
Changes for the year:			
Service cost	269,756	-	269,756
Interest	2,177,655	-	2,177,655
Differences between expected and actual experience	693,019	-	693,019
Contributions - Employer	-	793,080	(793,080)
Contributions - Employee	-	71,319	(71,319)
Net investment income	-	2,534,610	(2,534,610)
Benefit payments, including refunds	(2,001,922)	(2,001,922)	-
Administrative expenses	-	(14,644)	14,644
Net changes	1,138,508	1,382,443	(243,935)
Balance at June 30, 2025	$ 32,158,573	$ 30,761,745	$ 1,396,828

The plan's fiduciary net position represents 95.66 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 June 30, 2025, the City recognized pension recoveries of $(481,899) and $378,667 for the Public Safety Retirement Pension System and General Employees' Retirement Pension System, respectively.

At June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Public Safety Retirement Pension System		General Employees' Retirement Pension System	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 1,329,020	$ (287,361)	$ 159,927	$ -
Changes in assumptions	-	(443,742)	-	-
Net difference between projected and actual earnings on pension plan investments	-	(949,825)	-	(578,311)
Total	$ 1,329,020	$ (1,680,928)	$ 159,927	$ (578,311)

Note 8 - Pension Plans (Continued)

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

Years Ending June 30	Public Safety Retirement Pension System	General Employees' Retirement Pension System
2026	$ 974,492	$ 730,476
2027	(929,848)	(615,455)
2028	(582,458)	(444,276)
2029	39,378	(89,129)
2030	146,528	-
Total	$ (351,908)	$ (418,384)

Actuarial Assumptions

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

	Public Safety Retirement Pension System	General Employees' Retirement Pension System
Inflation	2.50%	2.50%
Salary increases (including inflation)	3.50 - 7.30%	3.50 - 7.30%
Investment rate of return (net of investment expenses)	7.25%	7.25%
Mortality rates	Pub-2010 Public Retirement Plans Safety Mortality Tables with MP-2021	Pub-2010 Public Retirement Plans General Mortality Tables with MP-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.

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.

	Public Safety Retirement Pension System	General Employees' Retirement Pension System
Assumed investment rate of return	7.25%	7.25%
Discount rate used to measure TPL	7.25%	7.25%

Note 8 - 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 adding expected inflation. Best estimates of arithmetic real rates of return as of the June 30, 2025 measurement date for each major asset class included in both pension plans' target asset allocation, as disclosed in the investment note disclosure, are summarized in the following table:

Asset Class	Long-term Expected Real Rate of Return
Domestic equity	5.60 %
International equity	5.23
Corporate bonds	3.17

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

The following presents the net pension asset/liability of the City, calculated using each plan's respective discount rate, as well as what the City's net pension liability/asset 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 (6.25%)	Current Discount Rate (7.25%)	1 Percentage Point Increase (8.25%)
Net pension liability (asset) of the Public Safety Retirement Pension System	$ 496,202	$ (5,865,566)	$ (11,118,003)
Net pension liability (asset) of the General Employees' Retirement Pension System	5,032,091	1,396,828	(1,671,509)

Assumption Changes

Public Safety Retirement Pension System

There were no changes in assumptions for the year ended June 30, 2025.

General Employees' Retirement Pension System

There were no changes in assumptions for the year ended June 30, 2025.

Note 9 - Pension Plan Reserves

Public Safety Retirement Pension System

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

The 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.

Note 9 - Pension Plan Reserves (Continued)

The employee reserve is credited as employee contributions are received throughout the year; the plan maintains a record of the amount contributed by each employee and credits interest annually at a rate earned by the retirement system for that fiscal year. For any employees who terminate before vesting in the pension plan, their balances are returned to them; for those who stay until retirement, they may request the return of their contributions, which will actuarially lower their retirement benefit, or the balance is transferred into the retiree reserve.

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

The balances of the reserve accounts at June 30, 2025 are as follows:

	Required Reserve	Amount Funded
Employee reserve	$ 5,691,158	$ 5,691,158
Employer reserve	48,490,558	48,490,558

General Employees' Retirement Pension System

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

The 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 employee reserve is credited as employee contributions are received throughout the year; the plan maintains a record of the amount contributed by each employee and credits interest annually at a rate earned by the retirement system for that fiscal year. For any employees who terminate before vesting in the pension plan, their balances are returned to them; for those who stay until retirement, they may request the return of their contributions, which will actuarially lower their retirement benefit, or the balance is transferred into the retiree reserve.

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

The balances of the reserve accounts at June 30, 2025 are as follows:

	Required Reserve	Amount Funded
Employee reserve	$ 2,815,395	$ 2,815,395
Employer reserve	27,946,350	27,946,350

Note 10 - Other Postemployment Benefit Plans

Plan Description

Public Safety Retirement Health Plan

The retirement board administers the City of Grosse Pointe Farms Public Safety Retirement Health Plan, a single-employer defined benefit OPEB plan that is used to provide postemployment benefits other than pensions (OPEB) for public safety employees.

Management of the plan is vested with the retirement board. The plan does not issue a stand-alone financial report.

Note 10 - Other Postemployment Benefit Plans (Continued)

General Employees' Retirement Health Plan

The retirement board administers the City of Grosse Pointe Farms General Employees' Retirement Health Plan, a single-employer defined benefit OPEB plan that is used to provide postemployment benefits other than pensions for general employees.

Management of the plan is vested with the retirement board. The plan does not issue a stand-alone financial report.

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

Benefits Provided

Public Safety Retirement Health Plan

The plan provides health care benefits for retirees and their dependents. Benefits are provided through a third-party insurer, and the full cost of benefits is covered by the plan until age 65.

The plan is closed to new individuals hired after July 1, 2007.

General Employees' Retirement Health Plan

The plan provides health care benefits for retirees and their dependents. Benefits are provided through a third-party insurer, and the full cost of benefits is covered by the plan until age 65.

The plan is closed to union and department heads and clerical staff hired after July 1, 2007. The plan is closed to dispatchers hired after December 30, 2011.

Employees Covered by Benefit Terms

The following members were covered by the benefit terms as of June 30, 2025:

	Public Safety Retirement Health Plan	General Employees' Retirement Health Plan
Inactive plan members or beneficiaries currently receiving benefits	42	48
Active plan members	12	16
Total plan members	54	64

Contributions

Public Safety Retirement Health Plan

The plan was established and is being funded under the authority of the City Council. The plan's funding policy is that the employer will make discretionary contributions. Plan members are not required to contribute to the plan. There are no long-term contracts for contributions to the plan. The plan has no legally required reserves.

General Employees' Retirement Health Plan

The plan was established and is being funded under the authority of the City Council. The plan's funding policy is that the employer will make discretionary contributions. Plan members are not required to contribute to the plan. There are no long-term contracts for contributions to the plan. The plan has no legally required reserves.

Note 10 - Other Postemployment Benefit Plans (Continued)

Net OPEB Liability

The City chooses a date for each OPEB plan to measure its net OPEB liability (NOL). This is based on the measurement date of each OPEB 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.

	Public Safety Retirement Health Plan	General Employees' Retirement Health Plan
Measurement date used for the City's NOL	June 30, 2025	June 30, 2025
Based on a comprehensive actuarial valuation as of	June 30, 2025	June 30, 2025

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

Public Safety Retirement Health Plan

	Increase (Decrease)		
Changes in Net OPEB Liability	Total OPEB Liability	Plan Net Position	Net OPEB Liability
Balance at July 1, 2024	$ 11,386,126	$ 10,120,543	$ 1,265,583
Changes for the year:			
Service cost	158,831	-	158,831
Interest	813,122	-	813,122
Differences between expected and actual experience	3,121,808	-	3,121,808
Changes in assumptions	124,938	-	124,938
Contributions - Employer	-	765,000	(765,000)
Net investment income	-	910,848	(910,848)
Benefit payments, including refunds	(670,703)	(670,703)	-
Net changes	3,547,996	1,005,145	2,542,851
Balance at June 30, 2025	$ 14,934,122	$ 11,125,688	$ 3,808,434

The plan's fiduciary net position represents 74.50 percent of the total OPEB liability.

Note 10 - Other Postemployment Benefit Plans (Continued)

General Employees' Retirement Health Plan

Changes in Net OPEB Liability	Increase (Decrease) Total OPEB Liability	Plan Net Position	Net OPEB Liability
Balance at July 1, 2024	$ 9,254,010	$ 7,178,177	$ 2,075,833
Changes for the year:			
Service cost	91,978	-	91,978
Interest	658,932	-	658,932
Differences between expected and actual experience	1,432,243	-	1,432,243
Changes in assumptions	156,997	-	156,997
Contributions - Employer	-	730,000	(730,000)
Contributions - Employee	-	641,729	(641,729)
Benefit payments, including refunds	(523,699)	(523,699)	-
Net changes	1,816,451	848,030	968,421
Balance at June 30, 2025	$ 11,070,461	$ 8,026,207	$ 3,044,254

The plan's fiduciary net position represents 72.50 percent of the total OPEB liability.

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

For the year ended June 30, 2025, the City recognized OPEB expense of $3,049,012 and $1,195,740 for the Public Safety Retirement Health Plan and General Employees' Retirement Health Plan, respectively.

At June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Public Safety Retirement Health Plan		General Employees' Retirement Health Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 309,368	$ -	$ 496,137	$ -
Changes in assumptions	12,380	-	54,385	-
Net difference between projected and actual earnings on OPEB plan investments	-	(246,493)	-	(173,102)
Total	$ 321,748	$ (246,493)	$ 550,522	$ (173,102)

Note 10 - Other Postemployment Benefit Plans (Continued)

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 June 30	Public Safety Retirement Health Plan	General Employees' Retirement Health Plan
2026	$ 462,344	$ 639,093
2027	(202,182)	(137,623)
2028	(150,156)	(101,254)
2029	(34,751)	(22,796)
Total	$ 75,255	$ 377,420

Actuarial Assumptions

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

	Public Safety Retirement Health Plan	General Employees' Retirement Health Plan
Inflation	2.5%	2.50%
Salary increases (including inflation)	3.50-7.30%	3.50-7.30%
Investment rate of return (net of investment expenses)	7.25%	7.25%
Health care cost trend rate	7.00 - 4.50% (under age 65) and 5.25 - 4.50% (ages 65 and older)	7.00 - 4.50% (under age 65) and 5.25 - 4.50% (ages 65 and older)
Mortality rates	Pub-2010 Public Retirement Plans Public Safety Mortality Tables with mortality improvements using Scale MP-2021	Pub-2010 Public Retirement Plans General Employees Mortality Tables with mortality improvements using Scale MP-2021

Discount Rate

As shown below, the discount rate used to measure the total OPEB liability (TOL) 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 OPEB plans' fiduciary net position to make all projected future benefit payments of current active and inactive employees.

	Public Safety Retirement Health Plan	General Employees' Retirement Health Plan
Assumed investment rate of return	7.25%	7.25%
Discount rate used to measure TOL	7.25%	7.25%

Note 10 - Other Postemployment Benefit Plans (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. Best estimates of arithmetic real rates of return as of the June 30, 2025 measurement date for each major asset class included in both OPEB plans' target asset allocation, as disclosed in the investment note, are summarized in the following table:

Asset Class	Long-term Expected Real Rate of Return
Domestic equity	5.60 %
International equity	5.23
Fixed income	3.17

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 7.25 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 (6.25%)	Current Discount Rate (7.25%)	1 Percentage Point Increase (8.25%)
Net OPEB liability of the Public Safety Retirement Health Plan	$ 5,600,707	$ 3,808,434	$ 2,323,962
Net OPEB liability of the General Employees' Retirement Health Plan	4,257,284	3,044,254	2,022,477
Total	$ 9,857,991	$ 6,852,688	$ 4,346,439

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 7.0 percent decreasing to 4.5 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 (6.0% Decreasing to 3.5%)	Current Health Care Cost Trend Rate (7.0% Decreasing to 4.5%)	1 Percentage Point Increase (8.0% Decreasing to 5.5%)
Net OPEB liability of the Public Safety Retirement Health Plan	$ 2,276,778	$ 3,808,434	$ 5,651,175
Net OPEB liability of the General Employees' Retirement Health Plan	1,968,166	3,044,254	4,323,300
Total	$ 4,244,944	$ 6,852,688	$ 9,974,475

Note 10 - Other Postemployment Benefit Plans (Continued)

Assumption Changes

Public Safety Retirement Health Plan

Since the prior measurement date, the assumed assumed rates of health care inflation used to project per capita claims costs were updated in the June 30, 2025 valuation.

General Employees' Retirement Health Plan

Since the prior measurement date, the assumed assumed rates of health care inflation used to project per capita claims costs were updated in the June 30, 2025 valuation.

Note 11 - Pension and OPEB Plan Investments - Policy and Rate of Return

Public Safety Retirement Pension System and Health Plan

Investment Policy

The policy in regard to the allocation of invested assets is established and may be amended by the retirement board by a majority vote of its members. It is the policy of the retirement board to pursue an investment strategy that manages risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension plan'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 board's adopted asset allocation policy as of June 30, 2025:

Asset Class	Target Allocation
Domestic equity	46.00 %
International equity	13.00
Fixed income	41.00

Rate of Return

For the year ended June 30, 2025, the annual money-weighted rate of return on investments, net of investment expense, was 8.99 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. The time-weighted rate of return as of June 30, 2025 was 8.95 percent.

General Employees' Retirement Pension System and Health Plan

Investment Policy

The policy in regard to the allocation of invested assets is established and may be amended by the retirement board by a majority vote of its members. It is the policy of the retirement board to pursue an investment strategy that manages risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension plan'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 board's adopted asset allocation policy as of June 30, 2025:

Asset Class	Target Allocation
Domestic equity	46.00 %
International equity	13.00
Fixed income	41.00

Note 11 - Pension and OPEB Plan Investments - Policy and Rate of Return (Continued)

Rate of Return

For the year ended June 30, 2025, the annual money-weighted rate of return on investments, net of investment expense, was 8.93 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. The time-weighted rate of return as of June 30, 2025 was 8.99 percent.

Note 12 - Pension and Other Postemployment Benefit Trust Funds

The following are condensed financial statements for the individual pension plans and postemployment health care plans:

	General Employees' Retirement Pension System	General Employees' Retirement Health Plan	Total General Employees'	Public Safety Retirement Pension System	Public Safety Retirement Health Plan	Total Public Safety	Total
Statement of Net Position							
Assets:							
Cash and cash equivalents	$ 573,559	$ -	$ 573,559	$ 1,206,778	$ -	$ 1,206,778	$ 1,780,337
Investments:							
Collective investment trusts	8,668,923	4,921,454	13,590,377	15,971,827	6,836,233	22,808,060	36,398,437
Mutual funds	21,545,278	3,079,307	24,624,585	37,047,278	4,277,231	41,324,509	65,949,094
Prepaids and other	-	25,447	25,447	-	12,223	12,223	37,670
Total assets	30,787,760	8,026,208	38,813,968	54,225,883	11,125,687	65,351,570	104,165,538
Liabilities - Accounts payable	26,015	-	26,015	44,167	-	44,167	70,182
Net position restricted for pensions and OPEB	$ 30,761,745	$ 8,026,208	$ 38,787,953	$ 54,181,716	$ 11,125,687	$ 65,307,403	$ 104,095,356
Statement of Changes in Net Position							
Additions:							
Investment income:							
Interest and dividends	$ 228,313	$ 799,947	$ 1,028,260	$ 542,196	$ 1,198,948	$ 1,741,144	$ 2,769,404
Net increase in fair value of investments	2,379,244	(158,218)	2,221,026	4,019,762	(288,099)	3,731,663	5,952,689
Total investment income	2,607,557	641,729	3,249,286	4,561,958	910,849	5,472,807	8,722,093
Contributions:							
Employer	793,080	730,000	1,523,080	451,780	765,000	1,216,780	2,739,860
Employee	71,319	-	71,319	369,172	-	369,172	440,491
Total contributions	864,399	730,000	1,594,399	820,952	765,000	1,585,952	3,180,351
Total additions	3,471,956	1,371,729	4,843,685	5,382,910	1,675,849	7,058,759	11,902,444
Deductions:							
Benefit payments	2,001,921	523,699	2,525,620	3,154,092	670,702	3,824,794	6,350,414
Administrative and other	87,592	-	87,592	140,082	-	140,082	227,674
Total deductions	2,089,513	523,699	2,613,212	3,294,174	670,702	3,964,876	6,578,088
Net change in net position	1,382,443	848,030	2,230,473	2,088,736	1,005,147	3,093,883	5,324,356
Net position restricted for pensions and OPEB - Beginning of year	29,379,302	7,178,178	36,557,480	52,092,980	10,120,540	62,213,520	98,771,000
Net position restricted for pensions and OPEB - End of year	$ 30,761,745	$ 8,026,208	$ 38,787,953	$ 54,181,716	$ 11,125,687	$ 65,307,403	$ 104,095,356

Note 13 - Joint Venture

The City is a member of the Grosse Pointes-Clinton Refuse Disposal Authority joint venture (the "Authority"), which provides refuse disposal services to participating municipalities in the counties of Wayne and Macomb, Michigan. Other members include the cities of Grosse Pointe Park, Grosse Pointe, Harper Woods, and Grosse Pointe Woods, Michigan and the Village of Grosse Pointe Shores, Michigan. The City Council appoints one member to the Authority's governing board, which then approves its budget. The Authority currently contracts with a commercial refuse disposal company and bills members for their proportionate share of the costs.

The City's interest in the net position of the Authority totaled $55,698 at June 30, 2025 and is reported as part of the governmental activities in the statement of net position. The City is unaware of any circumstances, including potential environmental remediation, that would cause an additional burden to the participating municipalities in the near future. Complete financial statements for the Authority can be obtained from its administrative offices at 27941 Harper Avenue, Suite 106, St. Clair Shores, MI 48081.

Note 14 - Leases

The City leases certain assets to third parties. The assets leased include a pump station owned by the City and the right to use the land. Payments are generally fixed annually with a 4 percent increase of the annual rent in effect for the year immediately preceding the adjustment date.

During the year ended June 30, 2025, the City recognized the following related to its lessor agreements:

Lease revenue	$	438,575
Interest income related to its leases		171,810

Required Supplementary Information

Required Supplementary Information
Budgetary Comparison Schedule
General Fund

Year Ended June 30, 2025

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Property taxes	$ 15,095,530	$ 15,106,610	$ 15,107,524	$ 914
Intergovernmental:				
Federal grants	-	5,610	12,253	6,643
State sources	1,287,470	1,357,900	1,371,320	13,420
Charges for services	1,648,130	1,648,130	1,590,271	(57,859)
Fines and forfeitures	323,200	323,200	288,154	(35,046)
Licenses and permits	573,990	527,540	509,865	(17,675)
Interest and rentals	782,770	807,770	1,098,155	290,385
Other revenue	134,300	134,300	179,214	44,914
Total revenue	19,845,390	19,911,060	20,156,756	245,696
Expenditures				
Current services:				
General government	3,054,950	2,873,050	2,834,344	38,706
Municipal court	384,450	366,450	346,858	19,592
Public safety	8,226,760	8,274,990	8,274,823	167
Public works	3,523,640	3,340,230	3,297,549	42,681
Other functions	50,000	32,600	32,599	1
Parks and recreation	1,908,710	1,733,710	1,686,953	46,757
Total expenditures	17,148,510	16,621,030	16,473,126	147,904
Excess of Revenue Over Expenditures	2,696,880	3,290,030	3,683,630	393,600
Other Financing Sources (Uses)				
Fund balance appropriation	200,000	56,850	-	(56,850)
Transfers out	(2,896,880)	(3,346,880)	(3,346,729)	151
Total other financing uses	(2,696,880)	(3,290,030)	(3,346,729)	(56,699)
Net Change in Fund Balances	-	-	336,901	336,901
Fund Balance - Beginning of year	6,922,499	6,922,499	6,922,499	-
Fund Balance - End of year	**$ 6,922,499**	**$ 6,922,499**	**$ 7,259,400**	**$ 336,901**

See notes to required supplementary information.

Required Supplementary Information
Budgetary Comparison Schedule - Special Revenue Fund
Major Streets Fund

Year Ended June 30, 2025

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Intergovernmental	$ 916,700	$ 930,700	$ 932,210	$ 1,510
Investment income	30,000	30,000	42,710	12,710
Total revenue	946,700	960,700	974,920	14,220
Expenditures - Public works and streets	1,231,920	1,733,370	1,752,982	(19,612)
Excess of Expenditures Over Revenue	(285,220)	(772,670)	(778,062)	(5,392)
Other Financing Sources (Uses)				
Transfers in	360,220	710,220	710,220	-
Transfers out	(75,000)	(75,000)	(75,000)	-
Fund balance appropriations	-	137,450	-	(137,450)
Total other financing sources	285,220	772,670	635,220	(137,450)
Net Change in Fund Balance	-	-	(142,842)	(142,842)
Fund Balance - Beginning of year	1,000,445	1,000,445	1,000,445	-
Fund Balance - End of year	**$ 1,000,445**	**$ 1,000,445**	**$ 857,603**	**$ (142,842)**

See notes to required supplementary information.

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

Last Ten Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total Pension Liability										
Service cost	$ 269,756	$ 292,799	$ 265,031	$ 284,679	$ 328,124	$ 302,758	$ 318,019	$ 306,053	$ 311,248	$ 351,487
Interest	2,177,655	2,171,640	2,163,011	2,154,606	2,079,194	1,948,848	1,955,180	1,797,406	1,712,769	1,661,508
Differences between expected and actual experience	693,019	(363,706)	(459,392)	(331,061)	930,663	1,559,411	(508,859)	(486,405)	891,728	485,951
Changes in assumptions	-	-	47,641	-	-	-	-	2,456,534	698,409	-
Benefit payments, including refunds	(2,001,922)	(2,033,103)	(1,766,077)	(2,210,729)	(2,381,923)	(1,657,022)	(2,039,636)	(1,484,805)	(1,828,517)	(1,762,184)
Net Change in Total Pension Liability	1,138,508	67,630	250,214	(102,505)	956,058	2,153,995	(275,296)	2,588,783	1,785,637	736,762
Total Pension Liability - Beginning of year	31,020,065	30,952,435	30,702,221	30,804,726	29,848,668	27,694,673	27,969,969	25,381,186	23,595,549	22,858,787
Total Pension Liability - End of year	**$ 32,158,573**	**$ 31,020,065**	**$ 30,952,435**	**$ 30,702,221**	**$ 30,804,726**	**$ 29,848,668**	**$ 27,694,673**	**$ 27,969,969**	**$ 25,381,186**	**$ 23,595,549**
Plan Fiduciary Net Position										
Contributions - Employer	$ 793,080	$ 804,790	$ 1,158,168	$ 887,113	$ 721,511	$ 338,785	$ 350,877	$ 272,241	$ 392,241	$ 723,451
Contributions - Member	71,319	71,912	75,021	79,990	85,276	92,629	98,339	107,481	117,597	115,134
Net investment income (loss)	2,534,610	3,681,972	2,633,130	(3,810,615)	6,375,301	1,722,353	1,846,664	1,798,509	2,938,504	60,919
Administrative expenses	(14,644)	(14,483)	(14,494)	(14,520)	(28,492)	(30,510)	(46,928)	(43,621)	(10,813)	(10,005)
Benefit payments, including refunds	(2,001,922)	(2,033,103)	(1,766,077)	(2,210,729)	(2,381,923)	(1,657,022)	(2,039,636)	(1,484,805)	(1,828,517)	(1,762,184)
Net Change in Plan Fiduciary Net Position	1,382,443	2,511,088	2,085,748	(5,068,761)	4,771,673	466,235	209,316	649,805	1,609,012	(872,685)
Plan Fiduciary Net Position - Beginning of year	29,379,302	26,868,214	24,782,466	29,851,227	25,079,554	24,613,319	24,404,003	23,754,198	22,145,186	23,017,871
Plan Fiduciary Net Position - End of year	**$ 30,761,745**	**$ 29,379,302**	**$ 26,868,214**	**$ 24,782,466**	**$ 29,851,227**	**$ 25,079,554**	**$ 24,613,319**	**$ 24,404,003**	**$ 23,754,198**	**$ 22,145,186**
City's Net Pension Liability - Ending	**$ 1,396,828**	**$ 1,640,763**	**$ 4,084,221**	**$ 5,919,755**	**$ 953,499**	**$ 4,769,114**	**$ 3,081,354**	**$ 3,565,966**	**$ 1,626,988**	**$ 1,450,363**
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	95.66 %	94.71 %	86.80 %	80.72 %	96.90 %	84.02 %	88.87 %	87.25 %	93.59 %	93.85 %
Covered Payroll	$ 1,240,892	$ 1,205,483	$ 1,328,228	$ 1,305,732	$ 1,384,268	$ 1,651,685	$ 1,850,189	$ 1,758,022	$ 1,743,966	$ 1,885,061
City's Net Pension Liability as a Percentage of Covered Payroll	112.57 %	136.11 %	307.49 %	453.37 %	68.88 %	288.74 %	166.54 %	202.84 %	93.29 %	76.94 %

See notes to required supplementary information.

Required Supplementary Information
Schedule of Pension Contributions
General Employees' Retirement Pension System

Last Ten Fiscal Years

Years Ended June 30

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially determined contribution	$ 513,079	$ 654,790	$ 684,595	$ 737,113	$ 621,511	$ 338,785	$ 350,877	$ 272,241	$ 299,240	$ 305,388
Contributions in relation to the actuarially determined contribution	793,080	804,790	1,158,168	887,113	721,511	338,785	350,877	272,241	392,241	723,451
Contribution Excess	**$ 280,001**	**$ 150,000**	**$ 473,573**	**$ 150,000**	**$ 100,000**	**$ -**	**$ -**	**$ -**	**$ 93,001**	**$ 418,063**
Covered Payroll	$ 1,240,892	$ 1,205,483	$ 1,328,228	$ 1,305,732	$ 1,384,268	$ 1,651,685	$ 1,850,189	$ 1,758,022	$ 1,743,966	$ 1,885,061
Contributions as a Percentage of Covered Payroll	63.91 %	66.76 %	87.20 %	67.94 %	52.12 %	20.51 %	18.96 %	15.49 %	22.49 %	38.38 %

Notes to Schedule of Pension Contributions

Actuarial valuation information relative to the determination of contributions:

Valuation date	June 30, 2023

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	15-year level dollar layered amortization
Remaining amortization period	15 years
Asset valuation method	4 years smoothed fair value
Inflation	2.50 percent
Salary increase	3.50 to 7.30 percent, including inflation
Investment rate of return	7.25 percent
Mortality	Pub-2010 Public Retirement Plans General Employees Mortality Tables (Amount-Weighted) with fully generational projection of mortality improvements using SOA Scale MP-2021
Cost of living adjustment	2.50 percent per year

See notes to required supplementary information.

Required Supplementary Information
Schedule of Pension Investment Returns
General Employees' Retirement Pension System

Last Ten Fiscal Years

Years Ended June 30

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Annual money-weighted rate of return - Net of investment expense	8.93 %	14.04 %	10.87 %	(12.60)%	26.20 %	7.16 %	7.38 %	7.38 %	13.41 %	0.46 %

See notes to required supplementary information.

Required Supplementary Information
Schedule of Changes in the Net Pension Liability (Asset) and Related Ratios
Public Safety Retirement Pension System

Last Ten Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total Pension Liability										
Service cost	$ 993,524	$ 1,004,986	$ 951,309	$ 948,789	$ 914,522	$ 959,176	$ 866,141	$ 871,552	$ 802,228	$ 876,157
Interest	3,235,624	3,138,810	3,048,464	3,028,712	2,912,861	2,818,521	2,776,903	2,531,448	2,419,720	2,352,453
Differences between expected and actual experience	1,062,344	57,757	908,786	(1,228,318)	(199,053)	(423,671)	(873,746)	(54,106)	533,902	(308,162)
Changes in assumptions	-	-	(976,233)	-	-	-	-	2,437,129	809,914	151,084
Benefit payments, including refunds	(3,154,091)	(2,588,178)	(2,780,816)	(2,183,120)	(1,882,889)	(2,216,850)	(2,174,403)	(2,277,904)	(2,002,811)	(1,906,462)
Net Change in Total Pension Liability	2,137,401	1,613,375	1,151,510	566,063	1,745,441	1,137,176	594,895	3,508,119	2,562,953	1,165,070
Total Pension Liability - Beginning of year	46,178,749	44,565,374	43,413,864	42,847,801	41,102,360	39,965,184	39,370,289	35,862,170	33,299,217	32,134,147
Total Pension Liability - End of year	**$ 48,316,150**	**$ 46,178,749**	**$ 44,565,374**	**$ 43,413,864**	**$ 42,847,801**	**$ 41,102,360**	**$ 39,965,184**	**$ 39,370,289**	**$ 35,862,170**	**$ 33,299,217**
Plan Fiduciary Net Position										
Contributions - Employer	$ 451,780	$ 437,516	$ 265,510	$ 640,240	$ 566,175	$ 274,342	$ 117,124	$ 100,000	$ 300,000	$ 200,000
Contributions - Member	369,172	329,207	310,077	286,010	259,230	244,754	241,551	237,722	217,988	247,649
Net investment income (loss)	4,438,239	6,479,503	4,654,738	(6,690,247)	11,060,948	2,898,513	2,930,695	3,033,557	4,693,456	97,742
Administrative expenses	(16,364)	(15,382)	(17,426)	(16,464)	(40,922)	(42,596)	(53,419)	(52,936)	(5,868)	(13,475)
Benefit payments, including refunds	(3,154,091)	(2,588,178)	(2,780,816)	(2,183,120)	(1,882,889)	(2,216,850)	(2,174,403)	(2,277,904)	(2,002,811)	(1,906,462)
Net Change in Plan Fiduciary Net Position	2,088,736	4,642,666	2,432,083	(7,963,581)	9,962,542	1,158,163	1,061,548	1,040,439	3,202,765	(1,374,546)
Plan Fiduciary Net Position - Beginning of year	52,092,980	47,450,314	45,018,231	52,981,812	43,019,270	41,861,107	40,799,559	39,759,120	36,556,355	37,930,901
Plan Fiduciary Net Position - End of year	**$ 54,181,716**	**$ 52,092,980**	**$ 47,450,314**	**$ 45,018,231**	**$ 52,981,812**	**$ 43,019,270**	**$ 41,861,107**	**$ 40,799,559**	**$ 39,759,120**	**$ 36,556,355**
City's Net Pension Asset - Ending	**$ (5,865,566)**	**$ (5,914,231)**	**$ (2,884,940)**	**$ (1,604,367)**	**$ (10,134,011)**	**$ (1,916,910)**	**$ (1,895,923)**	**$ (1,429,270)**	**$ (3,896,950)**	**$ (3,257,138)**
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	112.14 %	112.81 %	106.47 %	103.70 %	123.65 %	104.66 %	104.74 %	103.63 %	110.77 %	109.68 %
Covered Payroll	$ 4,067,429	$ 3,835,585	$ 3,838,607	$ 3,568,526	$ 3,536,549	$ 3,312,270	$ 3,165,095	$ 2,992,371	$ 3,062,647	$ 2,639,683
City's Net Pension Asset as a Percentage of Covered Payroll	(144.21)%	(154.19)%	(75.16)%	(44.96)%	(286.55)%	(57.87)%	(59.90)%	(47.76)%	(126.26)%	(122.25)%

See notes to required supplementary information.

Required Supplementary Information
Schedule of Pension Contributions
Public Safety Retirement Pension System

Last Ten Fiscal Years

Years Ended June 30

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially determined contribution	$ 126,771	$ 112,516	$ 165,510	$ 440,240	$ 566,175	$ 274,342	$ 117,124	$ -	$ -	$ 1,401
Contributions in relation to the actuarially determined contribution	451,780	437,516	265,510	640,240	566,175	274,342	117,124	100,000	300,000	200,000
Contribution Excess	**$ 325,009**	**$ 325,000**	**$ 100,000**	**$ 200,000**	**$ -**	**$ -**	**$ -**	**$ 100,000**	**$ 300,000**	**$ 198,599**
Covered Payroll	$ 4,067,429	$ 3,835,585	$ 3,838,607	$ 3,568,526	$ 3,536,549	$ 3,312,270	$ 3,165,095	$ 2,992,371	$ 3,062,647	$ 2,639,683
Contributions as a Percentage of Covered Payroll	11.11 %	11.41 %	6.92 %	17.94 %	16.01 %	8.28 %	3.70 %	3.34 %	9.80 %	7.58 %

Notes to Schedule of Pension Contributions

Actuarial valuation information relative to the determination of contributions:

Valuation date	June 30, 2023

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, open
Remaining amortization period	10 years
Asset valuation method	4 years smoothed fair value
Inflation	2.50 percent
Salary increase	3.50 to 7.30 percent, including inflation
Investment rate of return	7.25 percent
Mortality	Pub-2010 Public Retirement Plans Mortality Tables (Amount-Weighted) with fully generational projection of mortality improvements using SOA Scale MP-2021

See notes to required supplementary information.

Required Supplementary Information
Schedule of Pension Investment Returns
Public Safety Retirement Pension System

Last Ten Fiscal Years

Years Ended June 30

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Annual money-weighted rate of return - Net of investment expense	8.99 %	14.00 %	10.75 %	(12.59)%	26.29 %	7.07 %	7.64 %	7.78 %	13.51 %	0.48 %

See notes to required supplementary information.

Required Supplementary Information
Schedule of Changes in the Net OPEB Liability and Related Ratios
General Employees' Retirement Health Plan

Last Nine Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability									
Service cost	$ 91,978	$ 92,047	$ 118,301	$ 115,441	$ 112,982	$ 111,917	$ 195,115	$ 163,968	$ 350,197
Interest	658,932	642,528	667,356	651,632	672,740	656,582	788,532	674,750	673,198
Differences between expected and actual experience	1,432,243	-	(562,703)	-	(600,956)	-	(1,658,628)	(145,387)	(1,336,948)
Changes in assumptions	156,997	-	(39,085)	-	101,075	-	(535,225)	1,269,133	(4,009,288)
Benefit payments, including refunds	(523,699)	(493,275)	(506,681)	(597,820)	(561,705)	(532,185)	(521,213)	(500,279)	(399,215)
Net Change in Total OPEB Liability	1,816,451	241,300	(322,812)	169,253	(275,864)	236,314	(1,731,419)	1,462,185	(4,722,056)
Total OPEB Liability - Beginning of year	9,254,010	9,012,710	9,335,522	9,166,269	9,442,133	9,205,819	10,937,238	9,475,053	14,197,109
Total OPEB Liability - End of year	**$ 11,070,461**	**$ 9,254,010**	**$ 9,012,710**	**$ 9,335,522**	**$ 9,166,269**	**$ 9,442,133**	**$ 9,205,819**	**$ 10,937,238**	**$ 9,475,053**
Plan Fiduciary Net Position									
Contributions - Employer	$ 730,000	$ 760,000	$ 760,704	$ 933,493	$ 958,062	$ 1,351,307	$ 929,528	$ 899,613	$ 812,496
Net investment income (loss)	641,729	841,853	571,121	(711,533)	1,087,481	223,096	186,461	152,320	181,570
Administrative expenses	-	-	(1)	(1)	-	-	-	-	-
Benefit payments, including refunds	(523,699)	(493,275)	(506,681)	(597,820)	(561,705)	(532,185)	(521,213)	(500,279)	(399,215)
Net Change in Plan Fiduciary Net Position	848,030	1,108,578	825,143	(375,861)	1,483,838	1,042,218	594,776	551,654	594,851
Plan Fiduciary Net Position - Beginning of year	7,178,177	6,069,599	5,244,455	5,620,316	4,136,478	3,094,260	2,499,484	1,947,830	1,352,979
Plan Fiduciary Net Position - End of year	**$ 8,026,207**	**$ 7,178,177**	**$ 6,069,598**	**$ 5,244,455**	**$ 5,620,316**	**$ 4,136,478**	**$ 3,094,260**	**$ 2,499,484**	**$ 1,947,830**
Net OPEB Liability - Ending	**$ 3,044,254**	**$ 2,075,833**	**$ 2,943,112**	**$ 4,091,067**	**$ 3,545,953**	**$ 5,305,655**	**$ 6,111,559**	**$ 8,437,754**	**$ 7,527,223**
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	72.50 %	77.57 %	67.34 %	56.18 %	61.32 %	43.81 %	33.61 %	22.85 %	20.56 %
Covered-employee Payroll	$ 1,240,892	$ 1,381,357	$ 1,328,228	$ 1,439,639	$ 1,384,268	$ 1,680,089	$ 1,850,189	$ 1,758,022	$ 1,685,541
Net OPEB Liability as a Percentage of Covered-employee Payroll	245.33 %	150.27 %	221.58 %	284.17 %	256.16 %	315.80 %	330.32 %	479.96 %	446.58 %

Currently, nine years of information are available; additional years of information will be displayed in future years as it becomes available.

See notes to required supplementary information.

Required Supplementary Information
Schedule of OPEB Contributions
General Employees' Retirement Health Plan

Last Ten Fiscal Years

Years Ended June 30

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially determined contribution	$ 319,964	$ 497,969	$ 441,849	$ 415,803	$ 554,552	$ 652,570	$ 875,213	$ 1,095,412	$ 1,144,288	$ 1,095,012
Contributions in relation to the actuarially determined contribution	730,000	760,000	760,704	933,493	958,062	1,351,307	929,528	899,613	812,496	610,018
Contribution Excess (Deficiency)	**$ 410,036**	**$ 262,031**	**$ 318,855**	**$ 517,690**	**$ 403,510**	**$ 698,737**	**$ 54,315**	**$ (195,799)**	**$ (331,792)**	**$ (484,994)**
Covered-employee Payroll	$ 1,240,892	$ 1,381,357	$ 1,328,228	$ 1,439,639	$ 1,384,268	$ 1,680,089	$ 1,850,189	$ 1,758,022	$ 1,685,541	$ 1,865,319
Contributions as a Percentage of Covered-employee Payroll	58.83 %	55.02 %	57.27 %	64.84 %	69.21 %	80.43 %	50.24 %	51.17 %	48.20 %	32.70 %

Notes to Schedule of Contributions

Actuarial valuation information relative to the determination of contributions:

Valuation date	June 30, 2023

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level dollar, closed
Remaining amortization period	24 years
Asset valuation method	Market value of assets
Health care cost trend rates	7.00 - 4.50 percent for under 65 and 5.25 - 4.50 percent for ages 65 and older
Salary increase	3.50 - 7.30 percent, including inflation
Investment rate of return	7.25 percent
Retirement age	Age 60 with 10 or more years of service
Mortality	Pub-2010 Public Retirement Plans Mortality Tables (Amount-Weighted) with fully generational projection of mortality improvements using SOA Scale MP-2021

See notes to required supplementary information.

Required Supplementary Information
Schedule of OPEB Investment Returns
General Employees' Retirement Health Plan

Last Nine Fiscal Years

Years Ended June 30

	2025	2024	2023	2022	2021	2020	2019	2018	2017
Annual money-weighted rate of return - Net of investment expense	8.93 %	14.04 %	10.87 %	(12.60)%	26.29 %	7.07 %	7.64 %	7.78 %	13.51 %

Currently, nine years of information are available; additional years of information will be displayed in future years as it becomes available.

See notes to required supplementary information.

Required Supplementary Information
Schedule of Changes in the Net OPEB Liability and Related Ratios
Public Safety Retirement Health Plan

Last Eight Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability								
Service cost	$ 158,831	$ 162,588	$ 201,413	$ 221,796	$ 252,632	$ 266,585	$ 392,619	$ 327,101
Interest	813,122	788,138	1,084,914	1,031,001	981,187	928,274	932,788	819,385
Differences between expected and actual experience	3,121,808	-	(4,334,786)	-	(310,000)	-	(14,288)	(548,454)
Changes in assumptions	124,938	-	(489,572)	-	274,243	-	(821,583)	1,145,805
Benefit payments, including refunds	(670,703)	(536,382)	(497,504)	(480,371)	(479,904)	(423,243)	(428,194)	(396,739)
Net Change in Total OPEB Liability	3,547,996	414,344	(4,035,535)	772,426	718,158	771,616	61,342	1,347,098
Total OPEB Liability - Beginning of year	11,386,126	10,971,782	15,007,317	14,234,891	13,516,733	12,745,117	12,683,775	11,336,677
Total OPEB Liability - End of year	**$ 14,934,122**	**$ 11,386,126**	**$ 10,971,782**	**$ 15,007,317**	**$ 14,234,891**	**$ 13,516,733**	**$ 12,745,117**	**$ 12,683,775**
Plan Fiduciary Net Position								
Contributions - Employer	$ 765,000	$ 710,000	$ 754,000	$ 636,300	$ 638,800	$ 535,564	$ 486,876	$ 481,250
Contributions - Active and inactive plan members not yet receiving benefits	-	-	-	-	-	-	-	2,889
Net investment income (loss)	910,848	1,216,193	823,899	(1,086,263)	1,746,749	440,752	414,585	394,217
Benefit payments, including refunds	(670,703)	(536,382)	(497,504)	(480,371)	(479,904)	(423,243)	(428,194)	(396,739)
Net Change in Plan Fiduciary Net Position	1,005,145	1,389,811	1,080,395	(930,334)	1,905,645	553,073	473,267	481,617
Plan Fiduciary Net Position - Beginning of year	10,120,543	8,730,732	7,649,937	8,580,271	6,674,626	6,121,553	5,648,286	5,166,669
Plan Fiduciary Net Position - End of year	**$ 11,125,688**	**$ 10,120,543**	**$ 8,730,332**	**$ 7,649,937**	**$ 8,580,271**	**$ 6,674,626**	**$ 6,121,553**	**$ 5,648,286**
Net OPEB Liability - Ending	**$ 3,808,434**	**$ 1,265,583**	**$ 2,241,450**	**$ 7,357,380**	**$ 5,654,620**	**$ 6,842,107**	**$ 6,623,564**	**$ 7,035,489**
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	74.50 %	88.88 %	79.57 %	50.97 %	60.28 %	49.38 %	48.03 %	44.53 %
Covered-employee Payroll	$ 1,205,338	$ 1,788,006	$ 1,727,542	$ 2,274,655	$ 2,187,168	$ 2,520,982	$ 2,424,021	$ 2,992,371
Net OPEB Liability as a Percentage of Covered-employee Payroll	315.96 %	70.78 %	129.75 %	323.45 %	258.54 %	271.41 %	273.25 %	235.11 %

Currently, eight years of information are available; additional years of information will be displayed in future years as it becomes available.

See notes to required supplementary information.

Required Supplementary Information
Schedule of OPEB Contributions
Public Safety Retirement Health Plan

Last Ten Fiscal Years

Years Ended June 30

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially determined contribution	$ 324,813	$ 882,952	$ 723,841	$ 702,116	$ 825,883	$ 868,616	$ 967,881	$ 1,127,802	$ 986,558	$ 944,075
Contributions in relation to the actuarially determined contribution	765,000	710,000	754,400	636,300	638,800	535,564	486,876	481,250	307,730	213,316
Contribution Excess (Deficiency)	**$ 440,187**	**$ (172,952)**	**$ 30,559**	**$ (65,816)**	**$ (187,083)**	**$ (333,052)**	**$ (481,005)**	**$ (646,552)**	**$ (678,828)**	**$ (730,759)**
Covered-employee Payroll	$ 1,205,338	$ 1,788,006	$ 1,727,542	$ 2,274,655	$ 2,187,168	$ 2,520,982	$ 2,424,021	$ 2,992,371	$ 2,872,219	$ 2,677,371
Contributions as a Percentage of Covered-employee Payroll	63.47 %	39.71 %	43.67 %	27.97 %	29.21 %	21.24 %	20.09 %	16.08 %	10.71 %	7.97 %

Notes to Schedule of Contributions

Actuarial valuation information relative to the determination of contributions:

Valuation date	June 30, 2023

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level dollar, closed
Remaining amortization period	24 years
Asset valuation method	Market value of assets
Inflation	2.50 percent
Health care cost trend rates	7.00 - 4.50 percent for under 65 and 5.25 - 4.50 percent for ages 65 and older
Salary increase	3.50 - 7.30 percent, including inflation
Investment rate of return	7.25 percent
Retirement age	Age 50 with 25 years of service or age 60 with 10 years of service
Mortality	Pub-2010 Public Retirement Plans Mortality Tables (Amount-Weighted) with fully generational projection of mortality improvements using SOA Scale MP-2021

See notes to required supplementary information.

Required Supplementary Information
Schedule of OPEB Investment Returns
Public Safety Retirement Health Plan

Last Nine Fiscal Years

Years Ended June 30

	2025	2024	2023	2022	2021	2020	2019	2018	2017
Annual money-weighted rate of return - Net of investment expense	8.99 %	14.00 %	10.75 %	(12.59)%	26.20 %	7.16 %	7.38 %	7.89 %	13.41 %

Currently, nine years of information are available; additional years of information will be displayed in future years as it becomes available.

See notes to required supplementary information.

Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund and all governmental funds.

The City did not have significant expenditure budget variances except expenditures in excess of the budget in the Major Streets Fund.

Pension Information

Changes in Assumptions

Public Safety Retirement Pension Plan

In 2015, assumption changes impacting the calculation of the total pension liability were as follows: mortality tables were updated to be based on the RP-2000 Combined Mortality Table (projected to 2014).

In 2016, assumption changes impacting the calculation of the total pension liability were as follows: (1) price inflation was increased from 4.00 to 4.50 percent and (2) discount rate used decreased from 7.44 to 7.40 percent.

In 2017, assumption changes impacting the calculation of the total pension liability were as follows: (1) price inflation was decreased from 4.50 to 4.00 percent and (2) discount rate used decreased from 7.40 to 7.20 percent.

In 2018, assumption changes impacting the calculation of the total pension liability were as follows: (1) increase in the discount rate from 7.20 percent to 7.25 percent and (2) updating the mortality tables from the RP-2000 Combined Mortality Table (projected to 2014) to the RP-2014 Healthy Annuitant Mortality Table (with MP-2017).

In 2023, the mortality tables were updated from the RP-2014 Healthy Annuitant Mortality Table with Scale MP-2017 for the year ended June 30, 2022 to the Pub-2010 Public Retirement Plans Safety Mortality Tables with Scale MP-2021 for the year ended June 30, 2023, retirement rates were updated, wage growth was changed from 4.00 percent for the year ended June 30, 2022 to 3.50 percent for the year ended June 30, 2023, lump-sum payment assumptions were updated from 7.00 percent for the year ended June 30, 2022 to 5.00 percent for the year ended June 30, 2023, and 100 percent of active members hired after January 31, 2011 are assumed to elect to purchase COLA provisions.

General Employees' Retirement Pension Plan

In 2015, assumption changes impacting the calculation of the total pension liability were as follows: mortality tables were updated to be based on the RP-2000 Combined Mortality Table (projected to 2014).

In 2016, assumption changes impacting the calculation of the total pension liability were as follows: price inflation was increased from 4.00 to 4.50 percent.

In 2017, assumption changes impacting the calculation of the total pension liability were as follows: (1) price inflation was decreased from 4.50 to 4.00 percent and (2) discount rate used decreased from 7.40 to 7.20 percent.

In 2018, assumption changes impacting the calculation of the total pension liability were as follows: (1) increase in the discount rate from 7.20 percent to 7.25 percent and (2) updating the mortality tables from the RP-2000 Combined Mortality Table (projected to 2014) to the RP-2014 Healthy Annuitant Mortality Table (with MP-2017).

In 2023, the mortality tables were updated from the RP-2014 Healthy Annuitant Mortality Table with Scale MP-2017 for the year ended June 30, 2022 to the Pub-2010 Public Retirement Plans General Employees Mortality Tables with Scale MP-2021 for the year ended June 30, 2023, retirement and termination rates were updated, and wage growth was changed from 4.00 percent for the year ended June 30, 2022 to 3.50 percent for the year ended June 30, 2023.

OPEB Information

Changes in Assumptions

Public Safety Retirement Health Plan

In 2017, assumption changes impacting the calculation of the total OPEB liability were due to the following: (1) increase in assumed investment rate of return from 4.75 to 5.0 percent and (2) decrease in annual health care cost trend rate from 8.5 to 6.0 percent.

In 2018, assumption changes impacting the calculation of the total OPEB liability were due to updating the mortality tables from the RP-2000 Combined Mortality Table (projected to 2014) to the RP-2014 Healthy Annuitant Mortality Table (with MP-2017).

In 2019, the City modified significant assumptions that affect the calculation of the total OPEB liability. The modification included changes to the assumed initial per capita health care costs and the rates of health care inflation used to project per capita costs.

In 2020, the City modified significant assumptions that affect the calculation of the total OPEB liability. The modification included changes to the assumed rates of health care inflation used to project per capita costs.

In 2021, the assumed rates of health care inflation used to project per capita costs were updated in the June 30, 2021 valuation.

In 2023, the assumed per capita costs of health care and rates of health care inflation used to project per capita costs and premiums were updated in the June 30, 2023 valuation; the mortality tables were updated from RP-2014 Healthy Annuitant Mortality Table Projected with Scale MP-2017 for the year ended June 30, 2022 to the Pub-2010 Public Retirement Plans Public Safety Mortality Tables with mortality improvements using Scale MP-2021 for the year ended June 30, 2023; retirement and termination rates were updated to reflect recent experience; wage growth was changed from 4.0 percent for the year ended June 30, 2022 to 3.5 percent for the year ended June 30, 2023; and the election percentages for dental, vision, and spousal coverage were updated.

In 2025, the assumed per capita costs of health care and rates of health care inflation used to project per capita costs and premiums were updated.

General Employees' Retirement Health Plan

In 2017, assumption changes impacting the calculation of the total OPEB liability were due to the following: (1) increase in assumed investment rate of return from 4.75 to 5.0 percent and (2) decrease in annual health care cost trend rate from 8.5 to 6.0 percent.

In 2018, assumption changes impacting the calculation of the total OPEB liability were due to updating the mortality tables from the RP-2000 Combined Mortality Table (projected to 2014) to the RP-2014 Healthy Annuitant Mortality Table (with MP-2017).

In 2019, the City modified significant assumptions that affect the calculation of the total OPEB liability. The modification included changes to the assumed initial per capita health care costs and the rates of health care inflation used to project per capita costs.

In 2020, the City modified significant assumptions that affect the calculation of the total OPEB liability. The modification included changes to the assumed rates of health care inflation used to project per capita costs.

In 2021, the assumed rates of health care inflation used to project per capita costs were updated in the June 30, 2021 valuation.

In 2023, the assumed per capita costs of health care and rates of health care inflation used to project per capita costs and premiums were updated in the June 30, 2023 valuation; the mortality tables were updated from RP-2014 Healthy Annuitant Mortality Table Projected with Scale MP-2017 for the year ended June 30, 2022 to the Pub-2010 Public Retirement Plans General Employees Mortality Tables with mortality improvements using Scale MP-2021 for the year ended June 30, 2023; retirement and termination rates were updated to reflect recent experience; wage growth was changed from 4.0 percent for the year ended June 30, 2022 to 3.5 percent for the year ended June 30, 2023; and the election percentages for dental, vision, and spousal coverage were updated.

In 2025, the assumed per capita costs of health care and rates of health care inflation used to project per capita costs and premiums were updated.

Supplementary Information

Supplementary Information
Combining Balance Sheet
Nonmajor Governmental Funds

June 30, 2025

	Special Revenue Funds				Debt Service Fund	
	Local Streets	Municipal Street	MIDC Grant	Community Development Block Grant	General Debt Service	Total
Assets						
Cash and cash equivalents	$ 955,797	$ 1,843,580	$ 28,043	$ -	$ -	$ 2,827,420
Investments	59,903	134,106	-	-	-	194,009
Receivables:						
Property taxes receivable	-	1,015	-	-	-	1,015
Accrued interest receivable	298	-	-	-	-	298
Other receivables	-	214	-	-	-	214
Due from other governmental units	57,668	-	1,800	6,000	-	65,468
Total assets	**$ 1,073,666**	**$ 1,978,915**	**$ 29,843**	**$ 6,000**	**$ -**	**$ 3,088,424**
Liabilities						
Accounts payable	$ 82,684	$ -	$ 6,207	$ -	$ -	$ 88,891
Due to other funds	-	-	-	6,000	-	6,000
Refundable deposits, bonds, etc.	61	-	-	-	-	61
Accrued liabilities and other	12,457	-	-	-	-	12,457
Unearned revenue	-	-	23,636	-	-	23,636
Total liabilities	95,202	-	29,843	6,000	-	131,045
Deferred Inflows of Resources - Unavailable revenue	-	-	-	6,000	-	6,000
Fund Balances (Deficit)						
Restricted	978,464	1,978,915	-	-	-	2,957,379
Unassigned	-	-	-	(6,000)	-	(6,000)
Total fund balances (deficit)	978,464	1,978,915	-	(6,000)	-	2,951,379
Total liabilities, deferred inflows of resources, and fund balances (deficit)	**$ 1,073,666**	**$ 1,978,915**	**$ 29,843**	**$ 6,000**	**$ -**	**$ 3,088,424**

Supplementary Information
Combining Statement of Revenue, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds

Year Ended June 30, 2025

	Special Revenue Funds				Debt Service Fund	
	Local Streets	Municipal Street	MIDC Grant	Community Development Block Grant	General Debt Service	Total
Revenue						
Property taxes	$ -	$ 1,968,750	$ -	$ -	$ -	$ 1,968,750
Intergovernmental - State sources	361,790	-	45,841	20,000	-	427,631
Interest and rentals	41,759	58,589	-	-	-	100,348
Other revenue	-	-	7,200	-	-	7,200
Total revenue	403,549	2,027,339	53,041	20,000	-	2,503,929
Expenditures						
Current services:						
Municipal court	-	-	60,981	-	-	60,981
Public works - Street construction	1,987,509	-	-	-	-	1,987,509
Community and economic development	-	-	-	6,000	-	6,000
Debt service	-	-	-	-	938,419	938,419
Total expenditures	1,987,509	-	60,981	6,000	938,419	2,992,909
Excess of Revenue (Under) Over Expenditures	(1,583,960)	2,027,339	(7,940)	14,000	(938,419)	(488,980)
Other Financing Sources (Uses)						
Transfers in	1,330,220	-	7,940	-	938,419	2,276,579
Transfers out	-	(1,565,440)	-	-	-	(1,565,440)
Total other financing sources (uses)	1,330,220	(1,565,440)	7,940	-	938,419	711,139
Net Change in Fund Balances	(253,740)	461,899	-	14,000	-	222,159
Fund Balances (Deficit) - Beginning of year	1,232,204	1,517,016	-	(20,000)	-	2,729,220
Fund Balances (Deficit) - End of year	**$ 978,464**	**$ 1,978,915**	**$ -**	**$ (6,000)**	**$ -**	**$ 2,951,379**

Supplementary Information
Budgetary Comparison Schedule - Capital Projects Fund

Year Ended June 30, 2025

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget (Unaudited)
Revenue				
Intergovernmental:				
Federal grants	$ -	$ -	$ 71,114	$ 71,114
State sources	-	90,860	90,861	1
Investment income	45,000	85,000	125,929	40,929
Other revenue	15,000	15,000	18,596	3,596
Total revenue	60,000	190,860	306,500	115,640
Expenditures - Capital outlay	1,821,770	2,692,040	2,046,760	645,280
Excess of Expenditures Over Revenue	(1,761,770)	(2,501,180)	(1,740,260)	760,920
Other Financing Sources (Uses)				
Transfers in	1,550,370	2,000,370	2,000,370	-
Transfers out	-	-	(507,731)	(507,731)
Fund balance appropriation	211,400	950,810	-	(950,810)
Total other financing sources	1,761,770	2,951,180	1,492,639	(1,458,541)
Net Change in Fund Balance	-	450,000	(247,621)	(697,621)
Fund Balance - Beginning of year	3,059,702	3,059,702	3,059,702	-
Fund Balance - End of year	**$ 3,059,702**	**$ 3,509,702**	**$ 2,812,081**	**$ (697,621)**

Supplementary Information
Budgetary Comparison Schedules - Nonmajor Governmental Funds
Local Streets Fund

Year Ended June 30, 2025

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget (Unaudited)
Revenue				
Intergovernmental	$ 355,600	$ 360,600	$ 361,790	$ 1,190
Investment income	16,000	41,000	41,759	759
Total revenue	371,600	401,600	403,549	1,949
Expenditures - Current services - Public works - Streets	1,701,820	1,988,820	1,987,509	1,311
Excess of Expenditures Over Revenue	(1,330,220)	(1,587,220)	(1,583,960)	3,260
Other Financing Sources				
Transfers in	1,330,220	1,330,220	1,330,220	-
Fund balance appropriation	-	257,000	-	(257,000)
Total other financing sources	1,330,220	1,587,220	1,330,220	(257,000)
Net Change in Fund Balance	-	-	(253,740)	(253,740)
Fund Balance - Beginning of year	1,232,204	1,232,204	1,232,204	-
Fund Balance - End of year	**$ 1,232,204**	**$ 1,232,204**	**$ 978,464**	**$ (253,740)**

Supplementary Information
Budgetary Comparison Schedules - Nonmajor Governmental Funds (Continued)
Municipal Street Fund

Year Ended June 30, 2025

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget (Unaudited)
Revenue				
Property taxes	$ 1,969,210	$ 1,969,210	$ 1,968,750	$ (460)
Investment income	35,000	58,000	58,589	589
Total revenue	2,004,210	2,027,210	2,027,339	129
Expenditures - Other functions	2,500	2,500	-	2,500
Excess of Revenue Over Expenditures	2,001,710	2,024,710	2,027,339	2,629
Other Financing Uses - Transfers out	(1,215,440)	(1,565,440)	(1,565,440)	-
Net Change in Fund Balance	786,270	459,270	461,899	2,629
Fund Balance - Beginning of year	1,517,016	1,517,016	1,517,016	-
Fund Balance - End of year	**$ 2,303,286**	**$ 1,976,286**	**$ 1,978,915**	**$ 2,629**

Supplementary Information
Budgetary Comparison Schedules - Nonmajor Governmental Funds (Continued)
Community Development Block Grant

Year Ended June 30, 2025

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
	(Unaudited)	(Unaudited)		(Unaudited)
Revenue - Federal grants	$ 20,000	$ 20,000	$ 20,000	$ -
Expenditures - Community and economic development	20,000	20,000	6,000	14,000
Net Change in Fund Balance	-	-	14,000	14,000
Fund Balance (Deficit) - Beginning of year	-	-	(20,000)	(20,000)
Fund Balance (Deficit) - End of year	**$ -**	**$ -**	**$ (6,000)**	**$ (6,000)**

Supplementary Information
Budgetary Comparison Schedules - Nonmajor Governmental Funds (Continued)
MIDC Grant

Year Ended June 30, 2025

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
	(Unaudited)	(Unaudited)		(Unaudited)
Revenue - State grant	$ 61,560	$ 61,560	$ 53,041	$ (8,519)
Expenditures - Indigent defense costs and administration	69,500	69,500	60,981	8,519
Excess of Expenditures Over Revenue	(7,940)	(7,940)	(7,940)	-
Other Financing Sources - Transfers in	7,940	7,940	7,940	-
Net Change in Fund Balance	-	-	-	-
Fund Balance - Beginning of year	-	-	-	-
Fund Balance - End of year	**$ -**	**$ -**	**$ -**	**$ -**

Supplementary Information
Budgetary Comparison Schedules - Nonmajor Governmental Funds (Continued)
General Debt Service

Year Ended June 30, 2025

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget (Unaudited)
Revenue	$ -	$ -	$ -	$ -
Expenditures - Debt service	938,570	938,570	938,419	151
Excess of Expenditures Over Revenue	(938,570)	(938,570)	(938,419)	151
Other Financing Sources - Transfers in	938,570	938,570	938,419	(151)
Net Change in Fund Balance	-	-	-	-
Fund Balance - Beginning of year	-	-	-	-
Fund Balance - End of year	**$ -**	**$ -**	**$ -**	**$ -**

Supplementary Information
Combining Statement of Net Position
Nonmajor Enterprise Funds

June 30, 2025

	Recycling Program Fund	Municipal Radio System Fund	Total Nonmajor Enterprise Funds
Assets			
Current assets:			
Cash and cash equivalents	$ 137,016	$ -	$ 137,016
Receivables:			
Other receivables	43,952	-	43,952
Due from other governmental units	-	21,514	21,514
Inventory	4,383	-	4,383
Total assets	185,351	21,514	206,865
Liabilities			
Current liabilities:			
Accounts payable	5,225	-	5,225
Due to primary government	-	1,077	1,077
Refundable deposits, bonds, etc.	-	19,777	19,777
Accrued salaries and wages	-	660	660
Total liabilities	5,225	21,514	26,739
Net Position - Unrestricted	**$ 180,126**	**$ -**	**$ 180,126**

Supplementary Information
Combining Statement of Revenue, Expenses, and Changes in Net Position
Nonmajor Enterprise Funds

Year Ended June 30, 2025

	Recycling Program Fund	Municipal Radio System Fund	Total Nonmajor Enterprise Funds
Operating Revenue			
Interest and penalty charges	$ 5,324	$ -	$ 5,324
Recycling charges	295,717	-	295,717
Radio system charges	-	117,298	117,298
Total operating revenue	301,041	117,298	418,339
Operating Expenses - Operating and maintenance costs	282,447	117,298	399,745
Operating Income	18,594	-	18,594
Nonoperating Revenue - Investment income	2,081	-	2,081
Change in Net Position	20,675	-	20,675
Net Position - Beginning of year	159,451	-	159,451
Net Position - End of year	**180,126**	**-**	**180,126**

Supplementary Information
Combining Statement of Cash Flows
Nonmajor Enterprise Funds

Year Ended June 30, 2025

	Recycling Program Fund	Municipal Radio System Fund	Total Nonmajor Enterprise Funds
Cash Flows from Operating Activities			
Receipts from customers	$ 298,127	$ 121,088	$ 419,215
Payments to suppliers	-	(107,140)	(107,140)
Payments to employees and fringes	(277,293)	(13,948)	(291,241)
Net cash and cash equivalents provided by operating activities	20,834	-	20,834
Cash Flows Provided by Investing Activities - Interest received on investments	2,081	-	2,081
Net Increase in Cash and Cash Equivalents	22,915	-	22,915
Cash and Cash Equivalents - Beginning of year	114,101	-	114,101
Cash and Cash Equivalents - End of year	**$ 137,016**	**$ -**	**$ 137,016**
Reconciliation of Operating Income to Net Cash from Operating Activities			
Operating income	$ 18,594	$ -	$ 18,594
Adjustments to reconcile operating income to net cash and cash equivalents from operating activities -			
Changes in assets and liabilities:			
Receivables	(2,914)	3,790	876
Inventories	(71)	-	(71)
Net pension or OPEB asset	-	(7)	(7)
Accounts payable	5,225	(3,703)	1,522
Accrued and other liabilities	-	(80)	(80)
Total adjustments	2,240	-	2,240
Net cash and cash equivalents provided by operating activities	**$ 20,834**	**$ -**	**$ 20,834**

Supplementary Information
Combining Statement of Net Position
Internal Service Funds

June 30, 2025

	Insurance Retention Fund	Healthcare Retention Fund	Total Internal Service Funds
Assets			
Current assets:			
Cash and cash equivalents	$ 259,921	$ -	$ 259,921
Investments	125,250	496,990	622,240
Receivables	398	2,139	2,537
Prepaids and other assets	-	265,133	265,133
Total assets	385,569	764,262	1,149,831
Liabilities			
Current liabilities:			
Accounts payable	7,453	11,247	18,700
Provision for uninsured losses	159,185	240,072	399,257
Total liabilities	166,638	251,319	417,957
Net Position - Unrestricted	**$ 218,931**	**$ 512,943**	**$ 731,874**

Supplementary Information
Combining Statement of Revenue, Expenses, and Changes in Net Position
Internal Service Funds

Year Ended June 30, 2025

	Insurance Retention Fund	Healthcare Retention Fund	Total Internal Service Funds
Operating Revenue - Charges for services	$ 154,892	$ 2,803,784	$ 2,958,676
Operating Expenses - Benefit payments	273,506	3,036,955	3,310,461
Operating Loss	(118,614)	(233,171)	(351,785)
Nonoperating Revenue - Investment interest and FMV changes	17,502	29,212	46,714
Change in Net Position	(101,112)	(203,959)	(305,071)
Net Position - Beginning of year	320,043	716,902	1,036,945
Net Position - End of year	**$ 218,931**	**$ 512,943**	**$ 731,874**

Supplementary Information
Combining Statement of Cash Flows
Internal Service Funds

Year Ended June 30, 2025

	Insurance Retention Fund	Healthcare Retention Fund	Total Internal Service Funds
Cash Flows from Operating Activities			
Receipts from customers	$ 154,892	$ 2,815,031	$ 2,969,923
Payments to suppliers	(202,541)	(94,090)	(296,631)
Payments to employees and fringes	-	(3,036,955)	(3,036,955)
Net cash and cash equivalents used in operating activities	(47,649)	(316,014)	(363,663)
Cash Flows from Investing Activities			
Interest received on investments	17,504	29,248	46,752
Purchases of investment securities	(4,860)	(13,645)	(18,505)
Net cash and cash equivalents provided by investing activities	12,644	15,603	28,247
Net Decrease in Cash and Cash Equivalents	(35,005)	(300,411)	(335,416)
Cash and Cash Equivalents - Beginning of year	294,926	300,411	595,337
Cash and Cash Equivalents - End of year	**$ 259,921**	**$ -**	**$ 259,921**
Reconciliation of Operating Loss to Net Cash from Operating Activities			
Operating loss	$ (118,614)	$ (233,171)	$ (351,785)
Adjustments to reconcile operating loss to net cash from operating activities:			
Changes in assets and liabilities:			
Receivables	-	11,247	11,247
Prepaid and other assets	-	(64,993)	(64,993)
Accounts payable	70,965	(29,097)	41,868
Total adjustments	70,965	(82,843)	(11,878)
Net cash and cash equivalents used in operating activities	**$ (47,649)**	**$ (316,014)**	**$ (363,663)**

Supplementary Information
Combining Statement of Fiduciary Net Position
Fiduciary Funds

June 30, 2025

	General Employees' Pension and Other Postemployment Benefit Trust Fund	Public Safety Pension and Other Postemployment Benefit Trust Fund	Total Pension and Other Employee Benefit Trust Funds
Assets			
Cash and cash equivalents	$ 573,559	$ 1,206,778	$ 1,780,337
Investments:			
Collective investment trust	13,590,377	22,808,060	36,398,437
Mutual funds	24,624,585	41,324,509	65,949,094
Prepaids and other assets	25,447	12,223	37,670
Total assets	38,813,968	65,351,570	104,165,538
Liabilities - Accounts payable	26,015	44,167	70,182
Net Position			
Restricted:			
Pension	30,761,745	54,181,716	84,943,461
Postemployment benefits other than pension	8,026,208	11,125,687	19,151,895
Total net position	**$ 38,787,953**	**$ 65,307,403**	**$ 104,095,356**

Supplementary Information
Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds

Year Ended June 30, 2025

	General Employees' Pension and Other Postemployment Benefit Trust Fund	Public Safety Pension and Other Postemployment Benefit Trust Fund	Total Pension and Other Employee Benefit Trust Funds
Additions			
Investment income:			
Interest and dividends	$ 1,028,260	$ 1,741,144	$ 2,769,404
Change in fair value of investments	2,221,026	3,731,663	5,952,689
Net investment income	3,249,286	5,472,807	8,722,093
Contributions:			
Employer contributions	1,523,080	1,216,780	2,739,860
Employee contributions	71,319	369,172	440,491
Total contributions	1,594,399	1,585,952	3,180,351
Total additions	4,843,685	7,058,759	11,902,444
Deductions			
Benefit payments	2,525,620	3,824,794	6,350,414
Administrative expenses	87,592	140,082	227,674
Total deductions	2,613,212	3,964,876	6,578,088
Net Increase in Fiduciary Net Position	2,230,473	3,093,883	5,324,356
Net Position - Beginning of year	36,557,480	62,213,520	98,771,000
Net Position - End of year	**$ 38,787,953**	**$ 65,307,403**	**$ 104,095,356**

Statistical Section

This part of the annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health

The statistical section is organized into the following main categories:

- Financial trends
- Revenue capacity
- Debt capacity
- Demographic and economic information
- Operating information

Sources - Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive Financial Reports for the relevant year.

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Net Position by Component

Last Ten Fiscal Years

(Accural Basis of Accounting, Rounded to the Nearest Thousand)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental Activities										
Net investment in capital assets	$ 14,678,000	$ 15,088,000	$ 14,993,000	$ 15,728,000	$ 16,815,000	$ 13,272,000	$ 16,180,000	$ 19,547,000	$ 22,437,000	$ 26,006,000
Restricted	784,000	1,016,000	1,045,000	1,415,000	1,804,000	3,517,000	3,942,000	3,759,000	9,664,000	9,681,000
Unrestricted	2,823,000	(4,125,000)	(6,826,000)	(8,576,000)	(9,476,000)	(2,205,000)	(1,302,000)	4,000,000	3,308,000	1,618,000
Total net position	**18,285,000**	**11,979,000**	**9,212,000**	**8,567,000**	**9,143,000**	**14,584,000**	**18,820,000**	**27,306,000**	**35,409,000**	**37,305,000**
Business-type Activities										
Net investment in capital assets	11,371,000	11,424,000	12,246,000	12,357,000	12,884,000	13,424,000	14,389,000	15,038,000	15,666,000	18,974,000
Restricted	-	-		-	-	-	-	-		-
Unrestricted	1,459,000	2,335,000	276,000	755,000	1,061,000	2,879,000	2,839,000	3,302,000	4,443,000	4,150,000
Total net position	**12,830,000**	**13,759,000**	**12,522,000**	**13,112,000**	**13,945,000**	**16,303,000**	**17,228,000**	**18,340,000**	**20,109,000**	**23,124,000**
Primary Government in Total										
Net investment in capital assets	26,049,000	26,512,000	27,239,000	28,085,000	29,699,000	26,695,000	30,569,000	34,585,000	38,103,000	44,980,000
Restricted	784,000	1,016,000	1,045,000	1,415,000	1,804,000	3,517,000	3,942,000	3,759,000	9,664,000	9,681,000
Unrestricted	4,282,000	(1,790,000)	(6,550,000)	(7,821,000)	(8,415,000)	675,000	1,537,000	7,302,000	7,751,000	5,768,000
Total net position	**$ 31,115,000**	**$ 25,738,000**	**$ 21,734,000**	**$ 21,679,000**	**$ 23,088,000**	**$ 30,887,000**	**$ 36,048,000**	**$ 45,646,000**	**$ 55,518,000**	**$ 60,429,000**

Source: City annual financial statements

Note: 2017 and prior amounts shown above have not been restated for GASB 75.

Changes in Net Position
Governmental Activities, Business-type Activities, and Primary Government

Last Ten Fiscal Years
Accural Basis of Accounting, (Unaudited)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Expenses										
Governmental activities:										
General government	$ 3,315,769	$ 7,506,479	$ 2,957,085	$ 3,075,705	$ 3,232,837	$ 3,603,999	$ 3,594,406	$ 3,399,787	$ 3,296,387	$ 3,336,430
Municipal court	301,031	291,358	307,338	311,149	341,440	376,150	390,073	412,228	398,503	407,839
Public safety	7,053,906	7,308,744	7,970,795	7,791,797	7,289,638	4,748,188	7,301,532	4,903,943	4,470,187	10,058,880
Public works	3,333,672	3,836,009	4,110,672	3,770,692	3,501,450	3,137,926	3,328,586	3,187,355	5,248,339	5,377,912
Community and economic development	29,179	22,709	83,098	552,251	643,699	31,590	40,250	59,504	117,499	67,985
Recreation and culture	1,910,629	1,911,506	1,855,731	1,342,758	1,098,192	1,712,614	1,912,351	2,857,421	2,081,605	2,228,139
Special Purpose Government	-	-	-	-	-	-	-	-	19,904	-
Capital Outlay	-	-	-	-	39,650	-	-	-	-	-
Interest on long-term debt	139,273	133,405	276,162	259,968	248,020	233,578	172,266	149,802	126,955	98,234
Total governmental activities expenses	16,083,459	21,010,210	17,560,881	17,104,320	16,394,926	13,844,045	16,739,464	14,970,040	15,759,379	21,575,419
Business-type activities:										
Water and sewer	6,502,844	7,250,838	7,835,510	7,313,848	7,409,278	6,077,535	6,533,854	7,463,103	7,767,783	7,480,360
Radio system charges	343,392	364,399	396,541	408,789	427,685	376,697	230,096	59,037	118,187	117,298
Recycling program	128,898	126,320	158,534	117,543	186,764	199,779	251,469	260,630	268,232	282,447
Interest on long-term debt	358,657	-	-	-	-	-	-	-	-	-
Total business-type activities expenses	7,333,791	7,741,557	8,390,585	7,840,180	8,023,727	6,654,011	7,015,419	7,782,770	8,154,202	7,880,105
Total primary government expenses	23,417,250	28,751,767	25,951,466	24,944,500	24,418,653	20,498,056	23,754,883	22,752,810	23,913,581	29,455,524
Program Revenue										
Governmental activities:										
Charges for services										
Municipal court	214,867	222,719	174,840	140,141	174,138	133,883	133,190	142,077	158,586	141,037
Public safety	764,491	670,530	806,030	773,780	576,557	634,191	768,732	692,830	744,042	766,477
Public works	-	-	355,488	369,707	384,496	399,875	438,888	438,592	439,390	438,672
General government	369,342	379,206	377,455	416,198	321,958	319,276	403,819	371,217	413,649	394,770
Recreation and culture	578,301	628,292	647,809	649,907	978,930	688,307	710,475	757,478	770,050	770,041
Operating and capital grants and contributions	776,072	760,191	1,008,591	1,046,255	1,002,808	1,708,909	1,919,661	3,330,421	2,621,423	1,700,415
Total governmental activities program revenue	2,703,073	2,660,938	3,370,213	3,395,988	3,438,887	3,884,441	4,374,765	5,732,615	5,147,140	4,211,412
Business-type Activities										
Charges for services:										
Water and sewer	6,425,211	6,803,190	6,880,347	7,255,468	7,519,127	7,787,693	7,549,908	8,463,126	8,070,719	8,380,643
Other charges for services - Grosse Pointe City	554,562	527,205	482,444	-	-	-	-	-	-	-
Radio system charges	233,692	230,446	265,099	302,482	375,875	257,126	260,984	110,558	118,187	117,298
Recycling program	120,464	122,019	117,356	121,429	202,484	221,224	216,547	301,620	301,496	301,041
Operating and capital grants and contributions	183,359	196,843	148,217	1,379	-	-	-		1,315,864	1,427,696
Total business-type program revenue	7,517,288	7,879,703	7,893,463	7,680,758	8,097,486	8,266,043	8,027,439	8,875,304	9,806,266	10,226,678
Total primary government program revenue	**$ 10,220,361**	**$ 10,540,641**	**$ 11,263,676**	**$ 11,076,746**	**$ 11,536,373**	**$ 12,150,484**	**$ 12,402,204**	**$ 14,607,919**	**$ 14,953,406**	**$ 14,438,090**

Source: City annual financial statements

Note: 2017 and prior amounts shown above have not been restated for GASB 75.

Changes in Net Position
Governmental Activities, Business-type Activities, and Primary Government (Continued)

Last Ten Fiscal Years
(Unaudited)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Net (Expense) Revenue										
Governmental activities	$ (13,380,386)	$ (18,349,272)	$ (14,190,668)	$ (13,708,332)	$ (12,956,039)	$ (9,959,604)	$ (12,364,699)	$ (9,237,425)	$ (10,612,239)	$ (17,364,007)
Business-type activities	183,497	138,146	(497,122)	(159,422)	73,759	1,612,032	1,012,020	1,092,534	1,652,064	2,346,573
Total primary government net expense	**(13,196,889)**	**(18,211,126)**	**(14,687,790)**	**(13,867,754)**	**(12,882,280)**	**(8,347,572)**	**(11,352,679)**	**(8,144,891)**	**(8,960,175)**	**(15,017,434)**
General Revenue										
Governmental activities:										
Property taxes	9,731,424	10,197,228	10,364,217	11,248,390	11,746,322	13,933,374	14,925,134	15,483,542	16,111,332	17,076,274
State-shared revenue	814,680	835,548	869,649	901,192	892,638	1,003,200	1,208,749	1,183,524	1,214,932	1,197,570
Interest	188,142	11,245	24,525	245,071	183,439	(125,931)	(298,204)	148,277	911,632	975,281
Franchise fees and other	979,732	999,612	608,460	668,308	708,909	590,488	764,802	908,652	476,572	519,174
Transfers	-	-	-	-	-	-	-	-	-	(507,731)
Total governmental activities	11,713,978	12,043,633	11,866,851	13,062,961	13,531,308	15,401,131	16,600,481	17,723,995	18,714,468	19,260,568
Business-type activities:										
Property taxes	787,937	790,264	729,465	749,836	758,702	746,213	2,681	6,678	4,959	6,744
Unrestricted investment earnings	2,977	8	14	38	32	5	2	12,910	112,248	154,428
Loss on sale of capital assets							(90,368)	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	507,731
Total business-type activities	790,914	790,272	729,479	749,874	758,734	746,218	(87,685)	19,588	117,207	668,903
Total primary government general revenue	12,504,892	12,833,905	12,596,330	13,812,835	14,290,042	16,147,349	16,512,796	17,743,583	18,831,675	19,929,471
Change in Net Position										
Governmental activities	(1,666,408)	(6,305,639)	(2,323,817)	(645,371)	575,269	5,441,527	4,235,782	8,486,570	8,102,229	1,896,561
Business-type activities	974,411	928,418	232,357	590,452	832,493	2,358,250	924,335	1,112,122	1,769,271	3,015,476
Total primary government	**$ (691,997)**	**$ (5,377,221)**	**$ (2,091,460)**	**$ (54,919)**	**$ 1,407,762**	**$ 7,799,777**	**$ 5,160,117**	**$ 9,598,692**	**$ 9,871,500**	**$ 4,912,037**

Source: City annual financial statements

Note: 2017 and prior amounts shown above have not been restated for GASB 75.

City of Grosse Pointe Farms, Michigan

Fund Balances of Governmental Funds

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting (Unaudited))

	As of June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Fund										
Nonspendable	$ 120,099	$ 84,063	$ 135,987	$ 128,626	$ 43,369	$ 42,221	$ 261,866	$ 453,107	$ 593,231	$ 759,779
Restricted										
Committed	873,834	927,418	1,031,954	1,023,914	1,073,831	560,065	592,740	618,409	661,365	720,967
Assigned	300,000	200,000	200,000	700,000	1,100,000	1,570,000	200,000	315,321	289,963	295,250
Unassigned	3,845,625	3,997,695	3,991,910	4,124,274	4,269,142	4,510,594	4,627,423	5,268,737	5,377,940	5,483,404
Total general fund	5,139,558	5,209,176	5,359,851	5,976,814	6,486,342	6,682,880	5,682,029	6,655,574	6,922,499	7,259,400
All Other Governmental Funds										
Nonspendable	-	-	-	-	625,114	625,114	-	-	-	-
Restricted	783,456	1,004,627	1,045,418	1,416,121	1,803,729	3,517,301	3,941,499	3,759,437	3,749,665	3,814,982
Committed	-	-	-	-	-	-	-	-		
Assigned	1,477,310	1,678,750	2,651,420	2,418,940	1,249,105	1,818,726	2,500,974	2,550,871	3,059,702	2,812,081
Unassigned	-	-	-	-	-	-	-	-	(20,000)	(6,000)
Total all other governmental funds	2,260,766	2,683,377	3,696,838	3,835,061	3,677,948	5,961,141	6,442,473	6,310,308	6,789,367	6,621,063
Total of all governmental funds	**$ 7,400,324**	**$ 7,892,553**	**$ 9,056,689**	**$ 9,811,875**	**$ 10,164,290**	**$ 12,644,021**	**$ 12,124,502**	**$ 12,965,882**	**$ 13,711,866**	**$ 13,880,463**

Source: City annual financial statements

Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years

(Modified Accrual Basis of Accounting (Unaudited))

	As of June 30,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue										
Property taxes	$ 9,731,424	$ 10,197,228	$ 10,364,217	$ 11,248,390	$ 11,746,322	$ 13,933,374	$ 14,925,134	$ 15,483,542	$ 16,111,332	$ 17,076,274
Licenses and permits	524,660	465,172	600,860	575,216	422,889	558,273	633,821	586,187	603,819	509,865
Federal sources	88,597	23,048	61,248	26,756	20,000	548,714	498,895	1,132,170	62,409	103,367
State sources	1,529,587	1,550,499	1,784,473	1,920,691	1,875,446	2,108,696	2,402,348	3,185,577	3,650,105	2,802,022
Charges for services	1,657,022	1,739,435	1,757,741	1,826,181	1,752,292	1,674,177	1,389,252	1,402,701	1,475,238	1,590,271
Fines and forfeitures	414,544	387,632	345,648	299,776	327,838	269,124	325,493	306,253	339,160	288,154
Interest	183,089	10,622	24,571	241,173	181,287	(122,905)	154,512	585,295	1,302,229	1,367,142
Other	291,316	273,017	237,293	297,073	612,658	305,704	532,765	727,730	249,338	205,010
Total revenue	14,420,239	14,646,653	15,176,051	16,435,256	16,938,732	19,275,157	20,862,220	23,409,455	23,793,630	23,942,105
Expenditures										
Current:										
General government	1,583,140	1,564,902	1,572,391	1,749,266	1,798,251	1,874,223	2,640,009	2,172,421	3,211,476	2,834,344
Municipal court	301,031	291,358	307,338	311,149	341,440	376,150	390,073	387,287	398,503	407,839
Public safety:										
Police, fire, and EMS	4,658,059	4,615,621	4,928,474	5,058,104	5,086,614	5,217,117	5,568,761	5,853,520	7,566,939	8,274,823
Public works and streets										
Streets	679,676	573,506	1,023,726	1,738,763	1,988,907	1,769,930	3,198,364	4,376,497	4,975,150	5,131,750
Rubbish disposal and recycling	1,531,871	1,831,265	1,908,192	1,516,710	1,594,402	1,511,833	2,081,245	1,792,548	1,928,982	1,906,290
Community and economic development	29,179	22,709	61,110	25,517	20,000	20,000	20,000	20,000	20,000	6,000
Recreation and culture	1,260,231	1,290,409	1,230,091	1,268,699	1,117,270	1,150,665	1,361,519	1,672,931	1,661,086	1,686,953
Other functions	2,317,056	2,214,406	6,143,193	2,172,478	2,672,145	3,230,287	3,494,384	3,099,365	21,117	32,599
Capital outlay	962,592	1,261,943	301,714	1,115,097	1,288,850	942,177	1,746,795	2,277,532	2,349,171	2,046,760
Debt service principal	340,625	352,500	494,922	421,375	428,250	466,375	663,250	720,625	742,500	792,500
Debt service interest	137,487	135,805	124,948	302,912	250,188	236,669	217,339	195,349	172,722	145,919
Total expenditures	13,800,947	14,154,424	18,096,099	15,680,070	16,586,317	16,795,426	21,381,739	22,568,075	23,047,646	23,265,777
Excess of Revenue (Under) Over Expenditures	619,292	492,229	(2,920,048)	755,186	352,415	2,479,731	(519,519)	841,380	745,984	676,328
Other Financing Sources (Uses)										
Debt issuance/refinaced	-	-	3,705,000	-	-	-	-	-		
Refinanced notes					-	-	-	-		
Debt premiums or discount	-	-	379,184	-	-	-	-	-		
Payment to bond refunding escrow agent	-	-	-	(14,700)	-	-	-	-		
Transfers in	1,933,112	2,096,305	2,595,971	2,393,987	2,257,113	2,505,544	4,630,407	4,938,602	4,996,805	4,987,169
Transfers out	(1,933,112)	(2,096,305)	(2,595,971)	(2,379,287)	(2,257,113)	(2,505,544)	(4,630,407)	(4,938,602)	(4,996,805)	(5,494,900)
Total other financing (uses) sources	-	-	4,084,184	-	-	-	-	-	-	(507,731)
Net Change in Fund Balances	619,292	492,229	1,164,136	755,186	352,415	2,479,731	(519,519)	841,380	745,984	168,597
Fund Balances - Beginning of year	6,781,032	7,400,324	7,892,553	9,056,689	9,811,875	10,164,290	12,644,021	12,124,502	12,965,882	13,711,866
Fund Balances - End of year	**$ 7,400,324**	**$ 7,892,553**	**$ 9,056,689**	**$ 9,811,875**	**$ 10,164,290**	**$ 12,644,021**	**$ 12,124,502**	**$ 12,965,882**	**$ 13,711,866**	**$ 13,880,463**
Debt service as a percentage of noncapital expenditures	3.72%	3.79%	3.48%	4.97%	4.66%	4.54%	5.00%	5.04%	4.42%	4.49%

Source: City Annual Financial Statements

Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.

City of Grosse Pointe Farms, Michigan

Property Tax Levies and Collections

Last Ten Fiscal Years
(Unaudited)

Tax year	Fiscal Year Ended June 30	Total Levy	Current Collections	Percent Collected	Delinquent Collections	Total Tax Collections	Percent of Levy Collected
2015	2016	10,451,191	10,252,294	98.097%	176,834	10,429,128	99.789%
2016	2017	10,559,446	10,422,145	98.700%	136,808	10,558,953	99.995%
2017	2018	10,675,554	10,553,167	98.854%	121,906	10,675,072	99.995%
2018	2019	11,551,076	11,363,058	98.372%	186,472	11,549,530	99.987%
2019	2020	12,033,990	11,895,247	98.847%	136,988	12,032,235	99.985%
2020	2021	14,178,132	13,982,218	98.618%	194,477	14,176,695	99.990%
2021	2022	14,430,559	14,215,700	98.511%	213,360	14,429,060	99.990%
2022	2023	14,958,355	14,802,561	98.958%	153,250	14,955,811	99.983%
2023	2024	15,563,748	15,360,100	98.692%	201,767	15,561,867	99.988%
2024	2025	16,499,517	16,279,968	98.669%	218,213	16,498,181	99.992%

Source: City Controller/Treasurer's office

City of Grosse Pointe Farms, Michigan

Property Tax Rates – Direct and Overlapping Governments

Last Ten Fiscal years
(Unaudited)

	Millage Rates - Direct City Taxes				Overlapping Taxes									Total Tax Rate	
Tax Year	General Operating	Debt	Special Purpose	Total Direct Taxes	County	Detroit Zoo	Detroit Inst. Arts	Wayne County Total	Grosse Pointe Library	Community College	Intermediate School District	School Homestead	School Non-homestead	Total Homestead	Non-homestead
2015	11.5000	1.0834	1.4166	14.0000	10.0127	0.1000	0.2000	17.0178	2.0712	3.2408	3.4643	15.3956	26.6421	48.4846	59.7311
2016	11.5000	1.0834	1.8666	14.4500	11.0366	0.1000	0.2000	18.0417	2.0613	3.2408	3.4643	15.2850	26.6158	49.8380	61.1688
2017	11.5000	0.9834	1.8666	14.3500	11.0360	0.1000	0.2000	18.0411	2.2186	3.2408	3.4643	14.9483	26.6308	49.5580	61.2405
2018	11.5000	1.0834	2.3666	14.9500	11.0349	0.1000	0.2000	18.0400	2.1925	3.2408	3.4643	14.7127	26.6184	49.8952	61.8009
2019	11.5000	1.0834	2.3666	14.9500	11.0328	0.1000	0.2000	18.0379	2.1707	3.2408	3.4643	15.5975	28.1087	50.7561	63.2673
2020	11.5000	1.0834	4.3666	16.9500	11.0315	0.1000	0.2000	18.0366	2.1504	3.2408	3.4643	15.9353	28.1307	53.0723	65.2677
2021	11.8198	0.3890	4.5824	16.7912	11.0031	0.0997	0.1995	17.9959	2.1235	3.2378	3.4558	13.0458	28.1183	49.9564	65.0289
2022	11.7666	0.3871	4.5618	16.7155	10.9623	0.0992	0.1986	17.9202	2.0970	3.2202	3.4399	14.4586	28.1061	51.1913	64.8388
2023	11.5270	0.3767	4.5618	16.4655	10.9623	0.0992	0.1986	17.9202	2.0970	3.2202	3.4399	13.8174	28.1061	50.3001	64.5888
2024	11.5588	0.3620	4.5447	16.4655	10.9258	0.0988	0.1979	17.8548	2.0811	3.2043	3.4280	13.6446	28.0988	50.0460	64.5002

Note: Michigan law restricts the maximum millage that may be levied by the city without a vote of residents, as follows:

General Operating	Debt	Special Purpose
11.723	no limit	4.5447

Wayne Country, Michigan Apportionment Report

City of Grosse Pointe Farms, Michigan

Assessed Taxable Values (History of Property Values)

Last Ten Fiscal years
(Unaudited)

Tax Year	Fiscal Year	Taxable Value by Property Type: Residential	Commercial	Personal Property	Total Value	Tax Rate (mills)	Estimated Actual Value	Taxable Value as a Percentage of Actual
2015	2016	675,239,291	35,913,319	11,831,300	722,983,910	14.0000	1,573,803,800	45.94%
2016	2017	680,008,073	40,769,819	11,708,800	732,486,692	14.4500	1,687,843,896	43.40%
2017	2018	692,031,608	41,507,789	12,109,700	745,649,097	14.3500	1,799,942,800	41.43%
2018	2019	716,434,050	41,934,374	15,041,900	773,410,324	14.9500	1,848,092,262	41.85%
2019	2020	743,822,574	43,299,107	20,961,500	808,083,181	14.9500	1,985,795,620	40.69%
2020	2021	769,858,961	42,968,308	23,981,500	836,808,769	16.9500	2,083,060,000	40.17%
2021	2022	792,711,290	43,359,240	24,878,100	860,948,630	16.7912	2,100,629,800	40.99%
2022	2023	828,362,320	44,471,069	23,308,190	896,141,579	16.7155	2,200,729,400	40.72%
2023	2024	881,906,913	45,123,187	22,026,700	949,056,800	16.4655	2,401,351,046	39.52%
2024	2025	982,164,390	49,025,686	19,460,700	1,050,650,776	16.4655	2,785,755,600	37.72%

Note: Under Michigan law, the revenue base is referred to as “taxable value.” This amount represents assessed value (50 percent of true cash value), limited for each property by the lower of 5 percent of inflation.

Taxes levied in a particular “tax year” become revenue of the subsequent final year.

Source: Wayne County Department of Assessing and Equalization.

City of Grosse Pointe Farms, Michigan

Principal Property Tax Payers (Major Taxpayers)

Current and Nine Years Ago
(Unaudited)

	Taxpayer	2024 Taxable Value	Percentage of Total	2015 Taxable Value	Percentage of Total	2014 Rank
1	DTE Gas Company	$ 9,847,000	0.94%	2,692,500	0.37%	4
2	Kercheval Pierson LLC	6,032,600	0.57%	4,857,700	0.66%	2
3	American House Grosse Pointe LLC	4,921,375	0.47%	2,177,192	0.30%	7
4	DTE Electric Company	4,550,100	0.43%	4,647,500	0.64%	3
5	Country Club of Detroit	4,002,366	0.38%	4,777,936	0.67%	1
6	Private Residence Lake Shore	3,569,439	0.34%			
7	Private Residence Lake Shore	3,167,360	0.30%	2,661,565	0.37%	6
8	Premier Equities GP, LLC	2,516,300	0.24%	2,667,193	0.37%	5
9	Private Residence Lake Shore	2,178,456	0.21%	1,915,521	0.26%	8
10	Private Residence at Lakeshore	2,172,036	0.21%	1,692,000	0.23%	9
	Private Residence Provencial			1,635,408	0.23%	10

Source: City Assessing Department Records

Debt Capacity

These schedules contain information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

City of Grosse Pointe Farms, Michigan

Ratios of General Bonded Debt Outstanding

Last Ten Fiscal Years
(Unaudited)

Fiscal Year	General Obligation Bonds	Less: Pledged Debt Service Funds	Net General Bonded Debt	Taxable Value	Debt as a Percentage of Taxable Value	Population	Debt Per Capita	Debt per Total Personal Income
2016	16,853,859	-	16,853,859	722,983,910	2.33%	9,479	1,778	*
2017	15,566,522	-	15,566,522	732,486,692	2.13%	9,479	1,642	*
2018	18,249,157	-	18,249,157	745,649,097	2.45%	9,479	1,925	*
2019	16,787,330	-	16,787,330	773,410,324	2.17%	9,479	1,771	*
2020	15,260,502	-	15,260,502	808,083,181	1.89%	10,148	1,504	*
2021	13,668,675	-	13,668,675	836,808,769	1.63%	10,148	1,347	*
2022	12,581,847	-	12,581,847	860,948,630	1.46%	10,148	1,240	*
2023	11,420,020	-	11,420,020	896,141,579	1.27%	10,148	1,125	*
2024	10,238,192	-	10,238,192	949,056,800	1.08%	10,148	1,009	*
2025	20,874,008	-	20,874,008	1,050,650,776	1.99%	10,148	2,057	*

* information not available
Source: City Controller/Treasurer's office

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years
(Unaudited)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Governmental Activities										
General obligation bonds	$ 4,782,319	$ 4,393,797	$ 8,023,209	$ 7,541,283	$ 7,052,482	$ 6,525,556	$ 5,801,755	$ 5,019,829	$ 4,216,028	$ 3,362,231
Installment purchase agreements	-	-	-	-	-	-	-	-	-	-
Total	4,782,319	4,393,797	8,023,209	7,541,283	7,052,482	6,525,556	5,801,755	5,019,829	4,216,028	3,362,231
Business-type Activities										
General obligation bonds	12,071,540	11,172,725	10,225,948	9,246,047	8,208,020	7,143,117	6,780,092	6,400,191	6,022,164	17,511,777
Installment purchase agreements										
Revenue bonds										
Capital leases										
Total	12,071,540	11,172,725	10,225,948	9,246,047	8,208,020	7,143,117	6,780,092	6,400,191	6,022,164	17,511,777
Total debt of the government	**$ 16,853,859**	**$ 15,566,522**	**$ 18,249,157**	**$ 16,787,330**	**$ 15,260,502**	**$ 13,668,673**	**$ 12,581,847**	**$ 11,420,020**	**$ 10,238,192**	**$ 20,874,008**
Taxable Value	$ 722,983,910	$ 732,486,692	$ 745,649,097	$ 773,410,324	$ 808,083,181	$ 836,808,768	$ 860,948,630	$ 896,141,579	$ 949,056,800	$ 1,050,650,776
Ratio of Taxable Value to Total Debt	2.33%	2.13%	2.45%	2.17%	1.89%	1.63%	1.46%	1.27%	1.08%	1.99%
Total Population	9,479	9,479	9,479	9,479	10,148	10,148	10,148	10,148	10,148	10,148
Total Debt Per Capita	$ 1,778	$ 1,642	$ 1,925	$ 1,771	$ 1,504	$ 1,347	$ 1,240	$ 1,125	$ 1,009	$ 2,057
Percentage - Total Debt to Total Personal Income	*	*	*	*	*	*	*	*	*	*

*Information not available
Source: City Controller/Treasurer's office

Legal Debt Margin

Last Ten Fiscal Years
(Unaudited)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Calculation of debt limit										
State Equalized Value	$ 786,901,900	$ 843,921,948	$ 899,971,400	$ 924,046,131	$ 992,897,810	$ 1,041,530,000	$ 1,050,314,900	$ 1,100,364,700	$ 1,200,675,523	$ 1,392,877,800
10 percent of equalized value	$ 78,690,190	$ 84,392,195	$ 89,997,140	$ 92,404,613	$ 99,289,781	$ 104,153,000	$ 105,031,490	$ 110,036,470	$ 120,067,552	$ 139,287,780
Calculation of debt subject to limit:										
Total debt	$ 16,853,859	$ 15,566,522	$ 18,249,157	$ 16,787,330	$ 15,260,501	$ 13,668,675	$ 12,581,847	$ 11,420,020	$ 10,238,192	$ 20,874,008
Less debt not subject to limit:										
Revenue bonds	-	-	-	-	-	-	-	-	-	-
Water resources commision or court-ordered bonds	3,415,000	2,775,000	2,125,000	1,440,000	725,000	-	-	-	-	-
Net debt subject to limit	$ 13,438,859	$ 12,791,522	$ 16,124,157	$ 15,347,330	$ 14,535,501	$ 13,668,675	$ 12,581,847	$ 11,420,020	$ 10,238,192	$ 20,874,008
Legal debt margin	$ 65,251,331	$ 71,600,673	$ 73,872,983	$ 77,057,283	$ 84,754,280	$ 90,484,325	$ 92,449,643	$ 98,616,450	$ 109,829,360	$ 118,413,772
Net debt subject to limit as percentage of debt limit	17.08%	15.16%	17.92%	16.61%	14.64%	13.12%	11.98%	10.38%	8.53%	14.99%

Source: City Controller/Treasurer's office

City of Grosse Pointe Farms, Michigan

Direct and Overlapping – Governmental Activities Debt

June 30, 2025

(Unaudited)

Governmental Unit	Debt Outstanding	Estimated Percent Applicable	Estimated Share of Overlapping Debt
Wayne County	$ 255,285,020	1.77%	$ 4,518,545
Grosse Pointe School District	89,645,000	27.43%	24,589,624
Grosse Pointe Library	13,310,000	27.43%	3,650,933
Wayne County Community College	-	0.00%	-
Intermediate School District	-	0.00%	-
Total overlapping debt	358,240,020		32,759,101
Direct city debt			20,874,008
Total direct and overlapping debt			**$ 53,633,109**

The estimated percentage applicable is calculated by the taxable value of the City of Grosse Pointe Farms divided by the taxable value of the taxing authority's district.

Source: Municipal Advisory Council of Michigan

Demographics and Economic Information

These schedules offer demographics and economic indicators to help the reader understand the environment within which the City's financial activities take place.

City of Grosse Pointe Farms, Michigan

Demographic and Economic Statistics

June 30, 2024

(Unaudited)

Fiscal Year	Population	Personal Income	Per Capita Personal Income	Unemployment Rate (1)
2016	9,479	*	*	*
2017	9,479	*	*	*
2018	9,479	*	*	*
2019	9,479	*	*	*
2020	10,148	*	*	*
2021	10,148	*	*	*
2022	10,148	*	*	*
2023	10,148	*	*	*
2024	10,148	*	*	*
2025	10,148	*	*	*

Source: City-Data.com, U.S. Census Bureau

(1) For population over 25 years old and over.

* Information not available

Principal Employers

Last Fiscal Year and Nine Years Ago

(Unaudited)

	2025			2016		
Employer	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Grosse Pointe Schools	338	1	8%	254	1	8%
Country Club of Detroit	280	2	7%	120	3	4%
City of Grosse Pointe Farms	120	3	3%	122	2	4%
Grosse Pointe Academy	80	4	2%	80	6	2%
Grosse Pointe War Memorial	60	5	1%			
Dirty Dog Jazz Café	50	6	1%			
St. Paul's Church/School	45	7	1%	45	8	1%
Wendy's	44	8	1%			
Village Market	36	9	1%	36	9	1%
Morgan Stanley	33	10	1%			
United States Post Office				102	4	3%
Henry Ford/ Pierson Clinic				90	5	3%
Hill Chop House				50	7	2%
Coldwell Banker				35	10	1%
Total	**1086**		**25%**	**934**		**29%**

Source: Data Axle Reference Solutions

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

City of Grosse Pointe Farms, Michigan

Operating Indicators

Last Ten Fiscal Years
(Unaudited)

Function/ Program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Election data:										
Registered voters	8,190	8,593	8,386	8,639	8,764	9,280	9,166	9,311	9,296	9,554
Voters (at the polls or absentee)	875	6,680	2,979	6,197	3,536	7,530	2,492	4,983	1,568	7,498
Percent voting	11%	78%	36%	72%	40%	81%	27%	54%	17%	78%
Municipal counrt - Court caseload	4,745	4,862	4,668	4,885	5,118	3,484	3,904	5,856	5,936	7,056
Police:										
Physical arrests	497	505	441	424	321	218	158	126	112	128
Investigations	5,413	5,631	5,196	4,917	4,680	4,497	6,890	8,169	8,072	7,340
Fire:										
Fire runs	91	146	146	166	153	241	362	341	422	386
Emergency medical runs	551	582	532	711	651	660	753	768	688	711
Inspections	39	65	55	62	30	54	103	70	96	118
Public works:										
Miles of street resurfaced	1.70	1.33	2.03	1.36	1.39	0.41	1.06	1.73	2.42	1.43
Refuse collected (tons)	6,430	6,972	6,759	7,344	6,799	7,236	6,903	6,324	5,946	6,157
Parks and recreation:										
Recreation program attendance	2,037	1,669	2,277	2,645	756	1,072	678	2,063	1,837	1,785
Individuals entering Pier Park	113,213	146,970	145,358	141,467	117,609	120,399	129,935	131,136	127,146	130,534
Water:										
Number of customers billed	4,043	4,048	4,050	4,044	4,062	4,059	4,050	4,076	4,067	4,070
Total consumption (thous.cu.ft.)	58,049	62,690	56,207	54,704	51,366	54,518	50,667	54,570	49,994	45,060
Avg. consumption per user	14.36	15.49	13.88	13.53	12.65	13.43	12.51	13.39	12.29	11.07

Source : Various City of Grosse Pointe Farms departments

Capital Asset Statistics by Function

Last Ten Fiscal Years
(Unaudited)

Function/Program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	7	7	7	7	7	7	7	7	7	7
Fire:										
Stations	1	1	1	1	1	1	1	1	1	1
Fire response vehicles	3	3	3	3	3	3	3	3	3	3
Public works:										
Streets (miles):										
Major streets	11	11	11	11	11	11	11	11	11	11
Local streets	27	27	27	27	27	27	27	27	27	27
Sidewalks	75	75	75	75	75	75	75	75	75	75
Streetlights	959	959	959	959	959	959	959	959	959	959
Traffic signals	23	23	23	23	23	23	23	23	23	23
Refuse collection trucks	8	8	8	8	8	8	8	8	8	8
Parks and recreation:										
Acreage	23	23	23	23	23	23	23	23	23	23
Developed parks/playgrounds	2	2	2	2	2	2	2	2	2	2
Developed fields (soccer, baseball, etc.)	5	5	5	5	5	5	5	5	5	5
Harbor boat wells	333	333	333	333	333	333	333	333	333	333
Water:										
Mains (miles) *	51.75	51.89	51.89	51.89	51.89	53.10	53.10	53.10	53.10	53.10
Fire hydrants	502	503	503	503	503	499	499	499	499	499
Storage capacity - Millions of gallons	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50
Sewer:										
Miles of sanitary sewers	18	18	18	18	18	18	18	18	18	18
Miles of storm sewers	18	18	18	18	18	18	18	18	18	18
Miles of combined sanitary and storm	21	21	21	21	21	21	21	21	21	21

** Note: During the fiscal years ended June 30, 2018 and 2021, engineering inventories were taken of the City's water mains and fire hydrants. The miles of water mains and number of fire hydrants has been restated here to reflect the data gathered in that inventory. The prior years shown have also been restated accordingly.*

Source: Departmental annual reports

City of Grosse Pointe Farms, Michigan

Full-Time Equivalent Government Employees by Function

Last Ten Fiscal Years
(Unaudited)

Function/Program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Government	9.00	9.00	9.00	9.00	9.00	9.00	8.00	8.00	8.00	8.00
Public safety:										
Police	39.00	37.00	37.00	37.00	37.00	37.00	37.00	37.00	38.00	38.00
Fire and EMS	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Public service	3.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Radio system	1.00	1.00	1.00	1.00	1.00	1.00	0.38	0.38	0.38	0.15
Municipal court	3.00	2.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Public works:										
DPW	25.00	22.00	22.00	23.00	22.00	22.00	22.00	22.00	22.00	22.00
Water and sewer	9.00	9.00	9.00	9.00	9.00	9.00	9.00	10.00	10.00	9.00
Park and recreation	29.00	29.00	29.00	29.00	29.00	29.00	29.00	29.00	29.00	29.00
Total	**122.00**	**115.00**	**116.00**	**117.00**	**116.00**	**116.00**	**114.38**	**115.38**	**116.38**	**115.15**

Source : Various City of Grosse Pointe Farms departments