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COMMITTEE MEMBERS:
Jim Jolly, Chair
Martha Ptashnik, Vice Chair
Rob Gjonaj Donovic, Member

OFFICE OF THE COUNCIL

MEETING PACKET FOR THE FINANCE AND BUDGET COMMITTEE MAY 22, 2024 7:00 P.M.

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The official documents are on file in the City Clerk's office.

City Council Finance and Budget Committee Meeting
Wednesday, May 22, 2024
7:00 PM

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

Members:
Jim Jolly, Chair
Martha Ptashnik, Vice Chair
Rob Gjonaj Donovic, Member

AGENDA ITEM(S)

1. The subject matter of Annual Audit Reports for the period December 1, 2022 to November 30, 2023. (CR 367-02)

THE FOLLOWING HAVE BEEN NOTIFIED AND ARE REQUESTED TO ATTEND:

Maureen Miller Brosnan, Mayor
Carter Fisher, City Attorney
Debra Lichtenberg, Finance Director
Connie Kumpula, Chief Accountant
Stacey L. Reeves, Plante Moran, PLLC
Stephanie Atkinson, Plante Moran, PLLC
Keith Szymanski, Plante Moran, PLLC

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

THIS MEETING WILL BE REPORTED AT THE REGULAR MEETING OF JUNE 3, 2024

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

LORI L. MILLER, CITY CLERK

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

LETTER TO THE LIVONIA CITY COUNCIL

1.

Finance
March 25, 2024

MEETING DATE	PRESENTED BY
FB052224/R060324	Debra Lichtenberg, Finance Director

AGENDA ITEM

The subject matter of the Annual Audit Reports for the period December 1, 2022 to November 30, 2023. (CR 367-02)

BACKGROUND DETAILS

The subject matter of the Annual Audit Reports for the period December 1, 2022 to November 30, 2023. (CR 367-02)

PREFERRED COUNCIL RECOMMENDATION/RESOLUTION (Please complete this field. Attachments are not to be used in lieu of the recommendation)

To review and receive and file as submitted.

ATTACHMENTS

1. End of Audit Letter 5-17-2024
2. Financial Statements 5-17-2024

APPROVED BY

May 24, 2024

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

We have audited the financial statements of the City of Livonia, Michigan (the “City”) as of and for the year ended November 30, 2023 and have issued our report thereon dated May 24, 2024. Professional standards require that we provide you with the following information related to our audit, which is divided into the following sections:

Section I - Required Communications with Those Charged with Governance

Section II - Other Recommendations and Related Information

Section III - Legislative and Informational Items

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

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

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

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

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

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

Very truly yours,

Plante & Moran, PLLC

Stacey L. Reeves

Keith Szymanski

Section I - Required Communications with Those Charged with Governance

<u>Our Responsibility Under U.S. Generally Accepted Auditing Standards</u>

As stated in our engagement letter dated January 3, 2024, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities. Our responsibility is to plan and perform the audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement.

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

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

Our audit of the City's financial statements has also been conducted in accordance with *Government Auditing Standards*, issued by the Comptroller General of the United States. Under *Government Auditing Standards*, we are obligated to communicate certain matters that come to our attention related to our audit to those responsible for the governance of the City, including compliance with certain provisions of laws, regulations, contracts, and grant agreements; certain instances of error or fraud; illegal acts applicable to government agencies; and significant deficiencies in internal control that we identify during our audit. Toward this end, we issued a separate letter dated May 24, 2024 regarding our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements.

<u>Planned Scope and Timing of the Audit</u>

We performed the audit according to the planned scope and timing previously communicated to you in our meeting about planning matters on February 21, 2024.

<u>Significant Audit Findings</u>

Qualitative Aspects of Accounting Practices

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

No new accounting policies were adopted, and the application of existing policies was not changed during 2023.

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

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

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

Management has reported the alternative investments at amounts provided by the various funds. For a sample of alternative investments, we obtained audited financial statements for the investment funds as of December 31, 2022 and performed various procedures to evaluate the calculations and assumptions used by fund management for the unaudited quarterly reports and member equity statements received since the date of the audits. We also performed limited analytical procedures on the revenue and expenses reported by funds from January 1, 2023 to November 30, 2023. We performed these procedures on the data used by management to develop the estimate to determine that it is reasonable in relation to the financial statements taken as a whole.

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

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

Difficulties Encountered in Performing the Audit

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

Disagreements with Management

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

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. During the audit, we identified a prior period adjustment to properly reflect the impact of the 2022 changes in OPEB benefits.

Management considers the fact that capital expenditures below the capitalization threshold are not capitalized, even when related items are above the threshold in total, to be immaterial, both individually and in the aggregate, to the financial statements taken as a whole. However, uncorrected misstatements or matters underlying those uncorrected misstatements could potentially cause future period financial statements to be materially misstated.

Significant Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, business conditions affecting the City, and business plans and strategies that may affect the risks of material misstatement, with management each year prior to our retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship, and our responses were not a condition of our retention.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated May 24, 2024.

Management Consultations with Other Independent Accountants

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

Section II - Other Recommendations and Related Information

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

General Fund

For the year ended November 30, 2023, General Fund revenue exceeded General Fund expenditures by just over $1 million. Actual spending in the General Fund was approximately $51,000 more than the amended budget, while actual revenue in the General Fund was approximately $1,059,000 greater than the amended budget. Interest income and revenue from rescue runs were significantly greater than budgeted amounts. We commend the City for continuing to maintain a sound financial position while keeping an eye toward legacy costs and future capital needs.

Court Building Improvements Fund

As we pointed out previously, fines and forfeiture revenue from the District Court remains significantly below its pre-pandemic levels. The reduced activity at the District Court impacts not just the General Fund, but the Court Building Improvements capital project fund as well. This fund receives a surcharge added to each infraction to fund the debt service related to the new court building. In the last four years, the fund balance in the fund has decreased from $943,000 to $42,000 including a $100,000 transfer in from the General Fund in 2023. Annual debt service is approximately $550,000. The City will need to consider increasing the surcharge in order for this revenue stream to continue to fully fund the debt service and/or provide additional subsidies from the General Fund.

Legacy Costs - Pension

Legacy costs and the funded status of plans continue to be an area of focus for local governments. The City's defined benefit pension system is 86 percent funded as of November 30, 2023 based on the GASB Statement No. 68 actuarial valuation. The funded status is dependent on a number of assumptions (how long participants live, investment performance, etc.).

For many years, employer contributions to the pension system were not actuarially required. In fiscal years 2012 through 2023, the City was required to make contributions to the defined benefit pension plan after having gone without any required contributions since 2003. Total contributions between 2012 and 2022 were approximately $18.0 million. During fiscal year 2023, the City contributed the actuarially determined amount of approximately $1.8 million.

In addition to the existing pension system, the Police and Fire Revised Retirement Plan was reported for the first time in 2021. As of November 20, 2023, there were 184 participants in the plan and nearly $8.2 million in the trust. Required contributions for 2023 were $2.6 million.

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

Legacy Costs - Retiree Health Care

The City has been actuarially funding the liability associated with postemployment health care for many years, ahead of the recent accounting standards and, as a result, has been able to accumulate approximately $129.2 million in net position for these costs as of November 30, 2023. In 2022, the City implemented changes to retiree benefits – enrolling post-65 retirees in a fully-insured Medicare Advantage plan and utilizing a self-insured plan for pre-65 retirees and prescription costs. These changes reduced the total OPEB liability, as measured by the actuary, by more than $100 million. The plan is 98% funded as of November 30, 2023.

During fiscal year 2023, the actuarily determined contribution for the VEBA was approximately $6.0 million, and the City contributed $3.9 million. Once the benefit changes are incorporated into future funding valuations, it is expected the actuarially determined contributions will decrease significantly.

Police Comp Time

In preparation for new auditing standards effective in 2024 and GASB 101 (see Section III), we took a closer look at the various compensated absences offered to employees. While most compensated absence banks of time off are centrally tracked and recorded by the finance department, we noted the police department tracks the comp time for its employees and the value of the banked time as of fiscal year end is not included in the liability recorded by the City. We recommend the City implement a process for ensuring all compensated absences are included in its liability analysis in order to comply with upcoming reporting requirements.

Section III - Legislative and Informational Items

Monitoring Lease, SBITA, and PPP Activity

GASB Statements No. 87, *Leases*; No. 96, *Subscription-Based Information Technology Arrangements* (SBITAs); and No. 94, *Public-Private and Public-Public Partnerships (PPP) and Availability Payment Arrangements*, were effective in fiscal years 2022 and 2023. Although significant analyses were performed to determine the applicability of the new standards and record any necessary adjustments, we want to stress the importance of implementing ongoing monitoring procedures over lease, SBITA, and PPP activity. When the City enters into new leases, SBITAs, or PPPs; existing agreements are modified; or other facts and circumstances change, consideration must be given to the impact those changes will have on lease, SBITA, and PPP accounting. In order to do so, the City must ensure there is a process in place to identify and appropriately account for new leases, SBITAs, or PPPs or changes to existing agreements on an ongoing basis or at least at the end of each year.

Cybersecurity and Information Technology Controls

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

Revenue Sharing

The State's fiscal year 2024 budget includes $1.65 billion for revenue sharing. Further details of the breakdown of this amount are available at https://www.michigan.gov/treasury/0,,7-121-1751_2197---,00.html.

The fiscal year 2024 City, Village, and Township Revenue Sharing (CVTRS) program includes the following types of payments:

- CVTRS-Standard payment equal to 104 percent of the local unit's eligible fiscal year 2023 ongoing CVTRS payment amount

- CVTRS-CLFRF payment equal to 1 percent of the local unit's eligible fiscal year 2023 ongoing CVTRS payment amount

- CVTRS-PS payment equal to 2 percent of the local unit's eligible fiscal year 2023 ongoing CVTRS payment amount

As provided in the September 2023 Department of Treasury letter on City, Village, and Township Revenue Sharing (CVTRS) Fiscal Year 2024 Detailed Guidance, the citizens guide and performance dashboard are no longer required for 2024 CVTRS. Qualified local units will need to complete the following required documents to qualify for CVTRS-Standard, CVTRS-CLFRF, and CVTRS-PS payments:

- Form 4886 certification
- Debt service report
- Two-year budget projection

The due date for these CVTRS required documents was December 7, 2023.

The CVTRS-Standard and CVTRS-PS payments will be paid in one-sixth increments. Local units received a one-sixth payment on the last business day of October 2023, and the remaining payments are as follows:

- If the required documents were submitted on or before December 7, 2023, payments in one-sixth increments have been and will be made on the last business day of December 2023 and February, April, June, and August 2024.

- If the required documents were submitted after December 7, 2023, the December CVTRS-Standard and CVTRS-PS payments were forfeited; the remaining payments will be forfeited unless the required documents are received by the first day of a payment month (February, April, June, and August 2024), at which time one-sixth of the CVTRS-Standard and CVTRS-PS payments will be made on the last business day of each payment month thereafter.

The CVTRS-CLFRF payment will be received on the last business day of June 2024.

Additional program requirements for CVTRS-CLFRF and CVTRS-PS payments are as follows:

- CVTRS-CLFRF - Eligible local units must certify to the Treasury that the local unit has “fully obligated” or expended by December 31, 2023, or declined, the total amount of 2021 American Rescue Plan Act funds allocated to the local unit. The Treasury defines “fully obligated,” the definition of which applies only to the CVTRS program, as an order placed for property services; entering into contracts, subawards, and similar transactions that require payments; or appropriating the funds for specific purposes. This certification is due on March 30, 2024.

- CVTRS-PS - Local units must use the CVTRS-PS payment for local public safety initiatives only.

Inflation Rate Multiplier for 2024

In October 2023, the Michigan State Tax Commission issued Bulletin 16 of 2023 regarding the inflation rate multiplier for use in the 2024 capped value formula and the Headlee millage reduction fraction formula. The inflation rate for property taxes, as defined in Michigan Compiled Law (MCL) 211.34d, has increased beyond the historical 5 percent cap to 5.1 percent for 2024. As a result, the inflation rate multiplier of 1.051 must be used in the calculation of the 2024 Headlee millage reduction fraction required by Michigan Compiled Law (MCL) 211.34d. As the inflation rate multiplier of 1.051 is higher than 1.05, the inflation rate multiplier to be used in the 2024 capped value formula is 1.05.

OMB Proposed Revisions to the Uniform Guidance

In October 2023, the Office of Management and Budget (OMB) posted proposed revisions for the Uniform Guidance for federal grants and agreements. The proposed guidance clarifies the applicability of requirements and terminology and includes some relaxation and clarification of certain requirements that required prior approval from federal regulators. A few key proposed changes include the following:

- Increase the audit threshold to $1 million from $750,000

- Increase the *de minimis* indirect cost rate from 10 percent to 15 percent

- Require the schedule of expenditures of federal awards (SEFA) to identify recipient of federal award for audits that cover multiple recipients

The proposed changes are included in more detail within the federal register at https://www.federalregister.gov/documents/2023/10/05/2023-21078/guidance-for-grants-and-agreements.

We will continue to monitor any changes to the Uniform Guidance, and we encourage the City to monitor developments in this area.

Upcoming Accounting Standards Requiring Preparation

We actively monitor new Governmental Accounting Standards Board (GASB) standards and due process documents and provide periodic updates to help you understand how the latest financial reporting developments will impact the City. In addition to the summaries below and to stay up to date, we issue a biannual GASB accounting standard update. The most recent update and a link to previous fall and spring updates are available here.

GASB Statement No. 101 - Compensated Absences

This new accounting pronouncement will be effective for the City's fiscal year ending November 30, 2025. The statement requires all compensated absences be reported under a new unified model that provides recognition and measurement guidance for all compensated absences that meet certain criteria. This is a major shift from the prior standards that provided different recognition and measurement guidance for vacation leave versus sick leave. Under the new standard, all compensated absences (with some exceptions like parental leave and military leave) that meet three criteria are to be recognized (accrued). The three criteria are (1) the absence accumulates, (2) the absence is attributed to services already performed, and (3) the absence is more likely than not to be either paid or settled through other means.

A few of the more significant changes from prior guidance include the elimination of specific recognition criteria for sick leave (GASB 16's termination payment method and vesting method) in lieu of standard recognition criteria for all types of compensated absences that meet the criteria. In addition, the prior standards used the "probable criteria" as a measurement stick for recognition; GASB 101 lowers that threshold to more likely than not. More likely than not means a likelihood of more than 50 percent. Because GASB 101 does not prescribe the manner in which these leave liabilities are estimated once the criteria are met, organizations will have significant latitude in how these estimates are determined. Because of this, there may be additional reporting and additional disaggregation of historical employee leave usage information that may be required in order to come up with an accurate estimate of these liabilities. We strongly suggest organizations start thinking about these changes now, brainstorm estimation methodologies, and begin gathering the necessary information in order to successfully adopt this new standard.

GASB Statement No. 102 - Certain Risk Disclosures

This new accounting pronouncement will be effective for the City's fiscal year ending November 30, 2025. This statement requires a government to assess whether a concentration or constraint makes the primary government or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. It also requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date of the financial statements are issued. If certain criteria are met for a concentration or constraint, disclosures are required in the notes to the financial statements.

Significant GASB Proposals Worth Watching

The GASB is working on two comprehensive projects that result in changes to financial reporting for state and local governments.

The Financial Reporting Model exposure draft was issued in June 2020, and the final statement is expected to be released in mid-2024. This standard proposes changes to many aspects of the City's financial statements, including the management's discussion and analysis (MD&A), proprietary fund financial statements, and budgetary comparisons. In August 2023, the GASB removed issues related to reporting of governmental funds from the scope of this project.

The Revenue and Expense Recognition project aims to develop a comprehensive accounting and financial reporting model for transactions that result in revenue and expenses. The GASB has issued a preliminary views document that proposes a new categorization framework that replaces the exchange/nonexchange transaction notion with a four-step categorization process for classifying a transaction. In addition to this new framework, the proposal also addresses recognition and measurement of revenue and expense transactions. The exposure draft for this project is expected sometime in 2025.

We have spent significant time digesting these new proposed standards and recently testified to the GASB about our feedback. We strongly encourage the City to monitor developments with these standards, as the potential impacts are quite broad.

City of Livonia, Michigan

Financial Report
with Supplementary Information
November 30, 2023

Contents

Independent Auditor's Report

To the City Council
City of Livonia, Michigan

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Livonia, Michigan (the "City") as of and for the year ended November 30, 2023 and the related notes to the financial statements, which collectively comprise the City's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City as of November 30, 2023 and the respective changes in its financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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.

Emphasis of Matter

As discussed in Note 18 to the financial statements, the December 1, 2022 net position of the governmental activities, business-type activities, and enterprise funds has been restated to correct a misstatement. Our opinion is not modified with respect to this matter.

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.

To the City Council
City of Livonia, Michigan

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.

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.

To the City Council
City of Livonia, Michigan

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 other 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 other supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 24, 2024 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.

May 24, 2024

Overview of the Financial Statements

The City of Livonia, Michigan's (the "City") 2023 annual report consists of four parts: (1) management's discussion and analysis, (2) basic financial statements, (3) required supplementary information, and (4) other supplementary information that presents combining statements for nonmajor governmental funds, proprietary funds, and fiduciary funds. The basic financial statements include two kinds of statements that present different views of the City. The first two statements are government-wide financial statements that are intended to provide longer-term information about the City's overall financial status. The remaining statements are fund financial statements that focus on individual parts of the City's government, reporting the City's operations in more detail than the government-wide financial statements.

Government-wide Statements

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

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

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

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

Fund Financial Statements

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

The City has three kinds of funds:

- Governmental funds - Most of the City's basic services are included in governmental funds, which focus on how cash and other financial assets that can be converted to cash flow in and out and the balance left at year end that is available for spending. The governmental fund statements provide a detailed short-term view that helps you determine if there are more or fewer financial resources available to spend in the near future to finance the City's programs.
- Proprietary funds - Services that are intended to be entirely self-supporting by customer fees are generally reported in proprietary funds. Proprietary fund statements, like government-wide statements, provide both short- and long-term financial information.
- Fiduciary funds - The City is responsible for ensuring that the assets in these funds are used for their intended purposes. We exclude these activities from the government-wide financial statements because the City cannot use these assets to finance its operations.

Government-wide Overall Financial Analysis

In a condensed format, the table below shows a comparison of the net position as of November 30, 2023 to the prior year:

The City's Net Position

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Assets						
Current and other assets	$ 114,454,570	$ 109,900,333	$ 47,501,086	$ 36,968,244	$ 161,955,656	$ 146,868,577
Capital assets	239,624,886	230,222,161	115,397,831	112,537,124	355,022,717	342,759,285
Total assets	354,079,456	340,122,494	162,898,917	149,505,368	516,978,373	489,627,862
Deferred Outflows of Resources	25,509,510	28,561,759	855,245	1,130,193	26,364,755	29,691,952
Liabilities	81,106,115	165,806,585	32,616,849	30,121,728	113,722,964	195,928,313
Deferred Inflows of Resources	10,409,319	21,603,903	1,387,664	2,070,944	11,796,983	23,674,847
Net Position						
Net investment in capital assets	220,586,842	210,034,197	93,932,996	91,449,572	314,519,838	301,483,769
Restricted	53,248,162	50,413,059	2,207,021	1,697,053	55,455,183	52,110,112
Unrestricted	14,238,528	(79,173,491)	33,609,632	25,296,264	47,848,160	(53,877,227)
Total net position	**$ 288,073,532**	**$ 181,273,765**	**$ 129,749,649**	**$ 118,442,889**	**$ 417,823,181**	**$ 299,716,654**

City of Livonia, Michigan - Net Position

The City’s assets/deferred outflows exceed its liabilities/deferred inflows at the end of the fiscal year by $417.8 million (net position). However, a major portion (75.3 percent) of the City’s net position represents its investments in capital assets (i.e., land, roads, infrastructure, buildings, and equipment) less any related debt used to acquire or construct these assets. The City uses these physical assets to provide services to its citizens. These assets are illiquid and not available for future spending.

Unrestricted net position of the City’s governmental activities increased from $(79.2) million at November 30, 2022 to $14.2 million at the end of this year. The amount represents the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements.

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

The City's Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenue						
Program revenue:						
Charges for services	$ 18,996,370	$ 16,941,280	$ 47,924,885	$ 45,672,687	$ 66,921,255	$ 62,613,967
Operating grants and contributions	15,175,444	23,548,810	-	-	15,175,444	23,548,810
Capital grants and contributions	1,356,294	1,469,901	1,417,663	1,735,150	2,773,957	3,205,051
General revenue:						
Property taxes	62,643,043	60,121,844	-	-	62,643,043	60,121,844
State-shared revenue	17,547,315	16,963,156	-	-	17,547,315	16,963,156
Investment income (loss)	5,310,885	(176,220)	1,105,184	10,390	6,416,069	(165,830)
Other revenue	3,889,725	5,129,805	223,578	3,725	4,113,303	5,133,530
Total revenue	124,919,076	123,998,576	50,671,310	47,421,952	175,590,386	171,420,528
Expenses						
General government	15,631,301	11,582,730	-	-	15,631,301	11,582,730
Public safety	50,273,716	38,751,208	-	-	50,273,716	38,751,208
Public works	29,475,220	26,783,219	-	-	29,475,220	26,783,219
Community and economic development	1,456,333	1,758,585	-	-	1,456,333	1,758,585
Recreation and culture	14,804,712	14,107,040	-	-	14,804,712	14,107,040
Interest on long-term debt	589,222	621,306	-	-	589,222	621,306
Water and Sewer	-	-	39,698,953	39,548,642	39,698,953	39,548,642
Golf Course	-	-	2,193,409	1,999,052	2,193,409	1,999,052
Housing	-	-	1,057,542	775,342	1,057,542	775,342
Total expenses	112,230,504	93,604,088	42,949,904	42,323,036	155,180,408	135,927,124
Transfers	-	340,000	-	(340,000)	-	-
Change in Net Position	12,688,572	30,734,488	7,721,406	4,758,916	20,409,978	35,493,404
Net Position - Beginning of year, as restated (Note 18)	275,384,958	150,539,277	122,028,243	113,683,973	397,413,201	264,223,250
Net Position - End of year	**$ 288,073,530**	**$ 181,273,765**	**$ 129,749,649**	**$ 118,442,889**	**$ 417,823,179**	**$ 299,716,654**

Governmental Activities

In reviewing governmental activities in the above table, it can be noted that revenue increased by $0.9 million and expenses increased by $18.6 million. The most significant factors impacting revenue were the one-time grant revenue related to the receipt of $8.9 million of American Rescue Plan Act funds and increases to miscellaneous revenue related to opioid lawsuit settlements that occurred in 2022. Both of these revenue categories returned to normal recurring levels in 2023. In addition, changes in the investment market resulted in significantly improved investment income in the current year. The most significant factor impacting expenses was increases in pension and OPEB liabilities.

Business-type Activities

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

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

	Water and Sewer		Golf Course		Housing	
	2023	2022	2023	2022	2023	2022
Operating revenue	$ 44,059,450	$ 41,992,649	$ 2,320,984	$ 2,103,880	$ 1,470,189	$ 1,462,299
Operating expenses	(39,157,475)	(39,102,151)	(2,193,409)	(1,999,052)	(1,056,810)	(774,672)
Operating income	**$ 4,901,975**	**$ 2,890,498**	**$ 127,575**	**$ 104,828**	**$ 413,379**	**$ 687,627**

The operating income of the Water and Sewer Fund increased between 2022 and 2023 primarily due to increased water rates that resulted in higher revenue.

Financial Analysis of Individual Funds

The fund financial statements begin on page 13 and provide detailed information on the most significant governmental funds, not the City as a whole. Funds are created to help manage money for special purposes, as well as to show accountability for certain activities, such as special property tax millages. The City's major governmental funds for 2023 include the General Fund, Refuse Disposal System Fund, and Roads and Sidewalks Fund.

The City's governmental funds reported a combined fund balance of $84.7 million. This is an increase of approximately $4.7 million for the year. The primary contributors to the increase were contributions to the Building Improvement and Senior Center Construction funds and overall spending constraints in the General Fund and key special revenue funds.

General Fund Budgetary Highlights

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

Actual General Fund revenue was approximately $1,059,000 above the final budget.

Actual General Fund expenditures were approximately $52,000 above the final budget. The Information Systems department actual expenditures exceeded the final budget by approximately $656,800 due to the one-time adoption of GASB 87 related to the dark fiber project. The impact of this accounting entry was not fully known at the time the final budget amendment was approved. All other departments held expenditures below the final budget.

Capital Assets and Debt Administration

At the end of fiscal year 2023, the City has $661.6 million, before depreciation, invested in a wide range of capital assets, including land, buildings, infrastructure, public safety equipment, computer equipment, and water and sewer lines. Detailed information of the City's capital assets can be found in Note 5.

Debt of $19.3 million related to the construction of the above-mentioned capital assets is reported as a liability in the governmental activities in the statement of net position.

Debt related to the water and sewer system totaling $26.8 million is recorded as a liability in the business-type activities in the statement of net position. This debt represents construction of and improvements to existing water and sewer lines. Detailed information on the City's long-term debt can be found in Note 7.

Significant additions to capital assets during fiscal year 2023 include $14.7 million invested in the construction of infrastructure and improvements to roads, $6.6 million invested in equipment and vehicles, $0.8 million invested in buildings. building improvements, and land improvements, and $2.9 million invested in water and sewer system infrastructure. Significant disposals of capital assets during fiscal year 2023 included the disposal of vehicles and equipment with a total cost of $4.0 million and building and improvements totaling $0.4 million.

Economic Factors and Next Year's Budgets and Rates

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

The majority of the City's revenue base is constrained by factors outside the City's control. Property taxes, state-shared revenue, interest income, and other revenue make up 71.6 percent of the City's total governmental activities revenue. Revenue has been slowly increasing after many years of reductions. Property assessments are projected to increase in fiscal year 2024.

The City is focused on advancing Livonia Vision 21, which includes the long-term strategy to reimagine the Civic Center campus. Over $4 million has been set aside in the Senior Center Construction Fund to partially fund the relocation of the senior center off the Civic Center campus and construct a new senior center as an addition to the City's recreation center. Several grants have been received to help fund this project.

Requests for Further Information

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

Statement of Net Position

November 30, 2023

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
Assets				
Cash and cash equivalents	$ 92,895,886	$ 23,718,697	$ 116,614,583	$ 2,881,872
Accounts receivable:				
Property taxes	53,309	-	53,309	68,921
Special assessments	229,909	98,774	328,683	-
Customers	-	13,821,596	13,821,596	-
Workers' compensation	125,652	-	125,652	-
Due from other governmental units	8,659,667	-	8,659,667	-
Other	6,311,918	305,618	6,617,536	-
Lease receivable	4,070,222	1,155,034	5,225,256	-
Inventory, prepaid expenses, and deposits	2,108,007	817,369	2,925,376	-
Restricted assets (Note 8)	-	7,583,998	7,583,998	-
Capital assets: (Note 5)				
Assets not subject to depreciation	35,608,168	12,020,694	47,628,862	474,048
Assets subject to depreciation - Net	204,016,718	103,377,137	307,393,855	160,888
Total assets	354,079,456	162,898,917	516,978,373	3,585,729
Deferred Outflows of Resources				
Deferred charges on bond refunding	280,062	-	280,062	-
Deferred pension costs (Note 11)	12,251,514	360,824	12,612,338	-
Deferred OPEB costs (Note 13)	12,977,934	494,421	13,472,355	-
Total deferred outflows of resources	25,509,510	855,245	26,364,755	-
Liabilities				
Accounts payable	5,655,770	1,223,234	6,879,004	737,721
Due to other governmental units	-	2,071,382	2,071,382	32,512
Accrued and other liabilities	2,840,778	225,417	3,066,195	-
Unearned revenue	896,057	88,105	984,162	-
Due to fiduciary funds	798,874	25,754	824,628	-
Bonds and deposits	2,062,243	364,091	2,426,334	-
Noncurrent liabilities: (Note 7)				
Due within one year:				
Compensated absences	3,569,914	300,211	3,870,125	-
Current portion of long-term debt	2,421,652	1,437,155	3,858,807	-
Due in more than one year:				
Compensated absences and insurance claims	9,750,708	326,931	10,077,639	-
Landfill closure and postclosure	720,722	-	720,722	-
Net pension liability (Note 11)	33,306,622	1,066,619	34,373,241	-
Net OPEB liability (Note 13)	2,186,321	83,293	2,269,614	-
Long-term debt - Net of current portion	16,896,454	25,404,657	42,301,111	-
Total liabilities	81,106,115	32,616,849	113,722,964	770,233

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
Deferred Inflows of Resource				
Deferred OPEB cost reductions (Note 13)	$ 6,482,275	$ 246,958	$ 6,729,233	$ -
Leases	3,927,044	1,140,706	5,067,750	-
Total deferred inflows of resource	10,409,319	1,387,664	11,796,983	-
Net Position				
Net investment in capital assets	220,586,842	93,932,996	314,519,838	634,936
Restricted:				
Community recreation	4,946,079	-	4,946,079	-
Municipal refuse	11,307,156	-	11,307,156	-
Streets, roads, and sidewalks	6,688,931	-	6,688,931	-
Library	6,610,666	-	6,610,666	-
Public safety communication	4,787,820	-	4,787,820	-
Grants	340,420	-	340,420	-
Ordinance requirements	-	2,207,021	2,207,021	-
Street lighting	837,179	-	837,179	-
Adjudicated forfeitures	2,927,276	-	2,927,276	-
Community transit	1,313,063	-	1,313,063	-
Capital improvements	11,100,388	-	11,100,388	-
Designated purpose	416,766	-	416,766	-
Health care	1,972,418	-	1,972,418	-
Unrestricted	14,238,528	33,609,632	47,848,160	2,180,560
Total net position	**$ 288,073,532**	**$ 129,749,649**	**$ 417,823,181**	**$ 2,815,496**

		Program Revenue		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Functions/Programs				
Primary government:				
Governmental activities:				
General government	$ 15,631,301	$ 2,872,542	$ -	$ -
Public safety	50,273,716	9,190,555	281,525	-
Public works	29,475,220	1,882,980	13,950,775	1,244,767
Community and economic development	1,456,333	439,605	873,639	-
Recreation and culture	14,804,712	4,610,688	69,505	111,527
Interest on long-term debt	589,222	-	-	-
Total governmental activities	112,230,504	18,996,370	15,175,444	1,356,294
Business-type activities:				
Water and Sewer	39,698,953	44,059,450	-	1,417,663
Housing	1,057,542	1,470,189	-	-
Golf Course	2,193,409	2,395,246	-	-
Total business-type activities	42,949,904	47,924,885	-	1,417,663
Total primary government	**$ 155,180,408**	**$ 66,921,255**	**$ 15,175,444**	**$ 2,773,957**
Component units:				
Economic Development Corporation	$ -	$ -	$ -	$ -
Plymouth Road Development Authority	519,738	-	-	-
Brownfield Redevelopment Authority	959,372	-	-	-
Total component units	**$ 1,479,110**	**$ -**	**$ -**	**$ -**

General revenue:
Property taxes
State-shared revenue
Investment income
Cable franchise fees
Gain on sale of fixed assets
Other miscellaneous income

Total general revenue

Change in Net Position

Net Position - Beginning of year, as restated (Note 18)

Net Position - End of year

Year Ended November 30, 2023

Net (Expense) Revenue and Changes in Net Position			
Primary Government			
Governmental Activities	Business-type Activities	Total	Component Units
$ (12,758,759)	$ -	$ (12,758,759)	$ -
(40,801,636)	-	(40,801,636)	-
(12,396,698)	-	(12,396,698)	-
(143,089)	-	(143,089)	-
(10,012,992)	-	(10,012,992)	-
(589,222)	-	(589,222)	-
(76,702,396)	-	(76,702,396)	-
-	5,778,160	5,778,160	-
-	412,647	412,647	-
-	201,837	201,837	-
-	6,392,644	6,392,644	-
(76,702,396)	6,392,644	(70,309,752)	-
-	-	-	-
-	-	-	(519,738)
-	-	-	(959,372)
-	-	-	(1,479,110)
62,643,043	-	62,643,043	1,863,894
17,547,315	-	17,547,315	-
5,310,885	1,105,184	6,416,069	22,530
1,743,751	-	1,743,751	-
-	223,578	223,578	-
2,145,974	-	2,145,974	4,347
89,390,968	1,328,762	90,719,730	1,890,771
12,688,572	7,721,406	20,409,978	411,661
275,384,960	122,028,243	397,413,203	2,403,835
$ 288,073,532	**$ 129,749,649**	**$ 417,823,181**	**$ 2,815,496**

Governmental Funds Balance Sheet

November 30, 2023

	General Fund	Major Special Revenue Funds: Refuse Disposal System	Major Special Revenue Funds: Roads and Sidewalks	Nonmajor Funds	Total Governmental Funds
Assets					
Cash and investments	$ 20,127,440	$ 12,386,811	$ 3,147,110	$ 53,506,795	$ 89,168,156
Accounts receivable:					
Property taxes	31,486	10,121	3,488	8,214	53,309
Special assessments	-	-	-	229,909	229,909
Workers' compensation	125,652	-	-	-	125,652
Due from other governmental units	4,899,425	581,824	253,474	2,924,944	8,659,667
Other	3,851,874	37,102	-	2,002,337	5,891,313
Lease receivable	3,867,575	-	-	202,647	4,070,222
Inventory, prepaid expenses, and deposits	330,432	-	-	-	330,432
Total assets	**$ 33,233,884**	**$ 13,015,858**	**$ 3,404,072**	**$ 58,874,846**	**$ 108,528,660**
Liabilities					
Accounts payable	$ 2,368,807	$ 953,513	$ 1,215,652	$ 1,117,798	$ 5,655,770
Accrued and other liabilities	2,272,949	34,467	-	472,305	2,779,721
Unearned revenue	28,541	-	-	867,516	896,057
Due to fiduciary funds	773,508	-	-	25,366	798,874
Bonds and deposits	2,062,243	-	-	-	2,062,243
Total liabilities	7,506,048	987,980	1,215,652	2,482,985	12,192,665
Deferred Inflows of Resources					
Unavailable revenue	4,047,413	591,611	256,847	2,782,534	7,678,405
Leases	3,749,239	-	-	177,805	3,927,044
Total deferred inflows of resources	7,796,652	591,611	256,847	2,960,339	11,605,449
Fund Balances					
Nonspendable - Inventory and prepaid assets	330,432	-	-	-	330,432
Restricted:					
Streets, roads, and sidewalks	-	-	1,931,573	4,500,511	6,432,084
Adjudicated forfeitures	-	-	-	2,927,276	2,927,276
Grants	-	-	-	203,953	203,953
Capital improvements	-	-	-	10,905,128	10,905,128
Community recreation	-	-	-	4,627,887	4,627,887
Municipal refuse	-	11,436,267	-	-	11,436,267
Street lighting	-	-	-	837,179	837,179
Library	-	-	-	6,412,618	6,412,618
Public safety communication	-	-	-	4,570,882	4,570,882
Community transit	-	-	-	1,190,652	1,190,652
Designated purpose	-	-	-	416,766	416,766
Health care	-	-	-	377,200	377,200
Committed:					
Cable access television	-	-	-	457,722	457,722
Arts Commission	-	-	-	81,191	81,191
Historical Commission	-	-	-	362,649	362,649
Assigned:					
Golf course capital improvements	-	-	-	449,641	449,641
Building improvements	-	-	-	10,956,795	10,956,795
Court building improvements	-	-	-	42,223	42,223
Senior center construction	-	-	-	4,111,249	4,111,249
Unassigned	17,600,752	-	-	-	17,600,752
Total fund balances	17,931,184	11,436,267	1,931,573	53,431,522	84,730,546
Total liabilities, deferred inflows of resources, and fund balances	**$ 33,233,884**	**$ 13,015,858**	**$ 3,404,072**	**$ 58,874,846**	**$ 108,528,660**

See notes to financial statements.

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

November 30, 2023

Fund Balances Reported in Governmental Funds	$	84,730,546
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and are not reported in the funds		239,624,886
Certain receivables are expected to be collected over several years and are not reported in the funds		420,605
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.		7,678,405
Landfill closure and postclosure liability is not due and payable in the current period and is not reported in the funds		(720,722)
Long-term liabilities are not due and payable in the current period and are not reported in the funds		(19,318,106)
Deferred charges on bond refunding are reported as deferred outflows of resources in the statement of net position but are not reported in the funds		280,062
Accrued interest is not due and payable in the current period and is not reported in the funds		(61,057)
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		(10,711,412)
Pension benefits		(21,055,108)
Retiree health care benefits		4,309,338
The Internal Service Fund (self-insurance) is included as part of governmental activities		2,896,095
Net Position of Governmental Activities	**$**	**288,073,532**

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

Year Ended November 30, 2023

		Major Special Revenue Funds			
	General Fund	Refuse Disposal System	Roads and Sidewalks	Nonmajor Funds	Total Governmental Funds
Revenue					
Property taxes	$ 37,477,674	$ 11,237,551	$ 4,140,042	$ 9,749,436	$ 62,604,703
Special assessments	-	-	-	1,244,767	1,244,767
Intergovernmental:					
Federal revenue	52,589	-	-	1,088,361	1,140,950
State and local revenue	14,083,265	1,523,100	810,493	15,432,373	31,849,231
Charges for services	5,666,748	110,045	-	4,858,086	10,634,879
Fines and forfeitures	3,239,074	-	-	628,104	3,867,178
Licenses and permits	2,874,511	-	-	-	2,874,511
Investment income	1,840,024	680,483	329,998	2,297,115	5,147,620
Other revenue:					
Miscellaneous revenue	2,747,432	4,134	43	962,057	3,713,666
Lease revenue	576,923	-	-	128,102	705,025
Total revenue	68,558,240	13,555,313	5,280,576	36,388,401	123,782,530
Expenditures					
Current services:					
General government	11,059,761	-	-	-	11,059,761
Employee benefits, insurance, and other	3,918,626	-	-	-	3,918,626
Public safety	43,566,427	-	-	605,853	44,172,280
Public works	3,831,533	12,526,045	14,323,959	6,241,791	36,923,328
Community and economic development	641,862	-	-	814,471	1,456,333
Recreation and culture	1,839,409	-	-	11,886,010	13,725,419
Capital outlay	-	-	-	6,319,079	6,319,079
Debt service:					
Principal retirement	-	-	-	1,985,000	1,985,000
Interest and other	-	-	-	738,720	738,720
Total expenditures	64,857,618	12,526,045	14,323,959	28,590,924	120,298,546
Excess of Revenue Over (Under) Expenditures	3,700,622	1,029,268	(9,043,383)	7,797,477	3,483,984
Other Financing Sources (Uses)					
Transfers in (Note 6)	-	-	7,150,000	12,880,837	20,030,837
Transfers out (Note 6)	(3,457,117)	-	-	(16,573,720)	(20,030,837)
New debt issued	93,247	-	-	459,334	552,581
Leases entered into	672,502	-	-	-	672,502
Total other financing (uses) sources	(2,691,368)	-	7,150,000	(3,233,549)	1,225,083
Net Change in Fund Balances	1,009,254	1,029,268	(1,893,383)	4,563,928	4,709,067
Fund Balances - Beginning of year	16,921,930	10,406,999	3,824,956	48,867,594	80,021,479
Fund Balances - End of year	**$ 17,931,184**	**$ 11,436,267**	**$ 1,931,573**	**$ 53,431,522**	**$ 84,730,546**

See notes to financial statements.

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

Year Ended November 30, 2023

Net Change in Fund Balances Reported in Governmental Funds	$ 4,709,067
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures; however, in the statement of activities, these costs are allocated over their estimated useful lives as depreciation:	
Capital outlay	20,965,434
Depreciation expense	(11,108,240)
Net book value of assets disposed of	(454,469)
Revenue in the statement of activities that does not provide current financial resources is not reported as revenue in the funds until it is available	981,802
Payments on installment purchases and leases are expenditure in the governmental funds but not in the statement of activities (where they reduce the long-term liabilities)	217,134
Issuing debt and entering into leases provide current financial resources to governmental funds, but increase long-term liabilities in the statement of net position	(1,225,083)
Repayment of bond principal is an expenditure in the governmental funds but not in the statement of activities (where it reduces long-term debt)	1,985,000
Interest expense is recognized in the government-wide statements as it accrues	176,068
Change in net pension liability and related deferred inflows and outflows reported in the statement of activities do not require the use of current resources and, therefore, are not reported in the fund statements until they come due for payment	(3,939,857)
Change in net OPEB liability and related deferred inflows and outflows reported in the statement of activities do not require the use of current resources and, therefore, are not reported in the fund statements until they come due for payment	3,041,303
Net change in accumulated employee sick and vacation pay is recorded when incurred in the statement of activities	(1,398,081)
Increase in landfill liability is recorded when incurred in the statement of activities	(8,527)
Internal service funds are included as part of governmental activities	(1,252,979)
Change in Net Position of Governmental Activities	**$ 12,688,572**

Proprietary Funds
Statement of Net Position

November 30, 2023

	Major Enterprise Fund	Nonmajor Enterprise Funds			Governmental Activities
	Water and Sewer	Housing	Golf Course	Total Enterprise Funds	Internal Service Fund
Assets					
Current assets:					
Cash and investments	$ 18,305,746	$ 3,536,487	$ 1,876,464	$ 23,718,697	$ 3,727,730
Accounts receivable:					
Customers	13,821,596	-	-	13,821,596	-
Other	301,431	-	4,187	305,618	-
Lease receivable	-	-	1,155,034	1,155,034	-
Inventory, prepaid expenses, and deposits	817,369	-	-	817,369	1,777,575
Total current assets	33,246,142	3,536,487	3,035,685	39,818,314	5,505,305
Noncurrent assets:					
Restricted assets (Note 8)	7,583,998	-	-	7,583,998	-
Special assessment receivables	98,774	-	-	98,774	-
Capital assets: (Note 5)					
Assets not subject to depreciation	5,844,918	2,593,288	3,582,488	12,020,694	-
Assets subject to depreciation - Net	100,003,513	2,872,055	501,569	103,377,137	-
Total noncurrent assets	113,531,203	5,465,343	4,084,057	123,080,603	-
Total assets	146,777,345	9,001,830	7,119,742	162,898,917	5,505,305
Deferred Outflows of Resources					
Deferred pension costs (Note 11)	348,603	-	12,221	360,824	-
Deferred OPEB costs (Note 13)	393,936	55,633	44,852	494,421	-
Total deferred outflows of resources	742,539	55,633	57,073	855,245	-

Proprietary Funds
Statement of Net Position (Continued)

November 30, 2023

	Major Enterprise Fund	Nonmajor Enterprise Funds			Governmental Activities
	Water and Sewer	Housing	Golf Course	Total Enterprise Funds	Internal Service Fund
Liabilities					
Current liabilities:					
Accounts payable	$ 809,962	$ 342,743	$ 70,529	$ 1,223,234	$ -
Due to other governmental units	2,071,382	-	-	2,071,382	-
Accrued and other liabilities	206,344	13,905	5,168	225,417	-
Unearned revenue	88,105	-	-	88,105	-
Due to fiduciary funds	25,754	-	-	25,754	-
Bonds and deposits	179,173	184,918	-	364,091	-
Compensated absences (Note 7)	263,716	27,915	8,580	300,211	-
Current portion of long-term debt (Note 7)	1,429,999	7,156	-	1,437,155	-
Total current liabilities	5,074,435	576,637	84,277	5,735,349	-
Noncurrent liabilities:					
Compensated absences and insurance claims (Note 7)	240,129	55,647	31,155	326,931	-
Net pension liability (Note 11)	1,030,492	-	36,127	1,066,619	-
Net OPEB liability (Note 13)	66,366	9,372	7,555	83,293	-
Long-term debt - Net of current portion (Note 7)	25,404,657	-	-	25,404,657	2,609,210
Total noncurrent liabilities	26,741,644	65,019	74,837	26,881,500	2,609,210
Total liabilities	31,816,079	641,656	159,114	32,616,849	2,609,210
Deferred Inflows of Resources					
Deferred OPEB cost reductions (Note 13)	196,765	27,789	22,404	246,958	-
Leases	-	-	1,140,706	1,140,706	-
Total deferred inflows of resources	196,765	27,789	1,163,110	1,387,664	-
Net Position					
Net investment in capital assets	84,390,752	5,458,187	4,084,057	93,932,996	-
Restricted - Ordinance requirements	2,207,021	-	-	2,207,021	-
Unrestricted	28,909,267	2,929,831	1,770,534	33,609,632	2,896,095
Total net position	**$ 115,507,040**	**$ 8,388,018**	**$ 5,854,591**	**$ 129,749,649**	**$ 2,896,095**

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

Year Ended November 30, 2023

	Enterprise Funds	Nonmajor Enterprise Funds			Governmental Activities
	Water and Sewer	Housing	Golf Course	Total Enterprise Funds	Internal Service Fund
Operating Revenue					
Customer billings	$ 41,982,388	$ -	$ -	$ 41,982,388	$ -
Fines and forfeitures	1,780,136	-	-	1,780,136	-
Service connections	84,050	-	-	84,050	-
Greens fees	-	-	2,067,816	2,067,816	-
Golf cart fees	-	-	118,000	118,000	-
City contributions	-	-	-	-	13,473,882
Rental income	-	1,470,039	-	1,470,039	-
Other revenue	212,876	150	135,168	348,194	-
Total operating revenue	44,059,450	1,470,189	2,320,984	47,850,623	13,473,882
Operating Expenses					
Cost of water	12,592,296	-	-	12,592,296	-
Cost of sewage disposal	16,046,433	-	-	16,046,433	-
System maintenance and operation	5,076,235	-	-	5,076,235	-
General and administration	1,306,051	1,160	-	1,307,211	-
Reinsurance charges and claims	-	-	-	-	14,890,126
Salaries and wages	-	338,186	175,295	513,481	-
Supplies	-	16,073	276,468	292,541	-
Other services and charges	-	512,341	1,709,879	2,222,220	-
Depreciation	4,136,460	189,050	31,767	4,357,277	-
Total operating expenses	39,157,475	1,056,810	2,193,409	42,407,694	14,890,126
Operating Income (Loss)	4,901,975	413,379	127,575	5,442,929	(1,416,244)
Nonoperating Revenue (Expense)					
Investment income	856,704	165,746	82,734	1,105,184	163,265
Interest expense	(541,478)	(732)	-	(542,210)	-
Gain on sale of assets	223,553	-	25	223,578	-
Lease revenue	-	-	74,262	74,262	-
Total nonoperating revenue	538,779	165,014	157,021	860,814	163,265
Income (Loss) - Before contributions and transfers	5,440,754	578,393	284,596	6,303,743	(1,252,979)
Capital Contributions - Lines donated by developers	1,417,663	-	-	1,417,663	-
Change in Net Position	6,858,417	578,393	284,596	7,721,406	(1,252,979)
Net Position - Beginning of year, as restated (Note 18)	108,648,623	7,809,625	5,569,995	122,028,243	4,149,074
Net Position - End of year	**$ 115,507,040**	**$ 8,388,018**	**$ 5,854,591**	**$ 129,749,649**	**$ 2,896,095**

Proprietary Funds
Statement of Cash Flows

Year Ended November 30, 2023

	Major Enterprise Fund	Nonmajor Enterprise Funds			Governmental Activities
	Water and Sewer	Housing	Golf Course	Total Enterprise Funds	Internal Service Fund
Cash Flows from Operating Activities					
Receipts from customers	$ 42,727,632	$ 1,629,878	$ 2,321,187	$ 46,678,697	$ 13,473,882
Payments to suppliers	(30,863,560)	(213,478)	(1,932,991)	(33,010,029)	(11,732,883)
Payments to employees	(4,365,214)	(667,842)	(169,084)	(5,202,140)	-
Net cash and cash equivalents provided by operating activities	7,498,858	748,558	219,112	8,466,528	1,740,999
Cash Flows from Capital and Related Financing Activities					
Issuance of bonds and capital leases	6,976,013	-	-	6,976,013	-
Special assessment collections	22,533	-	-	22,533	-
Proceeds from sale of capital assets	252,618	-	25	252,643	-
Net purchases of capital assets	(4,692,451)	(1,136,936)	-	(5,829,387)	-
Principal and interest paid on long-term debt	(1,763,966)	(7,584)	-	(1,771,550)	-
Lease receipts	-	-	67,009	67,009	-
Net cash and cash equivalents provided by (used in) capital and related financing activities	794,747	(1,144,520)	67,034	(282,739)	-
Cash Flows from Investing Activities					
Purchases of investment securities	(3,463,715)	-	(101,706)	(3,565,421)	(788,867)
Proceeds from sale and maturities of investment securities	-	264,697	-	264,697	-
Net cash and cash equivalents (used in) provided by investing activities	(3,463,715)	264,697	(101,706)	(3,300,724)	(788,867)
Net Increase (Decrease) in Cash and Cash Equivalents	4,829,890	(131,265)	184,440	4,883,065	952,132
Cash and Cash Equivalents - Beginning of year	9,218,493	1,883,352	753,792	11,855,637	911,733
Cash and Cash Equivalents - End of year	**$ 14,048,383**	**$ 1,752,087**	**$ 938,232**	**$ 16,738,702**	**$ 1,863,865**
Classification of Cash and Cash Equivalents					
Cash and investments	$ 18,305,746	$ 3,536,487	$ 1,876,464	$ 23,718,697	$ 3,727,730
Restricted cash (Note 8)	7,583,998	-	-	7,583,998	-
Less investments	(11,841,361)	(1,784,400)	(938,232)	(14,563,993)	(1,863,865)
Total cash and cash equivalents	**$ 14,048,383**	**$ 1,752,087**	**$ 938,232**	**$ 16,738,702**	**$ 1,863,865**

Proprietary Funds
Statement of Cash Flows (Continued)

Year Ended November 30, 2023

	Major Enterprise Fund	Nonmajor Enterprise Funds			Governmental Activities
	Water and Sewer	Housing	Golf Course	Total Enterprise Funds	Internal Service Fund
Reconciliation of Operating Income (Loss) to Net Cash and Cash Equivalents from Operating Activities					
Operating income (loss)	$ 4,901,975	$ 413,379	$ 127,575	$ 5,442,929	$ (1,416,244)
Adjustments to reconcile operating income (loss) to net cash and cash equivalents from operating activities:					
Depreciation	4,136,460	189,050	31,767	4,357,277	-
Changes in assets and liabilities:					
Receivables	(1,331,818)	-	203	(1,331,615)	-
Inventories	(211,649)	-	-	(211,649)	-
Prepaid and other assets	(104,492)	-	-	(104,492)	2,592,708
Net pension and OPEB liabilities	(635,803)	(184,691)	4,318	(816,176)	-
Accounts payable	528,247	316,096	53,356	897,699	-
Estimated claims liability	-	-	-	-	564,535
Accrued and other liabilities	215,938	14,724	1,893	232,555	-
Total adjustments	2,596,883	335,179	91,537	3,023,599	3,157,243
Net cash and cash equivalents provided by operating activities	**$ 7,498,858**	**$ 748,558**	**$ 219,112**	**$ 8,466,528**	**$ 1,740,999**

Noncash Transactions - During the year ended November 30, 2023, the City received $1,417,663 of donated lines reported as capital assets in the Water and Sewer Fund.

Fiduciary Funds
Statement of Fiduciary Net Position

November 30, 2023

	Pension and Other Employee Benefits	Custodial Funds	Total Fiduciary Funds
Assets			
Cash and cash equivalents (Note 3)	$ 1,625,870	$ 7,629,333	$ 9,255,203
Investments: (Note 3)			
U.S. government securities	19,620,461	-	19,620,461
Collateralized mortgage obligations	3,779,949	-	3,779,949
Common stocks	158,662,406	-	158,662,406
Corporate bonds	9,733,757	-	9,733,757
Real estate investment trust	2,882,340	-	2,882,340
Foreign bonds	443,580	-	443,580
Mutual funds	139,629,534	-	139,629,534
Accounts receivable	627,146	-	627,146
Due from primary government	824,628	-	824,628
Total assets	337,829,671	7,629,333	345,459,004
Liabilities			
Accounts payable	724,985	29,288	754,273
Due to other governmental units	40,869	6,665,624	6,706,493
Bonds and other deposits	-	244,435	244,435
Total liabilities	765,854	6,939,347	7,705,201
Net Position			
Restricted:			
Pension	207,911,158	-	207,911,158
Postemployment benefits other than pension	129,152,659	-	129,152,659
Individuals, organizations, and other governments	-	689,986	689,986
Total net position	**$ 337,063,817**	**$ 689,986**	**$ 337,753,803**

See notes to financial statements.

Fiduciary Funds
Statement of Changes in Fiduciary Net Position

Year Ended November 30, 2023

	Pension and Other Employee Benefits	Custodial Funds	Total Fiduciary Funds
Additions			
Investment income:			
Interest and dividends	$ 9,152,226	$ 193,986	$ 9,346,212
Net increase in fair value of investments	18,131,838	-	18,131,838
Investment costs	(952,121)	-	(952,121)
Net investment income	26,331,943	193,986	26,525,929
Contributions:			
Employer	8,243,617	-	8,243,617
Employee	1,430,241	-	1,430,241
Total contributions	9,673,858	-	9,673,858
Collections for other governments	-	169,156,008	169,156,008
Fines and fees	-	1,270,576	1,270,576
Bond receipts	-	855,900	855,900
Restitutions, judgments, and other	-	95,395	95,395
Total additions	36,005,801	171,571,865	207,577,666
Deductions			
Pension benefit payments	20,165,676	-	20,165,676
Medical benefit payments	7,630,414	-	7,630,414
Disability benefit payments	190,765	-	190,765
Refunds of contributions	588,729	-	588,729
Administrative expenses	341,803	-	341,803
Disbursements to other governments	-	170,349,558	170,349,558
Bond disbursements	-	855,900	855,900
Restitutions, judgments, and other refunds	-	109,433	109,433
Volunteer work program and civil drug fund	-	300,064	300,064
Total deductions	28,917,387	171,614,955	200,532,342
Net Increase (Decrease) in Net Position	7,088,414	(43,090)	7,045,324
Net Position - Beginning of year	329,975,403	733,076	330,708,479
Net Position - End of year	**$ 337,063,817**	**$ 689,986**	**$ 337,753,803**

Component Units
Statement of Net Position

November 30, 2023

	Economic Development Corporation	Plymouth Road Development Authority	Brownfield Redevelopment Authority	Total
Assets				
Cash and cash equivalents	$ 26,034	$ 1,682,619	$ 1,173,219	$ 2,881,872
Accounts receivable	-	68,921	-	68,921
Capital assets: (Note 5)				
Assets not subject to depreciation	-	474,048	-	474,048
Assets subject to depreciation - Net	-	160,888	-	160,888
Total assets	26,034	2,386,476	1,173,219	3,585,729
Liabilities				
Accounts payable	-	103,945	633,776	737,721
Due to other governmental units	-	-	32,512	32,512
Total liabilities	-	103,945	666,288	770,233
Net Position				
Net investment in capital assets	-	634,936	-	634,936
Unrestricted	26,034	1,647,595	506,931	2,180,560
Total net position	**$ 26,034**	**$ 2,282,531**	**$ 506,931**	**$ 2,815,496**

		Program Revenue		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Functions/Programs				
Economic Development Corporation	$ -	$ -	$ -	$ -
Plymouth Road Development Authority	519,738	-	-	-
Brownfield Redevelopment Authority	959,372	-	-	-
Total component units	**$ 1,479,110**	**$ -**	**$ -**	**$ -**

General revenue:
- Property taxes
- Investment income
- Other miscellaneous income

Total general revenue

Change in Net Position

Net Position - Beginning of year

Net Position - End of year

Year Ended November 30, 2023

Net (Expense) Revenue and Changes in Net Position			
Economic Development Corporation	Plymouth Road Development Authority	Brownfield Redevelopment Authority	Total
$ -	$ -	$ -	$ -
-	(519,738)	-	(519,738)
-	-	(959,372)	(959,372)
-	(519,738)	(959,372)	(1,479,110)
-	796,388	1,067,506	1,863,894
1,084	3,896	17,550	22,530
-	4,347	-	4,347
1,084	804,631	1,085,056	1,890,771
1,084	284,893	125,684	411,661
24,950	1,997,638	381,247	2,403,835
$ 26,034	**$ 2,282,531**	**$ 506,931**	**$ 2,815,496**

Note 1 - Significant Accounting Policies

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

Reporting Entity

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

Blended Component Units

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

Fiduciary Component Units

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

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

Discretely Presented Component Units

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

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

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

Note 1 - Significant Accounting Policies (Continued)

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

Accounting and Reporting Principles

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

Report Presentation

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

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

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

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

Fund Accounting

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

Governmental Funds

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

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

Note 1 - Significant Accounting Policies (Continued)

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

Proprietary Funds

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

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

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

Fiduciary Funds

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

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

Interfund Activity

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

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

Basis of Accounting

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

Note 1 - Significant Accounting Policies (Continued)

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

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

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

Specific Balances and Transactions

Cash and Investments

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

Receivables and Payables

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

Inventories and Prepaid Items

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

Restricted Assets

The revenue bonds of the enterprise funds require amounts to be set aside for bond reserve. Additionally, the unspent bond proceeds are required to be set aside for capital expenses. These amounts have been classified as restricted assets in the Water and Sewer Fund.

Capital Assets

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

Note 1 - Significant Accounting Policies (Continued)

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

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

Long-term Obligations

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

Unearned Revenue

Unearned revenue represents money received that does not yet meet the criteria for revenue recognition. Unearned amounts are reported as liabilities.

Deferred Outflows/Inflows of Resources

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

Net Position Flow Assumption

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

Note 1 - Significant Accounting Policies (Continued)

Fund Balance Flow Assumptions

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

Fund Balance Policies

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

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

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

Property Tax Revenue

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

The City's 2022 property tax revenue was levied and collectible on December 1, 2022 and is recognized as revenue in the year ended November 30, 2023 when the proceeds of the levy are budgeted and available for the financing of operations.

Note 1 - Significant Accounting Policies (Continued)

The 2022 taxable valuation of the City totaled $4.81 billion. Properties in the Plymouth Road Development Authority (PRDA) are assessed a millage of 2.0000 on July 1. The 2023 taxable valuation of PRDA totaled $397 million. The millages levied by the City and the resulting revenue are as follows:

Purpose	Millage Rate	Approximate Revenue (in 000s)
Operating purposes	3.9709	$ 18,876
Police and fire	0.7939	3,774
Police and fire and snow	1.1911	5,662
Library	0.7939	3,765
Refuse and recycling	2.3690	11,238
Industrial development	0.0105	50
Roads, sidewalks, and trees	0.8729	4,140
Recreation	0.7710	3,657
Public safety	1.6689	7,933
Culture and senior services	0.2452	1,166
Transit and capital improvement	0.4907	2,327
Plymouth Road Development Authority	2.0000	796
Total		$ 63,384

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

The delinquent real property taxes of the City are purchased by Wayne County, Michigan (the "County"). The County sells tax notes, the proceeds of which are used to pay the City for these property taxes. Wayne County, Michigan remitted its purchased delinquent real property taxes in June 2023. Wayne County, Michigan's delinquent real property taxes have been recorded as revenue in the current year.

Pension

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

Other Postemployment Benefit Costs

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

Note 1 - Significant Accounting Policies (Continued)

Compensated Absences (Vacation and Sick Leave)

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

Proprietary Funds Operating Classification

Proprietary funds distinguish operating revenue and expenses from nonoperating items. Operating revenue and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the Water and Sewer Fund, Housing Fund, Golf Course Fund, and Internal Service Fund is charges to customers for sales or services. The Water and Sewer Fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for these funds include the cost of sales or services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenue and expenses.

Use of Estimates

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

Leases

The City is a lessee for a noncancellable lease of fiber-optic cable and infrastructure. The City recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the governmental activities column in the government-wide financial statements. The City recognizes lease assets and liabilities with an initial value of $25,000 or more for single lease contracts and $50,000 or more when the lease involves multiple similar underlying assets.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

Note 1 - Significant Accounting Policies (Continued)

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

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

The City is a lessor for noncancelable leases of cell towers and buildings. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and fund financial statements.

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 leases 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 June 2022, the Governmental Accounting Standards Board issued GASB Statement No. 101, *Compensated Absences*, which updates the recognition and measurement guidance for compensated absences under a unified model. This statement requires that liabilities for compensated absences be recognized for leave that has not been used and leave that has been used but not yet paid in cash or settled through noncash means and establishes guidance for measuring a liability for leave that has not been used. It also updates disclosure requirements for compensated absences. The provisions of this statement are effective for the City's financial statements for the year ending November 30, 2025.

In December 2023, the Government Accounting Standards Board issued Statement No. 102, *Certain Risk Disclosures*, which requires governments to assess whether a concentration or constraint makes the government vulnerable to the risk of a substantial impact. It also requires governments to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date of the financial statements are issued. If certain criteria are met for a concentration or constraint, disclosures are required in the notes to the financial statements. The provisions of this statement are effective for the City's financial statements for the year ending November 30, 2025.

Note 2 - Stewardship, Compliance, and Accountability

Construction Code Fees

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

Cumulative shortfall at December 1, 2022		$ (3,348,109)
Current year building permit revenue		2,637,581
Related expenses:		
Direct costs	$ 2,717,712	
Estimated indirect costs	668,713	3,386,425
Current year net revenue		(748,844)
Cumulative shortfall at November 30, 2023		$ (4,096,953)

Note 3 - Deposits and Investments

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

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

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

Custodial Credit Risk of Bank Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk. At year end, the City had bank deposits of $68,539,367 (certificates of deposit and checking and savings accounts) that were uninsured and uncollateralized. In addition, the District Court, a component unit, had bank deposits of $512,427 (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.

Note 3 - Deposits and Investments (Continued)

Interest Rate Risk

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

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

Primary Government	Fair Value	0-5 Years	6-10 Years	More Than 10 Years
U.S. agency securities	$ 18,421,758	$ 18,421,758	$ -	$ -
Municipal bonds	1,024,845	1,024,845	-	-
U.S. Treasury securities	11,522,624	11,522,624	-	-
Bank investment pools	17,016,769	17,016,769	-	-
Total	$ 47,985,996	$ 47,985,996	$ -	$ -

City of Livonia Employees' Retirement System	Fair Value	0-5 Years	6-10 Years	More Than 10 Years
Corporate bonds	$ 5,650,974	$ 3,169,622	$ 1,531,653	$ 949,699
Foreign bonds	205,573	140,955	55,585	9,033
U.S. agency securities	2,859,170	32,224	122,954	2,703,992
U.S. Treasury securities	6,160,804	2,598,032	1,072,465	2,490,307
Collateralized mortgage obligations	1,597,339	-	58,795	1,538,544
Total	$ 16,473,860	$ 5,940,833	$ 2,841,452	$ 7,691,575

City of Livonia Retiree Health and Disability Benefits Plan	Fair Value	0-5 Years	6-10 Years	More Than 10 Years
Corporate bonds	$ 4,082,783	$ 2,066,061	$ 1,309,566	$ 707,156
Foreign bonds	238,007	170,379	55,585	12,043
U.S. agency securities	3,353,618	141	33,015	3,320,462
U.S. Treasury securities	7,246,869	3,681,145	1,086,183	2,479,541
Collateralized mortgage obligations	2,182,610	331,935	98,513	1,752,162
Total	$ 17,103,887	$ 6,249,661	$ 2,582,862	$ 8,271,364

Credit Risk

State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations. The City has no investment policy that would further limit its investment choices. As of November 30, 2023, the credit quality ratings of debt securities (other than the U.S. government) are as follows:

Investment	Fair Value	Rating	Rating Organization
Primary Government			
Bank investment pools	$ 17,016,769	A2/P1	Moody's
Bank investment pools	2,207,021	Baa2/P2	Moody's
Municipal bonds	1,024,845	AA	S&P
U.S. Treasury securities	11,522,624	AA+	S&P
U.S. agency securities	18,421,758	AA+	S&P
Total	$ 50,193,017		

Note 3 - Deposits and Investments (Continued)

Investment		Fair Value	Rating	Rating Organization
Fiduciary Funds				
Corporate bond	$	544,339	Aaa	Moody's
Corporate bond		9,786	Aa1	Moody's
Corporate bond		5,045	Aa2	Moody's
Corporate bond		49,685	Aa3	Moody's
Corporate bond		920,801	A1	Moody's
Corporate bond		810,738	A2	Moody's
Corporate bond		623,005	A3	Moody's
Corporate bond		5,093,523	Baa1 and below	Moody's
Corporate bond		1,676,835	NR	N/A
Foreign bonds		140,146	A1	Moody's
Foreign bonds		147,186	A2	Moody's
Foreign bonds		131,884	Baa1 and below	Moody's
Foreign bonds		24,364	NR	N/A
U.S. agency securities		6,212,788	Aaa	Moody's
U.S. Treasury securities		13,407,673	Aaa	Moody's
Collateralized mortgage obligations		1,696,014	Aaa	Moody's
Collateralized mortgage obligations		2,083,935	NR	N/A
Total	$	33,577,747		

There are no limitations or restrictions on participant withdrawals for the $17,016,769 of bank investment pool investments that are recorded at amortized cost.

Note 4 - Fair Value Measurements

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

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

Note 4 - Fair Value Measurements (Continued)

The City has the following recurring fair value measurements as of November 30, 2023:

	Assets Measured at Fair Value on a Recurring Basis at November 30, 2023			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at November 30, 2023
Investments by Fair Value Level				
Debt securities:				
U.S. Treasury securities	$ 24,930,297	$ -	$ -	$ 24,930,297
Collateralized mortgage obligations	-	3,779,949	-	3,779,949
Corporate bonds	-	9,733,757	-	9,733,757
Foreign bonds and notes	-	443,580	-	443,580
Government agencies	-	24,634,546	-	24,634,546
Municipal bonds	-	1,024,845	-	1,024,845
Total debt securities	24,930,297	39,616,677	-	64,546,974
Equity securities:				
Common stock	122,672,101	-	-	122,672,101
Foreign stock	4,479,596	-	-	4,479,596
Mutual funds	103,147,455	-	-	103,147,455
ADR	6,733,150	-	-	6,733,150
REIT	2,882,340	-	-	2,882,340
Short-term investments	-	6,461,695	-	6,461,695
Total equity securities	239,914,642	6,461,695	-	246,376,337
Total investments by fair value level	$ 264,844,939	$ 46,078,372	$ -	310,923,311
Investments measured at NAV:				
Real estate funds				18,315,864
CIF - Fixed income				26,127,867
CIF - Equity				10,354,211
Total investments measured at NAV				54,797,942
Total investments				$ 365,721,253

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

The fair value of collateralized mortgage obligations, corporate bonds, foreign bonds and notes, government agency securities, municipal bonds, and short-term investments at November 30, 2023 was determined primarily based on Level 2 inputs. The City estimates the fair value of these investments using other inputs, such as interest rates and yield curves, that are observable at commonly quoted intervals.

Note 4 - Fair Value Measurements (Continued)

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

Investments in Entities that Calculate Net Asset Value per Share

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

As of November 30, 2023, the fair value, unfunded commitments, and redemption rules of those investments are as follows:

	Fair Value	Unfunded Commitments	Redemption Frequency, if Eligible	Redemption Notice Period
Real estate funds	$ 18,315,864	$ -	Unlimited	12 months
CIF - Fixed income	26,127,867	-	Unlimited	15 business days
CIF - Equity	10,354,211	-	Unlimited	None
Total investments measured at NAV	$ 54,797,942	$ -		

The real estate funds class includes the Alidade Capital Fund and the Valstone Opportunity Fund that invest primarily in U.S. commercial real estate. The fair values of the investments in this class have been estimated using net asset value of the City's ownership interest in partners' capital. Net income earned and amounts received from payoffs of investments will be distributed to the participants as cash is available until all funds are distributed.

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

The CIF - equity class includes the Harris Associates Oakmark International Fund, which invests primarily in foreign stock. The fair values of the investments in this class have been estimated using net asset value of the City's ownership interest in the market value of the total fund.

Note 5 - Capital Assets

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

Governmental Activities

	Balance December 1, 2022	Reclassifications	Additions	Disposals and Adjustments	Balance November 30, 2023
Capital assets not being depreciated:					
Land	$ 34,862,968	$ -	$ -	$ -	$ 34,862,968
Construction in progress	188,688	(262,226)	818,738	-	745,200
Subtotal	35,051,656	(262,226)	818,738	-	35,608,168
Capital assets being depreciated:					
Infrastructure	194,744,096	-	14,650,758	-	209,394,854
Road rights	21,609,183	-	87,484	-	21,696,667
Buildings and improvements	119,329,440	(487,774)	683,578	(443,543)	119,081,701
Equipment and vehicles	48,168,497	750,000	4,052,374	(2,974,007)	49,996,864
Lease assets - Equipment and vehicles	-	-	672,502	-	672,502
Subtotal	383,851,216	262,226	20,146,696	(3,417,550)	400,842,588
Accumulated depreciation:					
Infrastructure	80,376,734	-	4,909,668	-	85,286,402
Road rights	13,826,404	-	613,105	-	14,439,509
Buildings and improvements	62,621,950	-	2,446,953	(156,647)	64,912,256
Equipment and vehicles	31,855,623	-	3,099,285	(2,806,434)	32,148,474
Lease assets - Equipment and vehicles	-	-	39,229	-	39,229
Subtotal	188,680,711	-	11,108,240	(2,963,081)	196,825,870
Net capital assets being depreciated	195,170,505	262,226	9,038,456	(454,469)	204,016,718
Net governmental activities capital assets	$ 230,222,161	$ -	$ 9,857,194	$ (454,469)	$ 239,624,886

Note 5 - Capital Assets (Continued)

Business-type Activities

	Balance December 1, 2022	Reclassifications	Additions	Disposals and Adjustments	Balance November 30, 2023
Capital assets not being depreciated:					
Land	$ 5,164,436	$ -	$ -	$ -	$ 5,164,436
Construction in progress	4,229,904	(2,405,380)	5,045,652	(13,918)	6,856,258
Subtotal	9,394,340	(2,405,380)	5,045,652	(13,918)	12,020,694
Capital assets being depreciated:					
Water and sewer distribution	179,706,633	1,847,013	1,074,760	-	182,628,406
Buildings and building improvements	20,121,944	558,367	297	-	20,680,608
Machinery and equipment	2,537,318	-	601,204	(418,535)	2,719,987
Vehicles	4,227,700	-	480,029	(645,700)	4,062,029
Land improvements	3,039,595	-	29,960	-	3,069,555
Subtotal	209,633,190	2,405,380	2,186,250	(1,064,235)	213,160,585
Accumulated depreciation:					
Water and sewer distribution	91,654,825	-	3,445,751	-	95,100,576
Buildings and building improvements	6,842,459	-	413,108	-	7,255,567
Machinery and equipment	2,244,922	-	59,008	(418,535)	1,885,395
Vehicles	2,830,298	-	426,796	(645,700)	2,611,394
Land improvements	2,917,902	-	12,614	-	2,930,516
Subtotal	106,490,406	-	4,357,277	(1,064,235)	109,783,448
Net capital assets being depreciated	103,142,784	2,405,380	(2,171,027)	-	103,377,137
Net business-type activity capital assets	$ 112,537,124	$ -	$ 2,874,625	$ (13,918)	$ 115,397,831

Capital asset activity for the City's component unit for the year ended November 30, 2023 was as follows:

Component Unit - Plymouth Road Development Authority

	Balance December 1, 2022	Reclassifications	Additions	Disposals and Adjustments	Balance November 30, 2023
Capital assets not being depreciated - Land	$ 474,048	$ -	$ -	$ -	$ 474,048
Capital assets being depreciated - Land improvements	12,195,788	-	-	-	12,195,788
Accumulated depreciation - Land improvements	11,950,171	-	84,729	-	12,034,900
Net capital assets being depreciated	245,617	-	(84,729)	-	160,888
Net capital assets	$ 719,665	$ -	$ (84,729)	$ -	$ 634,936

Note 5 - Capital Assets (Continued)

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

Governmental activities:	
General government	$ 564,119
Public safety	1,478,735
Public works	6,753,196
Recreation and culture	2,312,190
Total governmental activities	$ 11,108,240
Business-type activities:	
Water and Sewer	$ 4,136,460
Golf Course	31,767
Newburgh and Silver Village	189,050
Total business-type activities	$ 4,357,277

Construction Commitments

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

	Spent to Date	Remaining Commitment
Street and sidewalk projects	$ 26,877,426	$ 488,773
Water, drain, and sewer projects	7,589,870	4,944,492
Senior housing improvements	1,503,128	290,800
Fire station improvements	-	681,853
Park improvements	148,351	500,000
Energy improvements	562,235	419,427
Total	$ 36,681,010	$ 7,325,345

Note 6 - Interfund Receivables, Payables, and Transfers

The composition of interfund balances is as follows:

Receivable Fund	Payable Fund	Amount
Employees' Retirement System	General Fund	$ 141,391
	Nonmajor governmental funds	7,445
	Water and Sewer Fund	7,833
	Total Employees' Retirement System	156,669
VEBA	General Fund	354,147
	Nonmajor governmental funds	17,921
	Water and Sewer Fund	17,921
	Total VEBA	389,989
Police and Fire Revised Retirement Plan	General Fund	277,970
	Total	$ 824,628

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

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

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

Paying Fund (Transfer Out)	Receiving Fund (Transfer In)	Amount
General Fund	Nonmajor governmental funds	$ 3,457,117
Nonmajor governmental funds	Nonmajor governmental funds	9,423,720
	Roads and Sidewalks Fund	7,150,000
	Total nonmajor governmental funds	16,573,720
	Total	$ 20,030,837

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

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

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

Note 7 - Long-term Debt

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

Note 7 - Long-term Debt (Continued)

Long-term debt activity for the year ended November 30, 2023 can be summarized as follows:

Governmental Activities

	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Bonds and contracts payable:							
Other debt - Building Authority Bonds:							
2015 MBA Refunding Bonds: Amount of issue - $2,050,000 Maturing through 2025	2.47%	$160,000 - $300,000	$ 520,000	$ -	$ (170,000)	$ 350,000	$ 175,000
2016 MBA Refunding Bonds: Amount of issue - $6,180,000 Maturing through 2033	4.00%	$305,000 - $540,000	4,875,000	-	(360,000)	4,515,000	375,000
2017 MBA Refunding Bonds: Amount of issue - $19,980,000 Maturing through 2030	3.00% - 5.00%	$1,250,000 - $1,945,000	13,330,000	-	(1,455,000)	11,875,000	1,500,000
Installment purchases			31,619	552,581	(142,326)	441,874	111,176
Unamortized bond premiums			1,738,850	-	(200,312)	1,538,538	200,312
Total bonds and contracts payable			20,495,469	552,581	(2,327,638)	18,720,412	2,361,488
Leases			-	672,502	(74,808)	597,694	60,164
General liability claims, workers' compensation, and health insurance claims (Note 9)			2,044,675	564,535	-	2,609,210	-
Net pension liability (Note 11)			29,212,199	4,094,423	-	33,306,622	-
Net OPEB Liability (Note 13)			91,695,154	-	(89,508,833)	2,186,321	-
Compensated absences			9,313,331	4,502,015	(3,103,934)	10,711,412	3,569,914
Landfill closure and postclosure			712,195	8,527	-	720,722	-
Total governmental activities long-term debt			$153,473,023	$ 10,394,583	$ (95,015,213)	$ 68,852,393	$ 5,991,566

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

Note 7 - Long-term Debt (Continued)

Business-type Activities

	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Bonds and contracts payable:							
Direct borrowings and direct placements:							
2013 State of Michigan Clean Water Program State Revolving Loan: Amount of issue - $3,620,000 Maturing through 2034	2.00%	$125,000 - $220,000	$ 2,205,730	$ -	$ (165,000)	$ 2,040,730	$ 170,000
2014 State of Michigan Drinking Water Program Revolving Loan: Amount of issue - $3,552,013 Maturing through 2036	2.00%	$145,000 - $235,000	2,332,013	-	(170,000)	2,162,013	175,000
2015 State of Michigan Drinking Water Program Revolving Loan: Amount of issue - $7,104,415 Maturing through 2040	2.50%	$274,415 - $570,000	4,417,894	-	(265,000)	4,152,894	275,000
2020 State of Michigan Drinking Water Program Revolving Loan: Amount of issue - $9,160,000 Maturing through 2040	2.00%	$375,000 - $550,000	7,705,593	196,537	(390,000)	7,512,130	400,000
2021 State of Michigan Drinking Water Program Revolving Loan: Amount of issue - $5,337,668 Maturing through 2041	1.875%	$222,668 - $315,000	4,412,414	194,524	(225,000)	4,381,938	210,000
2023 Water Supply and Wastewater System Revenue Bonds: Amount of issue - $6,295,000 Maturing through 2043	5.00% - 5.25%	$200,000 - $480,000	-	6,295,000	-	6,295,000	200,000
Installment purchases			13,908	-	(6,753)	7,155	7,155
Unamortized bond premiums			-	289,952	-	289,952	-
Total direct borrowings and direct placements principal outstanding			21,087,552	6,976,013	(1,221,753)	26,841,812	1,437,155
Net pension liability (Note 11)			926,726	139,893	-	1,066,619	-
Net OPEB liability (Note 13)			4,323,325	-	(4,240,032)	83,293	-
Compensated absences			556,414	360,213	(289,485)	627,142	300,211
Total business-type activities long-term debt			$ 26,894,017	$ 7,476,119	$ (5,751,270)	$ 28,618,866	$ 1,737,366

Revenue Bonds

The City has pledged substantially all of the Water and Sewer Fund, net of operating expenses, to repay the water and sewer revenue bonds listed below. Proceeds from the bonds provided financing for improvements to the water and sewer system. The bonds are payable solely from the net revenue of the water and sewer system. The remaining principal and interest to be paid on the bonds total approximately $33.8 million. During the current year, net revenue of the system was $6.8 million, compared to annual debt requirements of approximately $2.2 million.

Note 7 - Long-term Debt (Continued)

Other Long-term Liabilities

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

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		
Years Ending November 30	Principal	Interest	Total	Principal	Interest	Total
2024	$ 2,161,176	$ 701,766	$ 2,862,942	$ 1,437,155	$ 715,073	$ 2,152,228
2025	2,213,564	629,520	2,843,084	1,450,000	705,334	2,155,334
2026	2,115,089	549,759	2,664,848	1,490,000	668,059	2,158,059
2027	2,212,045	452,432	2,664,477	1,520,000	629,740	2,149,740
2028	2,200,000	341,950	2,541,950	1,560,000	590,422	2,150,422
2029-2033	6,280,000	448,625	6,728,625	8,410,000	2,321,120	10,731,120
2034-2038	-	-	-	7,055,638	1,242,847	8,298,485
2039-2043	-	-	-	3,629,067	397,604	4,026,671
Total	$ 17,181,874	$ 3,124,052	$ 20,305,926	$ 26,551,860	$ 7,270,199	$ 33,822,059

Bond Refunding

In previous years, the City defeased certain bonds by completing an advance refunding. As of November 30, 2023, there is still $11,290,000 of bonds outstanding that are considered defeased.

Note 8 - Restricted Assets

Business-type Activities

In accordance with the provisions of the Water Supply and Wastewater System Revenue Bonds, the City is required to set aside moneys in a bond reserve account. At November 30, 2023, the City set aside $2,207,021 of cash and cash equivalents to comply with these requirements. Additionally, the Water and Sewer Fund held $5,376,977 of unspent bond proceeds as of November 30, 2023 that have also been classified as restricted assets.

Note 9 - Risk Management

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

Note 9 - Risk Management (Continued)

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

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

	General Liability		Workers' Compensation		Medical Claims	
	2023	2022	2023	2022	2023	2022
Estimated liability - Beginning of year	$ 1,182,634	$ 808,285	$ 325,429	$ 207,828	$ 536,612	$ 865,288
Estimated claims incurred, including changes in estimates	1,349,562	1,406,645	1,424,474	754,364	11,853,090	12,308,469
Claim payments	(1,405,868)	(1,032,296)	(905,711)	(636,763)	(11,751,012)	(12,637,145)
Estimated liability - End of year	$ 1,126,328	$ 1,182,634	$ 844,192	$ 325,429	$ 638,690	$ 536,612

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

Note 10 - Defined Contribution Pension Plan

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

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

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

Note 10 - Defined Contribution Pension Plan (Continued)

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

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

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

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

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

In accordance with the above requirements, the City contributed $3,221,923 during the current year, and employees contributed $1,210,946.

Note 11 - Pension Plans

Plan Description

City of Livonia Employees' Retirement System

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

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

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

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

Note 11 - Pension Plans (Continued)

City of Livonia Police and Fire Revised Retirement Plan

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

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

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

Benefits Provided

City of Livonia Employees' Retirement System

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

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

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

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

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

Average final compensation is the average of the highest annual compensation received during any 3 years of service contained within the 10 years of service immediately preceding retirement, including base salary, longevity, shift differential, paid time off, holiday pay, and payment of accumulated vacation time up to the limits established by the respective bargaining agreements. In addition, merit pay is included for police members, and paramedic/EMT or ALS bonuses are included for firefighters.

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

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

Note 11 - Pension Plans (Continued)

City of Livonia Police and Fire Revised Retirement Plan

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

Average final compensation is the average of the highest annual compensation received during any 3 years of service contained within the 10 years of service immediately preceding retirement, including base salary or wages, worker's compensation wage loss benefits with supplemental pay not to exceed regular base wages, and any other financial compensation from which pension contributions are withheld.

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

Employees Covered by Benefit Terms

The following members were covered by the benefit terms:

	City of Livonia Employees' Retirement System	City of Livonia Police and Fire Revised Retirement Plan
Date of member count	November 30, 2023	November 30, 2023
Inactive plan members or beneficiaries currently receiving benefits	555	1
Inactive plan members entitled to but not yet receiving benefits	3	20
Active plan members	13	163
Total employees covered by the plan	571	184

Contributions

Article 9, Section 24 of the State of Michigan constitution requires that financial benefits arising on account of employee service rendered in each year be funded during that year. Accordingly, the System's board of trustees retains an independent actuary to determine the annual contribution. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. Contribution requirements of plan members are established and may be amended by the board of trustees in accordance with the city charter, union contracts, and plan provisions. For the year ended November 30, 2023, the average active member contribution rate ranged from 2.55 to 7.30 percent of annual pay for the Employees' Retirement System and 8.00 percent for the Police and Fire Revised Retirement Plan. The funding policy provides for periodic employer contributions at actuarially determined rates.

Note 11 - Pension Plans (Continued)

Net Pension Liability

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

	City of Livonia Employees' Retirement System	City of Livonia Police and Fire Revised Retirement Plan
Measurement date used for the City NPL	November 30, 2023	November 30, 2023
Based on a comprehensive actuarial valuation as of	November 30, 2023	November 30, 2023

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

City of Livonia Employees' Retirement System

	Increase (Decrease)		
Changes in Net Pension Liability	Total Pension Liability	Plan Net Position	Net Pension Liability
Balance at November 30, 2022	$ 233,522,651	$ 203,908,420	$ 29,614,231
Changes for the year:			
Service cost	399,577	-	399,577
Interest	15,873,611	-	15,873,611
Differences between expected and actual experience	2,026,080	-	2,026,080
Changes in assumptions	2,060,266	-	2,060,266
Contributions - Employer	-	1,786,885	(1,786,885)
Contributions - Employee	-	98,073	(98,073)
Net investment income	-	14,852,492	(14,852,492)
Benefit payments, including refunds	(20,700,472)	(20,700,472)	-
Administrative expenses	-	(245,479)	245,479
Net changes	(340,938)	(4,208,501)	3,867,563
Balance at November 30, 2023	$ 233,181,713	$ 199,699,919	$ 33,481,794

The plan's fiduciary net position represents 85.6 percent of the total pension liability.

Note 11 - Pension Plans (Continued)

City of Livonia Police and Fire Revised Retirement Plan

Changes in Net Pension Liability	Increase (Decrease) Total Pension Liability	Plan Net Position	Net Pension Liability
Balance at November 30, 2022	$ 4,817,234	$ 4,292,540	$ 524,694
Changes for the year:			
Service cost	3,011,099	-	3,011,099
Interest	546,096	-	546,096
Differences between expected and actual experience	782,190	-	782,190
Contributions - Employer	-	2,585,480	(2,585,480)
Contributions - Employee	-	1,019,243	(1,019,243)
Net investment income	-	420,908	(420,908)
Benefit payments, including refunds	(53,933)	(53,933)	-
Administrative expenses	-	(52,999)	52,999
Net changes	4,285,452	3,918,699	366,753
Balance at November 30, 2023	$ 9,102,686	$ 8,211,239	$ 891,447

The plan's fiduciary net position represents 90.2 percent of the total pension liability.

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

For the year ended November 30, 2023, the City recognized pension expense of $6,100,211 for the System and pension expense of $2,359,473 for the Police and Fire Revised Retirement Plan.

At November 30, 2023, the City reported deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 948,197	$ -
Net difference between projected and actual earnings on pension plan investments	11,664,141	-
Total	$ 12,612,338	$ -

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

Years Ending November 30	Amount
2024	$ 1,715,051
2025	3,046,524
2026	7,349,550
2027	(130,917)
2028	79,016
Thereafter	553,114
Total	$ 12,612,338

Note 11 - Pension Plans (Continued)

Actuarial Assumptions

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

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

The actuarial assumptions used in the November 30, 2023 valuations were based on the results of an actuarial experience study performed in 2021.

Discount Rate

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

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

Investment Rate of Return

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

Asset Class	Long-term Expected Real Rate of Return
Domestic large-cap value stocks	5.80 %
Domestic large-cap growth stocks	5.70
Domestic small-cap value/core stocks	6.00
International stocks	4.70
U.S. core fixed income	1.30
Global fixed income	1.10
High-yield fixed income	2.90
Bank loans	2.90
Real estate (direct)	4.90
Real estate investment trusts	3.90

Note 11 - Pension Plans (Continued)

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

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

	1 Percentage Point Decrease	Current Discount Rate	1 Percentage Point Increase
Net pension liability of the City of Livonia Employees' Retirement System	$ 56,114,523	$ 33,481,794	$ 14,310,096
Net pension liability (asset) of the City of Livonia Police and Fire Revised Retirement Plan	2,560,236	891,447	(446,645)

Assumption Changes

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

In 2023, the discount rate was decreased from 7.10 to 7.00 percent.

Investment Policy

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

The following was the adopted asset allocation policy of both pension plans as of November 30, 2023:

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

Rate of Return

For the year ended November 30, 2023, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 10.02 percent for the Employees' Retirement System and 7.67 percent for the Police and Fire Revised Retirement Plan. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Note 12 - Pension Plan Reserves

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

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

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

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

The balances of the reserve accounts at November 30, 2023 are as follows:

	Required Reserve - Employees' Retirement System	Amount Funded - Employees' Retirement System	Required Reserve - Police and Fire Revised Retirement Plan	Amount Funded - Police and Fire Revised Retirement Plan
Pension reserve fund	$ 211,566,278	$ 197,995,609	$ -	$ -
Pension savings fund	1,704,310	1,704,310	2,478,440	2,478,440
Pension accumulation fund	-	-	-	5,732,799

Note 13 - Other Postemployment Benefit Plan

Plan Description

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

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

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

Note 13 - Other Postemployment Benefit Plan (Continued)

Benefits Provided

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

Employees Covered by Benefit Terms

The following members were covered by the benefit terms:

Date of member count	November 30, 2023
Inactive plan members or beneficiaries currently receiving benefits	696
Inactive plan members entitled to but not yet receiving benefits	31
Active plan members	459
Total plan members	1,186

Contributions

The obligation to contribute to and maintain the VEBA was established by negotiation with certain bargaining units, including general and administrative employees. The funding policy provides for periodic employer contributions at actuarially determined rates per a funding valuation. For the year ended November 30, 2023, the City's average contribution rate was 11.5 percent of covered-employee payroll. Plan members were required to make a contribution of 2 percent beginning on December 1, 2006.

Net OPEB Liability

The City has chosen to use the November 30 measurement date as its measurement date for the net OPEB liability. The November 30, 2023 fiscal year end reported net OPEB liability was determined using a measure of the total OPEB liability and the OPEB net position as of the November 30, 2023 measurement date. The November 30, 2023 measurement date total OPEB liability was determined by an actuarial valuation performed as of that date.

Note 13 - Other Postemployment Benefit Plan (Continued)

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

	Increase (Decrease)		
Changes in Net OPEB Liability	Total OPEB Liability	Plan Net Position	Net OPEB Liability (Asset)
Balance at November 30, 2022, as restated (Note 18)	$ 120,244,827	$ 121,774,443	$ (1,529,616)
Changes for the year:			
Service cost	1,347,853	-	1,347,853
Interest	8,307,580	-	8,307,580
Differences between expected and actual experience	7,274,098	-	7,274,098
Changes in assumptions	2,079,564	-	2,079,564
Contributions - Employer	-	3,871,252	(3,871,252)
Contributions - Employee	-	312,925	(312,925)
Net investment income	-	11,058,543	(11,058,543)
Benefit payments, including refunds	(7,821,179)	(7,821,179)	-
Administrative expenses	-	(43,325)	43,325
Net changes	11,187,916	7,378,216	3,809,700
Balance at November 30, 2023	$ 131,432,743	$ 129,152,659	$ 2,280,084

The plan's fiduciary net position represents 98.3 percent of the total OPEB liability.

At November 30, 2023, the City reported a liability of $2,269,614 for its proportionate share of the net OPEB liability.

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

For the year ended November 30, 2023, the City recognized an OPEB cost recovery of $302,911.

At November 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 5,455,574	$ 2,419,803
Changes in assumptions	1,559,673	4,340,467
Net difference between projected and actual earnings on OPEB plan investments	6,519,253	-
Total	$ 13,534,500	$ 6,760,270

Note 13 - Other Postemployment Benefit Plan (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 November 30	Amount
2024	$ 381,621
2025	847,127
2026	6,053,675
2027	(508,193)
Total	$ 6,774,230

Actuarial Assumptions

The total OPEB liability in the November 30, 2023 actuarial valuation was determined using an inflation assumption of 3.00 percent; an investment rate of return (net of investment expenses) of 7.00 percent; a health care cost trend rates of 8.00 percent for 2023, decreasing to an ultimate rate of 4.50 percent; and the Pub-2010 General and Public Safety Public Retirement Plan Mortality Table with MP-2021 Generational Improvement. These assumptions were applied to all periods included in the measurement.

Discount Rate

The discount rate used to measure the total OPEB liability at November 30, 2023 was 7.00 percent. This was a change from the discount rate of 7.10 percent used to measure the total OPEB liability at November 30, 2022. The projection of cash flows used to determine the discount rate assumed that city contributions will be made at rates equal to the actuarially determined contribution rates.

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

Investment Rate of Return

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

Asset Class	Long-term Expected Real Rate of Return
Domestic large-cap value stocks	5.80 %
Domestic large-cap growth stocks	5.70
Domestic small-cap value/core	6.00
International stocks	4.70
U.S. core fixed income	1.30
Global fixed income	1.10
High-yield fixed income	2.90
Real estate (direct)	5.10
Real estate investment trusts	5.10

Note 13 - Other Postemployment Benefit Plan (Continued)

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

The following presents the net OPEB liability of the plan, calculated using the discount rate of 7.00 percent, as well as what the plan'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 (6.00%)	Current Discount Rate (7.00%)	1 Percentage Point Increase (8.00%)
Net OPEB liability (asset)	$ 16,623,856	$ 2,280,084	$ (9,727,252)

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

The following presents the net OPEB liability of the plan, calculated using the health care cost trend rate of 8.0 percent, decreasing to 4.5 percent, as well as what the plan'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 (7.0%, Decreasing to 3.5%)	Current Health Care Cost Trend Rate (8.0%, Decreasing to 4.5%)	1 Percentage Point Increase (9.0%, Decreasing to 5.5%)
Net OPEB liability (asset)	$ (10,165,015)	$ 2,280,084	$ 17,083,321

Assumption Changes

The discount rate was decreased from 7.10 to 7.00 percent. The health care cost trend rates were changes to start at 8.00 percent.

Investment Policy

The VEBA's policy in regard to the allocation of invested assets is established and may be amended by the board of trustees of the City of Livonia Employees' Retirement System by a majority vote of its members. It is the policy of the board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The VEBA's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the VEBA's adopted asset allocation policy as of November 30, 2023:

City of Livonia Retiree Health and Disability Benefits Plan

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

Note 13 - Other Postemployment Benefit Plan (Continued)

Rate of Return

For the year ended November 30, 2023, the annual money-weighted rate of return on OPEB plan investments, net of OPEB plan investment expense, was 9.89 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Note 14 - Pension and Other Employee Benefits Trust Funds

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

	Employees' Retirement System	Police and Fire Revised Retirement Plan	VEBA
Statement of Net Position			
Cash and investments	$ 199,663,376	$ 7,898,209	$ 128,816,312
Other assets	253,833	319,964	877,977
Liabilities	217,290	6,934	541,630
Net position	$ 199,699,919	$ 8,211,239	$ 129,152,659
Statement of Changes in Net Position			
Investment income	$ 14,852,492	$ 420,908	$ 11,058,543
Contributions	1,884,958	3,604,723	4,184,177
Benefit payments	(20,700,472)	(53,933)	(7,821,179)
Other decreases	(245,479)	(52,999)	(43,325)
Net change in net position	$ (4,208,501)	$ 3,918,699	$ 7,378,216

Note 15 - Tax Abatements

The City uses the industrial facilities tax exemption (PA 198 of 1974) to enter into agreements with local businesses to construct new industrial facilities or rehabilitate historical facilities. Under the program, the City grants reductions of 50 percent of the property tax bill for new property (or it can freeze taxable values for rehabilitation properties) for up to 12 years. For the fiscal year ended November 30, 2023, the City abated $553,881 of taxes under this program. There are no provisions to recapture taxes; however, the abatement may be eliminated if taxes are not paid timely.

The City uses the Commercial Rehabilitation Act exemption (PA 210 of 2005) to provide tax incentives for the rehabilitation of commercial property for the primary purpose and use of a commercial business or multifamily residential facility. The property must be located within an established commercial rehabilitation district. Exemptions are approved for a term of 1 to 10 years, as determined by the City. The property taxes are based upon the previous year's (prior to rehabilitation) taxable value. The taxable value is frozen for the duration of the certificate. For the fiscal year ended November 30, 2023, the City abated $87,032 of taxes under this program. There are no provisions to recapture taxes.

The City also uses the personal property tax relief in distressed communities exemption (PA 328 of 1998) to abate personal property taxes on new investments made by eligible businesses. Under this program, the City grants reductions of 100 percent of the personal property tax bill. For the fiscal year ended November 30, 2023, the City abated $2,977 of taxes under the program. There are no provisions to recapture taxes.

Note 15 - Tax Abatements (Continued)

Additionally, the Brownfield Redevelopment Authority, a discretely presented component unit, uses brownfield redevelopment agreements under PA 381 of 1996 to reimburse taxpayers that remediate environmental contamination on their properties. As a result of these agreements, the brownfield's tax revenue is reduced. For the fiscal year ended November 30, 2023, the Brownfield Redevelopment Authority abated $282,049 of taxes under this program. There are no provisions to recapture taxes.

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

Note 16 - Deferred Inflows of Resources

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

Property taxes, special assessments, and other receivables - Unavailable	$ 3,030,151
State sources - Unavailable	937,547
911 surcharge revenue - Unavailable	216,938
Local Community Stabilization Authority - Unavailable	3,192,356
Grant revenue - Unavailable	301,413
Leases	3,927,044
Total deferred inflows	$ 11,605,449

Note 17 - Leases

The City leases fiber-optic cable and infrastructure from a third party and is required to make fixed annual payments.

Lease asset activity of the City is included in Note 5.

Future principal and interest payment requirements related to the City's lease liability at November 30, 2023 are as follows:

Years Ending	Principal	Interest	Total
2024	$ 60,164	$ 14,643	$ 74,807
2025	61,640	13,169	74,809
2026	63,149	11,659	74,808
2027	64,696	10,112	74,808
2028	66,281	8,527	74,808
2029-2032	281,764	17,468	299,232
Total	$ 597,694	$ 75,578	$ 673,272

The City leases certain assets to various third parties. The assets leased include cell towers and buildings. Payments are generally fixed monthly.

During the year ended November 30, 2023, the City recognized the following related to its lessor agreements:

Lease revenue	$ 623,017
Interest income related to its leases	85,184

Note 18 - Prior Period Adjustment

During the year ended November 30, 2023, the City identified an error in the previous OPEB actuarial measurement. The net OPEB liability as of November 30, 2022 was overstated due to incorrect premium rates being used. To correct the error, the City adjusted beginning net position as follows:

	Governmental Activities	Water and Sewer	Housing	Golf Course	Total Business-type Activities
Net position - November 30, 2022, as previously reported	$ 181,273,765	$ 105,791,947	$ 7,406,199	$ 5,244,743	$ 118,442,889
To correct the net OPEB liability	94,111,195	2,856,676	403,426	325,252	3,585,354
Net position - November 30, 2022, as restated	$ 275,384,960	$ 108,648,623	$ 7,809,625	$ 5,569,995	$ 122,028,243

Required Supplementary Information

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenue				
Property Taxes	$ 37,468,590	$ 37,468,590	$ 37,477,674	$ 9,084
Licenses and Permits				
Business	166,700	166,700	170,700	4,000
Nonbusiness	2,952,000	2,952,000	2,703,811	(248,189)
Total licenses and permits	3,118,700	3,118,700	2,874,511	(244,189)
Intergovernmental Revenue				
State and local	13,363,348	13,609,348	13,980,498	371,150
Grants	62,500	62,500	155,356	92,856
Total intergovernmental revenue	13,425,848	13,671,848	14,135,854	464,006
Charges for Services	4,902,750	4,902,750	5,666,748	763,998
Interest and Rents	2,796,969	3,696,969	4,235,663	538,694
Fines and Forfeitures	3,138,026	3,138,026	3,239,074	101,048
Miscellaneous Revenue				
Sale of fixed assets	150,000	150,000	147,850	(2,150)
Other miscellaneous	2,117,661	2,265,521	1,694,475	(571,046)
Total miscellaneous revenue	2,267,661	2,415,521	1,842,325	(573,196)
Total revenue	**$ 67,118,544**	**$ 68,412,404**	**$ 69,471,849**	**$ 1,059,445**
Expenditures				
General Government				
Legislative:				
City Council	$ 312,021	$ 312,021	$ 269,496	$ 42,525
City Clerk	631,484	577,984	566,686	11,298
Elections	376,094	372,394	372,329	65
Total legislative	1,319,599	1,262,399	1,208,511	53,888
Judicial	3,104,346	3,104,346	3,048,480	55,866
Executive - Mayor's office	515,464	527,464	526,960	504
Human resources:				
Labor relations	96,500	45,500	45,463	37
Civil service	833,562	741,062	740,769	293
Total human resources	930,062	786,562	786,232	330

Required Supplemental Information
Budgetary Comparison Schedule – General Fund (Continued)

Year Ended November 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
Expenditures (Continued)				
General Government (Continued)				
Financial administration:				
Accounting	$ 227,442	$ 254,942	$ 254,876	$ 66
Assessing	652,605	652,605	642,412	10,193
Finance	428,000	439,500	439,440	60
Independent audit	42,859	57,359	57,253	106
Board of review	3,545	3,545	3,100	445
Treasurer	604,347	604,347	602,106	2,241
Information systems	1,362,324	1,362,324	2,019,107	(656,783)
Total financial administration	3,321,122	3,374,622	4,018,294	(643,672)
Other activities:				
Legal	860,645	882,145	881,872	273
Communications	400,731	387,731	313,181	74,550
Government affairs	184,371	16,371	16,332	39
Utilities and supplies	551,593	450,593	450,558	35
Dues and subscriptions	58,000	45,000	44,839	161
Total other activities	2,055,340	1,781,840	1,706,782	75,058
Total general government	11,245,933	10,837,233	11,295,259	(458,026)
Public Safety				
Police:				
Traffic bureau	1,118,415	1,127,334	1,126,922	412
Administration	3,443,056	3,004,069	3,003,613	456
Data processing	1,088,388	1,002,638	1,001,557	1,081
Detective bureau	3,575,834	3,254,102	3,252,249	1,853
Automotive service	586,150	680,900	680,197	703
Communications/Records bureau	1,014,163	898,413	897,234	1,179
Crossing guards	118,089	73,089	73,028	61
School liaison	547,427	571,507	571,492	15
Office of emergency preparedness	175,493	160,243	159,412	831
Reserve police	418,687	434,687	434,203	484
Patrol bureau	13,867,507	13,428,827	13,427,342	1,485
Intelligence bureau	2,470,179	2,157,579	2,156,886	693
Total police	28,423,388	26,793,388	26,784,135	9,253
Fire:				
Administration	1,305,323	1,472,051	1,471,683	368
Firefighting	14,679,677	14,511,440	14,373,769	137,671
Fire prevention	884,992	886,501	885,592	909
Total fire	16,869,992	16,869,992	16,731,044	138,948

	Original Budget	Final Budget	Actual	Variance with Final Budget
Expenditures (Continued)				
Public Safety (Continued)				
Protective inspection:				
Building Code Board of Appeals	$ 1,861	$ 1,861	$ 20	$ 1,841
Inspection	1,832,980	1,832,980	1,721,342	111,638
Total protective inspection	1,834,841	1,834,841	1,721,362	113,479
Other protective - Traffic commission	2,353	2,353	1,852	501
Total public safety	47,130,574	45,500,574	45,238,393	262,181
Public Works				
Public services - Highways, streets, and maintenance:				
Engineering	795	11,795	11,320	475
Parks maintenance	1,407,503	1,413,503	1,413,293	210
Administration	21,971	36,971	558	36,413
Equipment maintenance	128,377	76,877	72,086	4,791
Building maintenance	1,817,657	1,513,657	1,498,465	15,192
Street lighting	242,321	290,321	289,885	436
Maintenance - Streets	271,255	546,755	545,926	829
Total public works	3,889,879	3,889,879	3,831,533	58,346
Parks and Recreation and Cultural				
Parks and recreation:				
Administration	138,003	140,703	140,659	44
Recreation facilities	292,056	263,719	259,945	3,774
Recreation athletics	112,294	137,931	137,875	56
Total parks and recreation	542,353	542,353	538,479	3,874
Cultural:				
Senior services	610,732	611,232	611,177	55
Greenmead and cultural	1,015,269	1,162,629	1,137,266	25,363
Total cultural	1,626,001	1,773,861	1,748,443	25,418
Total parks and recreation and cultural	2,168,354	2,316,214	2,286,922	29,292
Community and Economic Development				
City Planning Commission	695,738	635,738	632,173	3,565
Zoning Board of Appeals	58,973	58,973	9,689	49,284
Total community and economic development	754,711	694,711	641,862	52,849
Employee Benefits, Insurance, and Other	1,927,621	5,172,321	5,168,626	3,695
Total expenditures	**$ 67,117,072**	**$ 68,410,932**	**$ 68,462,595**	**$ (51,663)**

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

Year Ended November 30, 2023

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Property taxes	$ 11,235,122	$ 11,235,122	$ 11,237,551	$ 2,429
State and local revenue	1,361,596	1,361,596	1,523,100	161,504
Charges for services	125,000	125,000	110,045	(14,955)
Investment income	100,000	100,000	680,483	580,483
Other revenue	25,000	25,000	4,134	(20,866)
Total revenue	12,846,718	12,846,718	13,555,313	708,595
Expenditures - Current services - Public works	13,601,198	13,807,611	12,526,045	1,281,566
Excess of Revenue (Under) Over Expenditures	(754,480)	(960,893)	1,029,268	1,990,161
Net Change in Fund Balances	(754,480)	(960,893)	1,029,268	1,990,161
Fund Balances - Beginning of year	10,406,999	10,406,999	10,406,999	-
Fund Balances - End of year	**$ 9,652,519**	**$ 9,446,106**	**$ 11,436,267**	**$ 1,990,161**

See notes to required supplementary information.

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

Year Ended November 30, 2023

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Property taxes	$ 4,139,517	$ 4,139,517	$ 4,140,042	$ 525
State and local revenue	500,600	819,600	810,493	(9,107)
Investment income	20,000	20,000	329,998	309,998
Other revenue:				
Transfers in	7,150,000	7,150,000	7,150,000	-
Miscellaneous revenue	-	-	43	43
Total revenue	11,810,117	12,129,117	12,430,576	301,459
Expenditures - Current services - Public works	12,762,912	15,359,231	14,323,959	1,035,272
Excess of Revenue (Under) Over Expenditures	(952,795)	(3,230,114)	(1,893,383)	1,336,731
Net Change in Fund Balances	(952,795)	(3,230,114)	(1,893,383)	1,336,731
Fund Balances - Beginning of year	3,824,956	3,824,956	3,824,956	-
Fund Balances - End of year	**$ 2,872,161**	**$ 594,842**	**$ 1,931,573**	**$ 1,336,731**

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

Last Ten Fiscal Years
Years Ended November 30

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Annual money-weighted rate of return - Net of investment expense	10.02 %	(9.16)%	17.81 %	10.27 %	12.45 %	(1.66)%	17.45 %	6.50 %	1.40 %	9.60 %

See notes to required supplementary information.

	2023	2022	2021	2020	2019
Total Pension Liability					
Service cost	$ 399,577	$ 588,570	$ 997,853	$ 908,315	$ 1,645,242
Interest	15,873,611	16,119,192	16,347,439	16,419,283	16,950,423
Changes in benefit terms	-	-	-	-	-
Differences between expected and actual experience	2,026,080	1,511,595	1,562,337	2,210,334	(11,621,805)
Changes in assumptions	2,060,266	2,070,007	1,371,992	2,035,532	8,335,763
Benefit payments, including refunds	(20,700,472)	(20,111,628)	(19,748,739)	(19,466,578)	(19,570,956)
Net Change in Total Pension Liability	(340,938)	177,736	530,882	2,106,886	(4,261,333)
Total Pension Liability - Beginning of year	233,522,651	233,344,915	232,814,033	230,707,147	234,968,480
Total Pension Liability - End of year	**$ 233,181,713**	**$ 233,522,651**	**$ 233,344,915**	**$ 232,814,033**	**$ 230,707,147**
Plan Fiduciary Net Position					
Contributions - Employer	$ 1,786,885	$ 2,393,141	$ 1,948,485	$ 1,019,900	$ 432,885
Contributions - Member	98,073	142,482	175,358	212,251	273,901
Net investment (loss) income	14,852,492	(20,072,738)	37,112,851	22,172,808	25,843,649
Administrative expenses	(245,479)	(282,819)	(255,672)	(232,019)	(247,666)
Benefit payments, including refunds	(20,700,472)	(20,111,628)	(19,748,739)	(19,466,578)	(19,570,956)
Net Change in Plan Fiduciary Net Position	(4,208,501)	(37,931,562)	19,232,283	3,706,362	6,731,813
Plan Fiduciary Net Position - Beginning of year	203,908,420	241,839,982	222,607,699	218,901,337	212,169,524
Plan Fiduciary Net Position - End of year	**$ 199,699,919**	**$ 203,908,420**	**$ 241,839,982**	**$ 222,607,699**	**$ 218,901,337**
City's Net Pension Liability (Asset) - Ending	**$ 33,481,794**	**$ 29,614,231**	**$ (8,495,067)**	**$ 10,206,334**	**$ 11,805,810**
Plan Fiduciary Net Position as a Percentage of Total Pension Liability (Asset)	85.64 %	87.32 %	103.64 %	95.62 %	94.88 %
Covered Payroll	$ 1,222,710	$ 2,522,850	$ 3,303,324	$ 3,997,860	$ 4,579,558
City's Net Pension Liability (Asset) as a Percentage of Covered Payroll	2,738.33 %	1,173.84 %	(257.17)%	255.29 %	257.79 %

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

Last Ten Fiscal Years

2018	2017	2016	2015	2014
$ 1,655,509	$ 1,721,106	$ 1,644,915	$ 1,530,027	$ 1,647,392
15,849,006	16,209,241	15,949,081	15,607,024	15,516,271
110,794	-	526,875	-	-
990,792	(235,377)	3,014,188	(673,125)	401,554
14,813,206	9,009,758	-	4,763,196	-
(17,886,317)	(18,048,385)	(17,793,928)	(16,223,788)	(16,520,444)
15,532,990	8,656,343	3,341,131	5,003,334	1,044,773
219,435,490	210,779,147	207,438,016	202,434,682	201,389,909
$ 234,968,480	**$ 219,435,490**	**$ 210,779,147**	**$ 207,438,016**	**$ 202,434,682**
$ 558,568	$ 336,320	$ 815,291	$ 2,158,913	$ 3,634,058
308,076	345,164	380,988	386,983	400,503
(1,636,195)	34,908,239	14,021,405	4,353,881	20,367,342
(230,600)	(210,695)	(216,924)	(212,335)	(194,367)
(17,886,317)	(18,048,385)	(17,793,928)	(16,223,788)	(16,520,444)
(18,886,468)	17,330,643	(2,793,168)	(9,536,346)	7,687,092
231,055,992	213,725,349	216,518,517	226,054,863	218,367,771
$ 212,169,524	**$ 231,055,992**	**$ 213,725,349**	**$ 216,518,517**	**$ 226,054,863**
$ 22,798,956	**$ (11,620,502)**	**$ (2,946,202)**	**$ (9,080,501)**	**$ (23,620,181)**
90.30 %	105.30 %	101.40 %	104.38 %	111.67 %
$ 6,446,503	$ 6,682,629	$ 7,625,911	$ 9,070,569	$ 9,312,278
353.66 %	(173.89)%	(38.63)%	(100.11)%	(253.65)%

Required Supplementary Information
Schedule of Pension Contributions
Employees' Retirement System

Last Ten Fiscal Years
Years Ended November 30

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	$ 1,786,885	$ 2,393,141	$ 1,948,485	$ 1,019,901	$ 432,885	$ -	$ 336,320	$ 815,291	$ 2,158,913	$ 3,634,058
Contributions in relation to the actuarially determined contribution	1,786,885	2,393,141	1,948,485	1,019,901	432,885	558,568	336,320	815,291	2,158,913	3,634,058
Contribution Excess	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 558,568**	**$ -**	**$ -**	**$ -**	**$ -**
Covered Payroll	$ 1,222,710	$ 2,522,850	$ 3,303,324	$ 3,997,860	$ 4,579,558	$ 6,446,503	$ 6,682,629	$ 7,625,911	$ 9,070,569	$ 9,312,278
Contributions as a Percentage of Covered Payroll	146.14 %	94.86 %	58.99 %	25.51 %	9.45 %	8.66 %	5.03 %	10.69 %	23.80 %	39.02 %

Notes to Schedule of Pension Contributions

Actuarial valuation information relative to the determination of contributions:

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Aggregate
Amortization method	Level dollar
Remaining amortization period	13 years
Asset valuation method	5-year smoothed market
Inflation	2.5 percent
Salary increase	4.0 percent, including inflation
Investment rate of return	7.20 percent
Mortality	Pub-2010 Employee mortality tables with generational improvements using Scale MP-2020

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

Last Three Fiscal Years
Years Ended November 30

	2023	2022	2021
Annual money-weighted rate of return - Net of investment expense	7.67 %	(10.23)%	- %

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

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

Last Three Fiscal Years

	2023	2022	2021
Total Pension Liability			
Service cost	$ 3,011,099	$ 2,565,868	$ 1,698,114
Interest	546,096	298,171	-
Differences between expected and actual experience	782,190	263,871	-
Benefit payments, including refunds	(53,933)	(8,790)	-
Net Change in Total Pension Liability	4,285,452	3,119,120	1,698,114
Total Pension Liability - Beginning of year	4,817,234	1,698,114	-
Total Pension Liability - End of year	**$ 9,102,686**	**$ 4,817,234**	**$ 1,698,114**
Plan Fiduciary Net Position			
Contributions - Employer	$ 2,585,480	$ 1,756,383	$ 1,037,028
Contributions - Member	1,019,243	935,795	936,427
Net investment income	420,908	(329,449)	-
Administrative expenses	(53,933)	(27,554)	(7,300)
Benefit payments, including refunds	(52,999)	(8,790)	-
Net Change in Plan Fiduciary Net Position	3,918,699	2,326,385	1,966,155
Plan Fiduciary Net Position - Beginning of year	4,292,540	1,966,155	-
Plan Fiduciary Net Position - End of year	**$ 8,211,239**	**$ 4,292,540**	**$ 1,966,155**
City's Net Pension Liability - Ending	**$ 891,447**	**$ 524,694**	**$ (268,041)**
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	90.21 %	89.11 %	115.78 %
Covered Payroll	$ 12,988,303	$ 12,593,492	$ 6,715,276
City's Net Pension Liability as a Percentage of Covered Payroll	6.86 %	4.17 %	(3.99)%

*Schedule is built prospectively upon creation of the plan

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

Last Three Fiscal Years
Years Ended November 30

	2023	2022	2021
Actuarially determined contribution	$ 2,585,480	$ 1,756,383	$ 1,037,028
Contributions in relation to the actuarially determined contribution	2,585,480	1,756,383	1,037,028
Contribution excess	**$ -**	**$ -**	**$ -**
Covered payroll	$ 12,988,303	$ 12,593,492	$ 6,715,276
Contributions as a percentage of covered payroll	19.91 %	13.95 %	15.44 %

Notes to Schedule of Pension Contributions

Actuarial valuation information relative to the determination of contributions:

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll
Remaining amortization period	18 years
Asset valuation method	5-year smoothed market
Inflation	2.50 percent
Salary increase	6.00 percent
Investment rate of return	7.00 percent
Mortality	Pub-2010 Employee mortality tables with generational improvements using Scale MP-2020

Required Supplementary Information
Schedule of OPEB Investment Returns

Last Seven Fiscal Years
Years Ended November 30

	2023	2022	2021	2020	2019	2018	2017
Annual money-weighted rate of return - Net of investment expense	9.89 %	(7.92)%	15.32 %	8.64 %	11.76 %	(2.29)%	16.21 %

*Schedule built prospectively upon implementation of GASB 74/75

See notes to required supplementary information.

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

Last Seven Fiscal Years

	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability							
Service cost	$ 1,347,853	$ 2,003,858	$ 1,638,292	$ 2,753,080	$ 5,782,551	$ 5,181,469	$ 4,381,818
Interest	8,307,580	14,545,843	14,973,640	15,505,638	14,135,767	12,715,690	12,061,649
Changes in benefit terms	-	(106,680,323)	5,428,511	-	-	-	-
Differences between expected and actual experience	7,274,098	14,818,580	(6,049,507)	(13,380,004)	(14,440,265)	(14,191,268)	9,974,080
Changes in assumptions	2,079,564	71,910	(10,851,167)	538,411	(74,592,646)	51,279,390	24,668,349
Benefit payments, including refunds	(7,821,179)	(8,918,552)	(8,286,693)	(9,135,489)	(8,075,351)	(7,708,963)	(7,037,118)
Net Change in Total OPEB Liability	11,187,916	(84,158,684)	(3,146,924)	(3,718,364)	(77,189,944)	47,276,318	44,048,778
Total OPEB Liability - Beginning of year	120,244,827	204,403,511	207,550,435	211,268,799	288,458,743	241,182,425	197,133,647
Total OPEB Liability - End of year	**$ 131,432,743**	**$ 120,244,827**	**$ 204,403,511**	**$ 207,550,435**	**$ 211,268,799**	**$ 288,458,743**	**$ 241,182,425**
Plan Fiduciary Net Position							
Contributions - Employer	$ 3,871,252	$ 3,413,483	$ 5,529,951	$ 5,331,203	$ 4,924,890	$ 4,499,324	$ 5,087,462
Contributions - Active and inactive plan members not yet receiving benefits	312,925	347,962	375,139	389,287	426,231	473,346	484,737
Net investment income (loss)	11,058,543	(11,342,121)	18,004,346	10,638,551	12,365,868	(1,556,473)	15,195,332
Administrative expenses	(43,325)	(51,099)	(53,730)	(49,673)	(48,875)	(58,229)	(35,971)
Benefit payments, including refunds	(7,821,179)	(8,918,552)	(8,286,693)	(9,135,489)	(8,075,351)	(7,708,963)	(7,037,118)
Net Change in Plan Fiduciary Net Position	7,378,216	(16,550,327)	15,569,013	7,173,879	9,592,763	(4,350,995)	13,694,442
Plan Fiduciary Net Position - Beginning of year	121,774,443	138,324,770	122,755,757	115,581,878	105,989,115	110,340,110	96,645,668
Plan Fiduciary Net Position - End of year	**$ 129,152,659**	**$ 121,774,443**	**$ 138,324,770**	**$ 122,755,757**	**$ 115,581,878**	**$ 105,989,115**	**$ 110,340,110**
Net OPEB Liability - Ending	**$ 2,280,084**	**$ (1,529,616)**	**$ 66,078,741**	**$ 84,794,678**	**$ 95,686,921**	**$ 182,469,628**	**$ 130,842,315**
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	98.27 %	101.27 %	67.67 %	59.15 %	54.71 %	36.74 %	45.75 %
Covered Payroll	$ 33,760,648	$ 34,261,025	$ 38,631,666	$ 36,744,168	$ 35,774,188	$ 36,890,435	$ 34,729,209
Net OPEB Liability as a Percentage of Covered Payroll	6.75 %	(4.46)%	171.05 %	230.77 %	267.47 %	494.63 %	376.75 %

*Schedule is built prospectively upon implementation of GASB 74/75. The beginning of year total OPEB liability for 2023 was restated to correct an error in the 2022 valuation.

Required Supplementary Information
Schedule of OPEB Contributions

Last Ten Fiscal Years
Years Ended November 30

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	$ 5,956,424	$ 3,018,366	$ 4,031,442	$ 3,251,858	$ 4,054,515	$ 4,018,307	$ 4,517,014	$ 5,108,040	$ 5,907,902	$ 7,066,283
Contributions in relation to the actuarially determined contribution	3,871,252	3,413,483	5,529,951	5,331,203	4,924,890	4,499,324	5,087,462	4,665,664	5,361,926	6,388,086
Contribution Excess (Deficiency)	**$ (2,085,172)**	**$ 395,117**	**$ 1,498,509**	**$ 2,079,345**	**$ 870,375**	**$ 481,017**	**$ 570,448**	**$ (442,376)**	**$ (545,976)**	**$ (678,197)**
Covered Payroll	$ 33,760,648	$ 34,261,025	$ 38,631,666	$ 36,744,168	$ 35,774,188	$ 36,890,435	$ 34,729,209	$ 31,408,000	$ 30,560,000	$ 30,964,000
Contributions as a Percentage of Covered Payroll	11.47 %	9.96 %	14.31 %	14.51 %	13.77 %	12.20 %	14.65 %	14.86 %	17.55 %	20.63 %

Notes to Schedule of Contributions

Actuarial valuation information relative to the determination of contributions:

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level Dollar
Remaining amortization period	24 years
Asset valuation method	Market value
Inflation	3.0 percent
Health care cost trend rates	8.0 percent, decreasing to 4.5 percent
Salary increase	3.0 percent
Investment rate of return	7.0 percent
Mortality	Pub-2010 Employee mortality tables with generational improvements using Scale MP-2021

Budgetary Information

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

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

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

2. Public hearings are conducted to obtain citizen comments.

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

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

Reconciliation of Budgeted Amounts to Basic Financial Statements

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

	Total Revenue	Total Expenditures
Amounts per operating statement	$ 68,558,240	$ 64,857,618
Operating transfers budgeted as expenditures	-	3,457,117
Reimbursing transfer budgeted as revenue	147,860	147,860
Other financing sources budgeted as revenue	765,749	-
Amounts per budget statement	$ 69,471,849	$ 68,462,595

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

	Total Revenue	Total Expenditures
Amounts per operating statement	$ 5,280,576	$ 14,323,959
Operating transfers budgeted as revenue	7,150,000	-
Amounts per budget statement	$ 12,430,576	$ 14,323,959

Excess of expenditures over appropriations in budgeted funds - During the year, the General Fund's general government function incurred expenditures that were in excess of the amounts budgeted due to a new lease entered into. The final budget for the general government function was $10,837,233 and actual expenditures were $11,295,259.

Pension Information

Changes in Assumptions

In 2023, the discount rate was changed from 7.10 to 7.00 percent.

In 2022, the discount rate was changed from 7.20 to 7.10 percent.

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

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

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

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

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

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

OPEB Information

Changes in Assumptions

In 2023, the discount rate was changed from 7.10 to 7.00 percent. The beginning health care cost trend rate was increased from 7.50 percent to 8.00 percent.

In 2022, the discount rate was changed from 7.20 to 7.10 percent. The beginning health care cost trend rate was increased from 5.80 percent to 7.50 percent for non-Medicare, and the Medicare health care cost trend rate was included with a beginning rate of 6.50 percent. The incremental decreasing percentage per year was increased from 0.10 percent to 0.5 percent for non-Medicare and 0.25 percent for Medicare, and the ultimate ending rate was decreased from 5.00 percent to 4.50 percent. The inflation assumption was increased from 2.50 percent to 3.00 percent.

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

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

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

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

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

Other Supplementary Information

	Special Revenue Funds										
	Major Streets	Local Streets	Community Recreation	Grants	SAD Street Lighting	Cable Television	Library	Public Safety Communication	Adjudicated Forfeitures	Community Transit	Designated Purpose
Assets											
Cash and investments	$ 1,810,348	$ 746,151	$ 5,515,779	$ 244,581	$ 837,179	$ 478,113	$ 6,680,835	$ 4,594,286	$ 2,943,260	$ 1,256,821	$ 598,986
Accounts receivable:											
Property taxes	-	-	3,081	-	-	-	3,172	-	-	1,961	-
Special assessments	-	-	-	-	-	-	-	-	-	-	-
Due from other governmental units	1,468,026	558,967	335,733	246,722	-	-	194,981	-	-	120,515	-
Other	6,994	-	15,125	153,617	-	-	-	216,938	8,925	5,519	-
Lease receivable	-	-	202,647	-	-	-	-	-	-	-	-
Total assets	**$ 3,285,368**	**$ 1,305,118**	**$ 6,072,365**	**$ 644,920**	**$ 837,179**	**$ 478,113**	**$ 6,878,988**	**$ 4,811,224**	**$ 2,952,185**	**$ 1,384,816**	**$ 598,986**
Liabilities											
Accounts payable	$ 89,975	$ -	$ 240,848	$ 60,425	$ -	$ 7,627	$ 122,773	$ 6,191	$ 24,909	$ 53,362	$ 3,680
Accrued and other liabilities	-	-	69,084	20,339	-	12,764	120,183	17,213	-	18,391	178,540
Unearned revenue	-	-	638,549	223,736	-	-	-	-	-	-	-
Due to fiduciary funds	-	-	-	-	-	-	25,366	-	-	-	-
Total liabilities	89,975	-	948,481	304,500	-	20,391	268,322	23,404	24,909	71,753	182,220
Deferred Inflows of Resources											
Unavailable revenue	-	-	318,192	136,467	-	-	198,048	216,938	-	122,411	-
Leases	-	-	177,805	-	-	-	-	-	-	-	-
Total deferred inflows of resources	-	-	495,997	136,467	-	-	198,048	216,938	-	122,411	-
Total liabilities and deferred inflows of resources	89,975	-	1,444,478	440,967	-	20,391	466,370	240,342	24,909	194,164	182,220
Fund Balances											
Restricted:											
Streets, roads, and sidewalks	3,195,393	1,305,118	-	-	-	-	-	-	-	-	-
Adjudicated forfeitures	-	-	-	-	-	-	-	-	2,927,276	-	-
Grants	-	-	-	203,953	-	-	-	-	-	-	-
Capital improvements	-	-	-	-	-	-	-	-	-	-	-
Community recreation	-	-	4,627,887	-	-	-	-	-	-	-	-
Street lighting	-	-	-	-	837,179	-	-	-	-	-	-
Library	-	-	-	-	-	-	6,412,618	-	-	-	-
Public safety communication	-	-	-	-	-	-	-	4,570,882	-	-	-
Community transit	-	-	-	-	-	-	-	-	-	1,190,652	-
Designated purpose	-	-	-	-	-	-	-	-	-	-	416,766
Health care	-	-	-	-	-	-	-	-	-	-	-
Committed:											
Cable access television	-	-	-	-	-	457,722	-	-	-	-	-
Arts Commission	-	-	-	-	-	-	-	-	-	-	-
Historical Commission	-	-	-	-	-	-	-	-	-	-	-
Assigned:											
Golf course capital improvements	-	-	-	-	-	-	-	-	-	-	-
Building improvements	-	-	-	-	-	-	-	-	-	-	-
Court building improvements	-	-	-	-	-	-	-	-	-	-	-
Senior center construction	-	-	-	-	-	-	-	-	-	-	-
Total fund balances	3,195,393	1,305,118	4,627,887	203,953	837,179	457,722	6,412,618	4,570,882	2,927,276	1,190,652	416,766
Total liabilities, deferred inflows of resources, and fund balances	**$ 3,285,368**	**$ 1,305,118**	**$ 6,072,365**	**$ 644,920**	**$ 837,179**	**$ 478,113**	**$ 6,878,988**	**$ 4,811,224**	**$ 2,952,185**	**$ 1,384,816**	**$ 598,986**

November 30, 2023

Special Revenue Funds			Debt Service Funds			Capital Projects Funds						
Historical Commission	Arts Commission Fund	Opioid Settlement Fund	2015 MBA Refunding	2016 MBA Refunding	2017 MBA Refunding	Golf Course Capital Improvement	Capital Improvement	Special Assessments	Court Building Improvements	Building Improvement	Senior Center Construction	Total Nonmajor Governmental Funds
$ 398,602	$ 82,632	$ 377,199	$ -	$ -	$ -	$ 518,314	$10,111,795	$ 1,141,289	$ 42,223	$ 11,006,795	$ 4,121,607	$ 53,506,795
-	-	-	-	-	-	-	-	-	-	-	-	8,214
-	-	-	-	-	-	-	-	229,909	-	-	-	229,909
-	-	-	-	-	-	-	-	-	-	-	-	2,924,944
-	-	1,595,219	-	-	-	-	-	-	-	-	-	2,002,337
-	-	-	-	-	-	-	-	-	-	-	-	202,647
$ 398,602	**$ 82,632**	**$ 1,972,418**	**$ -**	**$ -**	**$ -**	**$ 518,314**	**$10,111,795**	**$ 1,371,198**	**$ 42,223**	**$ 11,006,795**	**$ 4,121,607**	**$ 58,874,846**
$ 162	$ 1,441	$ -	$ -	$ -	$ -	$ 68,673	$ 377,374	$ -	$ -	$ 50,000	$ 10,358	$ 1,117,798
35,791	-	-	-	-	-	-	-	-	-	-	-	472,305
-	-	-	-	-	-	-	5,231	-	-	-	-	867,516
-	-	-	-	-	-	-	-	-	-	-	-	25,366
35,953	1,441	-	-	-	-	68,673	382,605	-	-	50,000	10,358	2,482,985
-	-	1,595,218	-	-	-	-	-	195,260	-	-	-	2,782,534
-	-	-	-	-	-	-	-	-	-	-	-	177,805
-	-	1,595,218	-	-	-	-	-	195,260	-	-	-	2,960,339
35,953	1,441	1,595,218	-	-	-	68,673	382,605	195,260	-	50,000	10,358	5,443,324
-	-	-	-	-	-	-	-	-	-	-	-	4,500,511
-	-	-	-	-	-	-	-	-	-	-	-	2,927,276
-	-	-	-	-	-	-	-	-	-	-	-	203,953
-	-	-	-	-	-	-	9,729,190	1,175,938	-	-	-	10,905,128
-	-	-	-	-	-	-	-	-	-	-	-	4,627,887
-	-	-	-	-	-	-	-	-	-	-	-	837,179
-	-	-	-	-	-	-	-	-	-	-	-	6,412,618
-	-	-	-	-	-	-	-	-	-	-	-	4,570,882
-	-	-	-	-	-	-	-	-	-	-	-	1,190,652
-	-	-	-	-	-	-	-	-	-	-	-	416,766
-	-	377,200	-	-	-	-	-	-	-	-	-	377,200
-	-	-	-	-	-	-	-	-	-	-	-	457,722
-	81,191	-	-	-	-	-	-	-	-	-	-	81,191
362,649	-	-	-	-	-	-	-	-	-	-	-	362,649
-	-	-	-	-	-	449,641	-	-	-	-	-	449,641
-	-	-	-	-	-	-	-	-	-	10,956,795	-	10,956,795
-	-	-	-	-	-	-	-	-	42,223	-	-	42,223
-	-	-	-	-	-	-	-	-	-	-	4,111,249	4,111,249
362,649	81,191	377,200	-	-	-	449,641	9,729,190	1,175,938	42,223	10,956,795	4,111,249	53,431,522
$ 398,602	**$ 82,632**	**$ 1,972,418**	**$ -**	**$ -**	**$ -**	**$ 518,314**	**$10,111,795**	**$ 1,371,198**	**$ 42,223**	**$ 11,006,795**	**$ 4,121,607**	**$ 58,874,846**

	Special Revenue Funds										
	Major Streets	Local Streets	Community Recreation	Grants	SAD Street Lighting	Cable Television	Library	Public Safety Communication	Adjudicated Forfeitures	Community Transit	Designated Purpose
Revenue											
Property taxes	$ -	$ -	$ 3,656,781	$ -	$ -	$ -	$ 3,765,346	$ -	$ -	$ 218,359	$ -
Special assessments	-	-	-	-	1,155,067	-	-	-	-	-	-
Intergovernmental:											
Federal revenue	-	-	-	1,000,625	-	-	-	-	55,045	32,691	-
State and local revenue	9,256,827	3,513,995	375,850	263,322	-	-	665,801	-	-	426,625	-
Charges for services	-	-	4,133,074	-	-	-	15,254	499,865	-	30,197	-
Fines and forfeitures	-	-	-	-	-	-	21,402	-	198,571	-	-
Investment income	95,468	43,006	282,100	-	38,270	27,419	322,650	183,640	113,813	65,327	-
Other revenue	-	-	221,312	-	-	347,967	111,921	-	8,925	51,675	145,573
Total revenue	9,352,295	3,557,001	8,669,117	1,263,947	1,193,337	375,386	4,902,374	683,505	376,354	824,874	145,573
Expenditures											
Current services:											
Public safety	-	-	-	383,818	-	-	-	146,135	75,900	-	-
Public works	2,120,563	3,092,054	-	-	1,029,174	-	-	-	-	-	-
Community and economic development	-	-	-	814,471	-	-	-	-	-	-	-
Recreation and culture	-	-	5,917,034	-	-	648,382	4,039,841	-	-	981,393	113,009
Capital outlay	-	-	-	-	-	-	-	-	-	-	-
Debt service:											
Principal retirement	-	-	-	-	-	-	-	-	-	-	-
Interest and other	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	2,120,563	3,092,054	5,917,034	1,198,289	1,029,174	648,382	4,039,841	146,135	75,900	981,393	113,009
Excess of Revenue Over (Under) Expenditures	7,231,732	464,947	2,752,083	65,658	164,163	(272,996)	862,533	537,370	300,454	(156,519)	32,564
Other Financing Sources (Uses)											
Transfers in	-	6,700,000	-	17,728	-	-	-	-	-	-	-
Transfers out	(6,700,000)	(7,150,000)	(2,175,420)	-	-	-	-	-	-	-	-
New debt issued	-	-	-	-	-	-	-	-	-	-	-
Total other financing (uses) sources	(6,700,000)	(450,000)	(2,175,420)	17,728	-	-	-	-	-	-	-
Net Change in Fund Balances	531,732	14,947	576,663	83,386	164,163	(272,996)	862,533	537,370	300,454	(156,519)	32,564
Fund Balances - Beginning of year	2,663,661	1,290,171	4,051,224	120,567	673,016	730,718	5,550,085	4,033,512	2,626,822	1,347,171	384,202
Fund Balances - End of year	**$ 3,195,393**	**$ 1,305,118**	**$ 4,627,887**	**$ 203,953**	**$ 837,179**	**$ 457,722**	**$ 6,412,618**	**$ 4,570,882**	**$ 2,927,276**	**$ 1,190,652**	**$ 416,766**

Year Ended November 30, 2023

Special Revenue Funds			Debt Service Funds			Capital Projects Funds						
Historical Commission	Arts Commission Fund	Opioid Settlement Fund	2015 MBA Refunding	2016 MBA Refunding	2017 MBA Refunding	Golf Course Capital Improvement	Capital Improvement	Special Assessments	Court Building Improvements	Building Improvement	Senior Center Construction	Total Nonmajor Governmental Funds
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 2,108,950	$ -	$ -	$ -	$ -	$ 9,749,436
-	-	-	-	-	-	-	-	89,700	-	-	-	1,244,767
-	-	-	-	-	-	-	-	-	-	-	-	1,088,361
-	-	-	-	-	-	-	929,953	-	-	-	-	15,432,373
48,936	-	-	-	-	-	130,760	-	-	-	-	-	4,858,086
-	-	-	-	-	-	-	-	-	408,131	-	-	628,104
16,183	3,705	11,315	-	-	-	20,449	419,331	68,445	2,362	410,876	172,756	2,297,115
102,152	2,667	97,967	-	-	-	-	-	-	-	-	-	1,090,159
167,271	6,372	109,282	-	-	-	151,209	3,458,234	158,145	410,493	410,876	172,756	36,388,401
-	-	-	-	-	-	-	-	-	-	-	-	605,853
-	-	-	-	-	-	-	-	-	-	-	-	6,241,791
-	-	-	-	-	-	-	-	-	-	-	-	814,471
174,270	12,081	-	-	-	-	-	-	-	-	-	-	11,886,010
-	-	-	-	-	-	622,204	5,327,973	197,711	-	103,850	67,341	6,319,079
-	-	-	170,000	360,000	1,455,000	-	-	-	-	-	-	1,985,000
-	-	-	11,245	188,300	539,175	-	-	-	-	-	-	738,720
174,270	12,081	-	181,245	548,300	1,994,175	622,204	5,327,973	197,711	-	103,850	67,341	28,590,924
(6,999)	(5,709)	109,282	(181,245)	(548,300)	(1,994,175)	(470,995)	(1,869,739)	(39,566)	410,493	307,026	105,415	7,797,477
-	-	-	181,245	548,300	1,994,175	-	2,089,389	-	100,000	1,250,000	-	12,880,837
-	-	-	-	-	-	-	-	-	(548,300)	-	-	(16,573,720)
-	-	-	-	-	-	459,334	-	-	-	-	-	459,334
-	-	-	181,245	548,300	1,994,175	459,334	2,089,389	-	(448,300)	1,250,000	-	(3,233,549)
(6,999)	(5,709)	109,282	-	-	-	(11,661)	219,650	(39,566)	(37,807)	1,557,026	105,415	4,563,928
369,648	86,900	267,918	-	-	-	461,302	9,509,540	1,215,504	80,030	9,399,769	4,005,834	48,867,594
$ 362,649	**$ 81,191**	**$ 377,200**	**$ -**	**$ -**	**$ -**	**$ 449,641**	**$ 9,729,190**	**$ 1,175,938**	**$ 42,223**	**$ 10,956,795**	**$ 4,111,249**	**$ 53,431,522**

Other Supplementary Information
Combining Statement of Fiduciary Net Position
Fiduciary Funds

November 30, 2023

	Pension and Other Employee Benefit Trust Funds				Custodial Funds					
	Employees' Retirement System	Police and Fire Revised Retirement Plan	VEBA	Total	Special Trust Fund	Undistributed Tax Fund	Special Operation Team	Western Wayne Mobile Field Force Team	District Court Fund	Total
Assets										
Cash and cash equivalents	$ 1,073,765	$ 8,455	$ 543,650	$ 1,625,870	$ 128,311	$ 6,553,301	$ 59,516	$ 51,811	$ 836,394	$ 7,629,333
Investments:										
U.S. government securities	9,019,974	-	10,600,487	19,620,461	-	-	-	-	-	-
Collateralized mortgage obligations	1,597,339	-	2,182,610	3,779,949	-	-	-	-	-	-
Common stocks	101,561,849	1,015,428	56,085,129	158,662,406	-	-	-	-	-	-
Corporate bonds	5,650,974	-	4,082,783	9,733,757	-	-	-	-	-	-
Real estate investment trust	1,909,050	-	973,290	2,882,340	-	-	-	-	-	-
Foreign bonds	205,573	-	238,007	443,580	-	-	-	-	-	-
Mutual funds	78,644,852	6,874,326	54,110,356	139,629,534	-	-	-	-	-	-
Accounts receivable	97,164	41,994	487,988	627,146	-	-	-	-	-	-
Due from primary government	156,669	277,970	389,989	824,628	-	-	-	-	-	-
Total assets	199,917,209	8,218,173	129,694,289	337,829,671	128,311	6,553,301	59,516	51,811	836,394	7,629,333
Liabilities										
Accounts payable	176,421	6,934	541,630	724,985	2,309	-	-	-	26,979	29,288
Due to other governmental units	40,869	-	-	40,869	-	6,553,301	14,201	-	98,122	6,665,624
Bonds and other deposits	-	-	-	-	126,002	-	-	-	118,433	244,435
Total liabilities	217,290	6,934	541,630	765,854	128,311	6,553,301	14,201	-	243,534	6,939,347
Net Position										
Restricted:										
Pension	199,699,919	8,211,239	-	207,911,158	-	-	-	-	-	-
Postemployment benefits other than pension	-	-	129,152,659	129,152,659	-	-	-	-	-	-
Individuals, organizations, and other governments	-	-	-	-	-	-	45,315	51,811	592,860	689,986
Total net position	**$ 199,699,919**	**$ 8,211,239**	**$ 129,152,659**	**$ 337,063,817**	**$ -**	**$ -**	**$ 45,315**	**$ 51,811**	**$ 592,860**	**$ 689,986**

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

Year Ended November 30, 2023

	Pension and Other Employee Benefit Trust Funds				Custodial Funds					
	Employees' Retirement System	Police and Fire Revised Retirement Plan	VEBA	Total	Special Trust Fund	Undistributed Tax Fund	Special Operation Team	Western Wayne Mobile Field Force Team	District Court Fund	Total
Additions										
Investment income:										
Interest and dividends	$ 4,538,081	$ 296,815	$ 4,317,330	$ 9,152,226	$ -	$ 171,920	$ 3,753	$ 2,070	$ 16,243	$ 193,986
Net increase in fair value of investments	10,891,840	140,460	7,099,538	18,131,838	-	-	-	-	-	-
Investment costs	(577,429)	(16,367)	(358,325)	(952,121)	-	-	-	-	-	-
Net investment income	14,852,492	420,908	11,058,543	26,331,943	-	171,920	3,753	2,070	16,243	193,986
Contributions:										
Employer	1,786,885	2,585,480	3,871,252	8,243,617	-	-	-	-	-	-
Employee	98,073	1,019,243	312,925	1,430,241	-	-	-	-	-	-
Total contributions	1,884,958	3,604,723	4,184,177	9,673,858	-	-	-	-	-	-
Collections for other governments	-	-	-	-	181,160	168,839,600	106,748	28,500	-	169,156,008
Fines and fees	-	-	-	-	-	-	-	-	1,270,576	1,270,576
Bond receipts	-	-	-	-	-	-	-	-	855,900	855,900
Restitutions, judgments, and other	-	-	-	-	-	-	-	-	95,395	95,395
Total additions	16,737,450	4,025,631	15,242,720	36,005,801	181,160	169,011,520	110,501	30,570	2,238,114	171,571,865
Deductions										
Pension benefit payments	20,145,909	19,767	-	20,165,676	-	-	-	-	-	-
Medical benefit payments	-	-	7,630,414	7,630,414	-	-	-	-	-	-
Disability benefit payments	-	-	190,765	190,765	-	-	-	-	-	-
Refunds of contributions	554,563	34,166	-	588,729	-	-	-	-	-	-
Administrative expenses	245,479	52,999	43,325	341,803	-	-	-	-	-	-
Disbursements to other governments	-	-	-	-	181,160	169,011,520	117,745	7,703	1,031,430	170,349,558
Bond disbursements	-	-	-	-	-	-	-	-	855,900	855,900
Restitutions, judgments, and other refunds	-	-	-	-	-	-	-	-	109,433	109,433
Volunteer work program and civil drug fund	-	-	-	-	-	-	-	-	300,064	300,064
Total deductions	20,945,951	106,932	7,864,504	28,917,387	181,160	169,011,520	117,745	7,703	2,296,827	171,614,955
Net (Decrease) Increase in Fiduciary Net Position	(4,208,501)	3,918,699	7,378,216	7,088,414	-	-	(7,244)	22,867	(58,713)	(43,090)
Net Position - Beginning of year	203,908,420	4,292,540	121,774,443	329,975,403	-	-	52,559	28,944	651,573	733,076
Net Position - End of year	**$ 199,699,919**	**$ 8,211,239**	**$ 129,152,659**	**$ 337,063,817**	**$ -**	**$ -**	**$ 45,315**	**$ 51,811**	**$ 592,860**	**$ 689,986**