OFFICE OF THE COUNCIL

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OFFICE OF THE COUNCIL

MEETING PACKET FOR THE FINANCE AND BUDGET COMMITTEE JUNE 9, 2025 7:00 P.M.

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CITY COUNCIL FINANCE AND BUDGET COMMITTEE
Monday, June 9, 2025
7:00 PM
Livonia City Hall, Council Chambers
33000 Civic Center Drive
Livonia, MI 48154

Members:
Martha Ptashnik, Chair
Lynda L. Scheel, Vice Chair
Rob Gjonaj Donovic, Member

AGENDA:

1. The subject matter of Annual Audit Reports for the period December 1, 2023 to November 30, 2024. (CR 367-02)

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

Minutes of this meeting will be available for public inspection in the City Clerk's Office not more than 8 business days following the date of the meeting.

This item will be reported at the **Regular Meeting of June 16, 2025**

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LORI L. MILLER, CITY CLERK

LETTER TO THE LIVONIA CITY COUNCIL

Finance
February 12, 2025

MEETING DATE	PRESENTED BY
FB060925/R061625	

AGENDA ITEM

The subject matter of the Annual Audit Reports for the period December 1, 2023 to November 30, 2024. (CR 367-02)

BACKGROUND DETAILS

The subject matter of the Annual Audit Reports for the period December 1, 2023 to November 30, 2024. (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. City of Livonia TCWG - Planned Scope and Timing Letter
2. FB060925 - 13564 City of Livonia-1124-AU 260-265 Ltr-Final
3. FB060925 - 13564 City of Livonia-1124-FS-Final
4. FB060925 - 13564 City of Livonia-1124-SA-Final

APPROVED BY

Plante & Moran, PLLC
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Southfield, MI 48075
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January 22, 2025

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

Dear City Council:

We are in the process of planning for the audit of the financial statements of the City of Livonia (the "City") for the year ended November 30, 2024. An important aspect of planning for the audit is communication with those who have responsibility for overseeing the strategic direction of the City and obligations related to the accountability of the City. At the City, these responsibilities and obligations are held by the City Council, collectively and individually; therefore, it is important for us to communicate with each of you in your role as a member of the City Council.

As part of this communication process, we will speak at length with Brandon McCullough in his role as Council President, as well as and Martha Ptashnik in her role as Chair of the Finance and Budget Committee, regarding our responsibilities under generally accepted auditing standards and the planned scope and timing of our audit. The purpose of this letter is to provide each of you with a summary of those discussions and to provide you with the opportunity to communicate with us on matters that may impact our audit.

Our Responsibility Under Generally Accepted Auditing Standards

As stated in our engagement letter addressed to Ms. Lori Miller and dated November 13, 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.

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

Overview of the Planned Scope and Timing of the Audit

Stacey Reeves is the engagement partner responsible for supervising our services performed as part of this engagement. Our audit fieldwork will include three phases. The planning and preliminary information-gathering phase will occur during November and December 2024; the risk assessment phase in January 2025; and the rest of our audit procedures will be performed during March and April 2025.

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

Because management is in a unique position to perpetrate fraud due to its ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively, generally accepted auditing standards require that we always consider this to be a significant risk. In addition, we identified the following significant risks of misstatement:

- Proper measurement and recognition of revenue – particularly related to grants

- Proper measurement, reporting, and disclosure of estimated pension and retiree healthcare liabilities

- Appropriate valuation of pension and retiree healthcare plan alternative investments

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

- Testing of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements

- Review of new grant agreements and testing to ensure any activity recorded is consistent with agreements

- Review the assumptions and methodology used to calculate the pension and retiree healthcare costs liabilities

- For pension and retiree healthcare plan alternative investments, we will review the asset custodian's statements and ensure the appropriate value is stated at year end. We will also obtain capital statements for large investments and recalculate market value based on the City's ownership percentage

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

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

Information from You Relevant to Our Audit

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

- The City's objectives and strategies and the related business risks that may result in material misstatements

- Matters that you consider warrant particular attention during the audit and any areas where you want to request additional procedures be undertaken

- Significant communications between the City and regulators

- Understanding of the City's relationships and transactions with related parties that are significant to the City and any concerns regarding those relationships or transactions

- The attitudes, awareness, and actions concerning:

  - The City's internal control and its importance to the City, including how the City Council oversees the effectiveness of internal control and the detection or possibility of fraud

  - The detection or possibility of fraud, including whether City Council has knowledge of any actual, suspected, or alleged fraud affecting the City.

  - Any significant unusual transactions the City has entered into

- The actions of the City Council in response to developments in accounting standards, regulations, laws, previous communications from us, and other related matters and the effect of such developments on, for example, the overall presentation, structure, and content of the financial statements, including the following:

  - The relevance, reliability, comparability, and understandability of the information presented in the financial statements

  - Whether all required information has been included in the financial statements and whether such information has been appropriately classified, aggregated or disaggregated, and presented

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

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

Very truly yours,

Plante & Moran, PLLC

Stacey L. Reeves
Partner

Keith Szymanski
Principal

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May 28, 2025

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, 2024 and have issued our report thereon dated May 28, 2025. 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 we are required 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 or any other questions that you might have at your convenience.

Very truly yours,

Plante & Moran, PLLC

Pamela L. Hill

Pamela L. Hill

Stacey Reeves

Stacey L. Reeves

Keith Szymanski

Keith Szymanski

Section I - Required Communications with Those Charged with Governance

Our Responsibility Under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated November 13, 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 28, 2025 regarding our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our meeting about planning matters on January 29, 2025.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

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

No new accounting policies were adopted, and the application of existing policies was not changed during 2024.

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/assets.

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, 2023 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, 2024 to November 30, 2024. 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 asset 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 reports 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.

We identified one uncorrected misstatement to reduce General Fund expenditures and record a prepaid asset for $280,466 related to the portion of an invoice paid in fiscal year 2024 for services to be provided in fiscal year 2025. Management considers that item as well as 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 28, 2025.

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

During our audit, we noted areas where we believe there are opportunities for the City to further strengthen internal control or to increase operating efficiencies. Our observations on those areas are presented below for your consideration:

General Fund

For the year ended November 30, 2024, General Fund fund balance increased by approximately $216,000 as revenue exceeded expenditures. Actual spending in the General Fund was approximately $2.1 million less than the amended budget, while actual revenue in the General Fund was approximately $228,000 less than the amended budget. Overall results were approximately $1.8 million better than what was called for in the amended budget. We commend the City for continuing to maintain a sound financial position while keeping an eye toward legacy costs and future capital needs.

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 96 percent funded as of November 30, 2024 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 2024, 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 2023 were approximately $19.8 million. During fiscal year 2024, the City contributed the actuarially determined amount of approximately $2.6 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, 2024, there were 196 participants in the plan and $13.5 million in the trust. Required contributions for 2024 were $2.5 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 and, as a result, has been able to accumulate approximately $147.5 million in net position for these costs as of November 30, 2024. Additionally, previous changes to benefits significantly reduced the total OPEB liability and the annual contributions. The plan is 105 percent funded as of November 30, 2024.

During fiscal year 2024, the actuarily determined contribution for the VEBA was approximately $1.2 million, and the City contributed $4.1 million. There were times when the actuarially determined contributions were in excess of $7 million per year, but the City's commitment to funding the obligation and the reduction in benefit costs due to plan changes have generated significant savings in the City's budget going forward.

Construction Code Fees

As disclosed in Note 2 to the financial statements, Michigan law requires local units of government to track building permit revenue in relation to the related costs to ensure that the fees do not exceed the costs. Since required tracking began 25 years ago, most communities have had a cumulative shortfall. As of November 30, 2024, the City's cumulative shortfall is $5.7 million, which is double what it was three years ago. We recommend the City review its projected costs, as well as the fee structure, and evaluate whether increasing fees is appropriate.

Administrative Access to Financial Module

During our review of internal controls, we noted a key individual in the finance department has administrative access to the financial module. This elevated level of access could be used to override controls and potentially misappropriate assets. While there are various other controls in place to potentially identify any material inappropriate activity, it would be more difficult to identify smaller instances. We recommend that the individual's administrative access be removed going forward. It is best that the administrators be individuals in the IT department or others who are not already involved in processing or approving financial transactions.

Retirement and Retiree Health Care Investment Reconciliations

During our testing of the retirement and retiree health care plans, we observed that reconciling investment activity remains a complex and cumbersome process. While the recorded activity appears materially accurate and ending investment balances are properly stated, significant challenges were encountered in aligning the recorded amounts with custodian statements.

From the City's perspective, the reconciliation process is made more difficult by apparent inconsistencies and unclear reporting within the custodian statements. Additionally, there was a lack of documented reconciliation procedures when personnel turnover required the reconciliation responsibilities to be reassigned.

To establish a more efficient and reliable reconciliation framework, we recommend working closely with the custodian to gain better insight into their reporting practices. Additionally, developing a well-documented reconciliation process will help ensure consistency and accuracy, particularly during personnel transitions.

Manual Journal Entries

The City processes a substantial volume of manual journal entries each month, which inherently carries a higher risk of accounting errors. Due to the manual nature of these entries, designing effective and efficient review controls to ensure accuracy can be challenging.

While the City has established review mechanisms, there may be an opportunity to reevaluate existing controls and explore automation within the system to streamline transaction processing. Implementing automated solutions could enhance accuracy, reduce manual workload, and improve overall efficiency in financial reporting.

Section III - Legislative and Informational Items

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.

OMB Revisions to the Uniform Guidance January 2024, Updated September 2024

In April 2024, the Office of Management and Budget (OMB) released revisions for the Uniform Guidance for federal grants and agreements, which are effective for fiscal year ends beginning on October 1, 2024 and after. The 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 changes include the following:

- Increase the single audit threshold to $1 million from $750,000
- Require the schedule of expenditures of federal awards (SEFA) to identify recipient of federal award for audits that cover multiple recipients
- Increase the *de minimis* indirect cost rate from 10 percent to 15 percent, effective for grants received on October 1, 2024 and after

The changes are included in more detail within the federal register at https://www.federalregister.gov/documents/2024/04/22/2024-07496/guidance-for-federal-financial-assistance, and we are happy to discuss these changes with you.

Capitalization Thresholds

The April 2024 Uniform Grants Guidance 2024 Revision described above resulted in the equipment threshold increasing from $5,000 to $10,000. This threshold applies to the value of equipment that at the end of the grant period may be retained, sold, or otherwise disposed of with no further responsibility to the federal agency. In addition to considering this Uniform Guidance threshold related to federal grants compliance, it may be a good time for the City to reevaluate the capitalization thresholds. We are happy to assist you in thinking through considerations in evaluating these thresholds.

Inflation Reduction Act (IRA)

Significant legislation was enacted in 2022 that has dramatically expanded the available tax credits, tax incentives, and other funding opportunities related to the green energy sector. Several of these are built on previously existing programs, but many are new and widely applicable. Additionally, new monetization options expand the benefits of tax credits for qualifying activities to public sector organizations like the City. The breadth of qualifying activities is significant, including, in most cases, the production of electricity; production of solar, wind, and energy equipment; installation of energy-efficient upgrades to businesses and homes; and the acquisition of electric vehicles (EVs) and charging equipment. We are happy to discuss any questions or potential tax credit opportunities with you, and please also feel free to visit our IRA tax credits articles and webinars at https://www.plantemoran.com/explore-our-thinking/areas-of-focus/inflation-reduction-act-tax-credits.

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.

Other New Legislation

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, Plante & Moran, PLLC issues 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 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.

GASB Statement No. 103 - Financial Reporting Model Improvements

This new accounting pronouncement will be effective for the City's fiscal year ending November 30, 2026. This statement establishes new accounting and financial reporting requirements, or modifies existing requirements, related to the following: management's discussion and analysis; unusual or infrequent items; presentation of the proprietary fund statement of revenue, expenses, and changes in fund net position; information about major component units in basic financial statements; budgetary comparison information; and financial trends information in the statistical section.

GASB Statement No. 104 - Disclosure of Certain Capital Assets

This new accounting pronouncement, which will be effective for the City's fiscal year ending November 30, 2026, requires certain types of capital assets, such as lease assets, intangible right-of-use assets, subscription assets, and other intangible assets, to be disclosed separately by major class of underlying asset in the capital assets note. The statement also requires additional disclosures for capital assets held for sale.

Significant GASB Proposal Worth Watching

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.

Plante & Moran, PLLC has spent significant time digesting this new proposed standard and recently testified to the GASB about our feedback. We strongly encourage the City to monitor developments with this standard, as the potential impact is quite broad.

City of Livonia, Michigan

Financial Report
with Supplementary Information
November 30, 2024

Contents

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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, 2024 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, 2024 and the respective changes in its financial position and, where applicable, its cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor’s Responsibilities for the Audit of the Financial Statements

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

To the City Council
City of Livonia, Michigan

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The supplementary information, as identified in the table of contents, is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

To the City Council
City of Livonia, Michigan

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 28, 2025 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Plante & Moran, PLLC

May 28, 2025

Overview of the Financial Statements

The City of Livonia, Michigan’s (the "City") 2024 annual report consists of four parts: (1) management’s discussion and analysis, (2) basic financial statements, (3) required supplementary information, and (4) 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, 2024 to the prior year:

The City's Net Position

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Assets						
Current and other assets	$ 122,639,973	$ 111,913,714	$ 49,395,148	$ 47,417,793	$ 172,035,121	$ 159,331,507
Capital assets	258,420,001	239,624,886	120,776,202	115,397,831	379,196,203	355,022,717
Total assets	381,059,974	351,538,600	170,171,350	162,815,624	551,231,324	514,354,224
Deferred Outflows of Resources	13,538,838	25,509,510	619,915	855,245	14,158,753	26,364,755
Liabilities	56,092,147	78,565,259	32,709,048	32,533,556	88,801,195	111,098,815
Deferred Inflows of Resources	22,967,587	10,409,319	2,136,396	1,387,664	25,103,983	11,796,983
Net Position						
Net investment in capital assets	241,743,133	220,586,842	96,365,790	93,932,996	338,108,923	314,519,838
Restricted	56,341,550	53,248,162	2,665,402	2,207,021	59,006,952	55,455,183
Unrestricted	17,454,395	14,238,528	36,914,629	33,609,632	54,369,024	47,848,160
Total net position	**$ 315,539,078**	**$ 288,073,532**	**$ 135,945,821**	**$ 129,749,649**	**$ 451,484,899**	**$ 417,823,181**

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 $451.5 million (net position). However, a major portion (74.9 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 $14.2 million at November 30, 2023 to 17.5 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	
	2024	2023	2024	2023	2024	2023
Revenue						
Program revenue:						
Charges for services	$ 19,252,874	$ 18,996,370	$ 51,143,290	$ 47,924,885	$ 70,396,164	$ 66,921,255
Operating grants and contributions	15,768,076	15,049,589	-	-	15,768,076	15,049,589
Capital grants and contributions	5,625,754	1,482,149	436,165	1,417,663	6,061,919	2,899,812
General revenue:						
Property taxes	66,249,322	62,643,043	-	-	66,249,322	62,643,043
State-shared revenue	16,770,909	17,547,315	-	-	16,770,909	17,547,315
Investment income	6,164,947	5,310,885	1,733,638	1,105,184	7,898,585	6,416,069
Other revenue	3,982,285	3,889,725	22,246	223,578	4,004,531	4,113,303
Total revenue	133,814,167	124,919,076	53,335,339	50,671,310	187,149,506	175,590,386
Expenses						
General government	15,314,578	15,631,301	-	-	15,314,578	15,631,301
Public safety	43,957,856	50,273,716	-	-	43,957,856	50,273,716
Public works	28,968,502	29,475,220	-	-	28,968,502	29,475,220
Community and economic development	1,361,627	1,456,333	-	-	1,361,627	1,456,333
Recreation and culture	16,514,656	14,804,712	-	-	16,514,656	14,804,712
Interest on long-term debt	554,841	589,222	-	-	554,841	589,222
Water and Sewer	-	-	42,864,475	39,698,953	42,864,475	39,698,953
Golf Course	-	-	2,337,729	2,193,409	2,337,729	2,193,409
Housing	-	-	1,613,524	1,057,542	1,613,524	1,057,542
Total expenses	106,672,060	112,230,504	46,815,728	42,949,904	153,487,788	155,180,408
Transfers	323,439	-	(323,439)	-	-	-
Change in Net Position	27,465,546	12,688,572	6,196,172	7,721,406	33,661,718	20,409,978
Net Position - Beginning of year	288,073,532	275,384,960	129,749,649	122,028,243	417,823,181	397,413,203
Net Position - End of year	**$ 315,539,078**	**$ 288,073,532**	**$ 135,945,821**	**$ 129,749,649**	**$ 451,484,899**	**$ 417,823,181**

Governmental Activities

In reviewing governmental activities in the above table, it can be noted that revenue increased by $8.9 million and expenses decreased by $5.6 million. The most significant factors impacting revenue were the one-time grant revenue related to the receipt of $1.6 million of senior center funds and increases to property tax revenue related to increase in taxable value. 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 capital outlay primarily related to the senior center and decreases in pension and OPEB expenses due to favorable investment returns and the impact of lower postretirement health insurance costs, which had a significant positive impact on public safety expenses, as well as other employee groups spread throughout the expense categories.

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 (loss) before contributions, transfers, and interest for each of these activities in the current and prior year:

	Water and Sewer		Golf Course		Housing	
	2024	2023	2024	2023	2024	2023
Operating revenue	$ 47,102,939	$ 44,059,450	$ 2,430,322	$ 2,320,984	$ 1,495,720	$ 1,470,189
Operating expenses	(42,112,529)	(39,157,475)	(2,337,729)	(2,193,409)	(1,613,202)	(1,056,810)
Operating income (loss)	**$ 4,990,410**	**$ 4,901,975**	**$ 92,593**	**$ 127,575**	**$ (117,482)**	**$ 413,379**

The operating income of the Housing Fund decreased between 2023 and 2024 primarily due to planned maintenance projects that resulted in higher expenses.

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 2024 include the General Fund, Refuse Disposal System Fund, and Roads and Sidewalks Fund.

The City's governmental funds reported a combined fund balance of $79.3 million. This is a decrease of approximately $5.4 million for the year. The primary contributor to the decrease was capital outlay to the Refuse Disposal System related to trash can and recycling bin purchases.

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 intergovernmental 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 $228,000 below the final budget.

Actual General Fund expenditures were approximately $60,000 below the original budget and approximately $2.1 million below the final budget due to the timing of the additional contribution to the VEBA, which occurred after the end of the fiscal year. All departments held expenditures below the final budget.

Capital Assets and Debt Administration

At the end of fiscal year 2024, the City has $701.4 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 $16.9 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 $25.4 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 2024 include $13.2 million invested in the construction of infrastructure and improvements to roads; $11.4 million invested in equipment and vehicles; $3.3 million invested in land, buildings, building improvements, and land improvements; and $5.2 million invested in water and sewer system infrastructure. Significant disposals of capital assets during fiscal year 2024 included the disposal of vehicles and equipment with a total cost of $1.7 million and building and improvements totaling $0.2 million. At year end, over $15.5 million of construction was in progress and not yet placed into service.

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 69.6 percent of the City's total governmental activities revenue. Revenue has been slowly increasing after many years of reductions.

The City is focused on advancing Livonia Vision 21, which includes the long-term strategy to reimagine the Civic Center campus. Using the over $4 million that has been set aside in the Senior Center Construction Fund, along with grants from the County, the State, and federal sources, the relocation of the senior center off the Civic Center campus has begun and construction of a new senior center as an addition to the City's recreation center is underway. The new senior center is expected to open in fall 2025.

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, 2024

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
Assets				
Cash and cash equivalents	$ 86,428,994	$ 27,480,020	$ 113,909,014	$ 3,079,615
Accounts receivable:				
Property taxes	46,292	-	46,292	86,412
Special assessments	352,660	72,654	425,314	-
Customers	-	15,464,248	15,464,248	-
Workers compensation	41,902	-	41,902	-
Due from other governmental units	12,083,891	-	12,083,891	-
Due from fiduciary funds	3,614,149	-	3,614,149	-
Other	6,581,595	558,853	7,140,448	134,744
Lease receivable	3,627,576	1,046,490	4,674,066	-
Inventory, prepaid expenses, and deposits	3,269,366	1,093,283	4,362,649	-
Restricted assets (Note 8)	-	3,320,542	3,320,542	-
Net OPEB asset (Note 13)	6,593,548	359,058	6,952,606	-
Capital assets: (Note 5)				
Assets not subject to depreciation	41,084,709	14,870,920	55,955,629	474,048
Assets subject to depreciation - Net	217,335,292	105,905,282	323,240,574	117,235
Total assets	381,059,974	170,171,350	551,231,324	3,892,054
Deferred Outflows of Resources				
Deferred charges on bond refunding	252,619	-	252,619	-
Deferred pension costs (Note 11)	1,902,475	-	1,902,475	-
Deferred OPEB costs (Note 13)	11,383,744	619,915	12,003,659	-
Total deferred outflows of resources	13,538,838	619,915	14,158,753	-
Liabilities				
Accounts payable	8,320,521	2,620,658	10,941,179	819,765
Due to other governmental units	-	2,469,458	2,469,458	67,630
Accrued and other liabilities	3,280,326	300,862	3,581,188	-
Unearned revenue	744,951	250,415	995,366	-
Due to fiduciary funds	512,413	30,021	542,434	-
Bonds and deposits	1,840,183	356,914	2,197,097	-
Noncurrent liabilities: (Note 7)				
Due within one year:				
Compensated absences	3,700,204	266,540	3,966,744	-
Current portion of long-term debt	2,482,802	1,420,500	3,903,302	-
Due in more than one year:				
Compensated absences and insurance claims	9,973,468	370,162	10,343,630	-
Landfill closure and postclosure	737,491	-	737,491	-
Net pension liability (Note 11)	10,053,103	619,408	10,672,511	-
Long-term debt - Net of current portion	14,446,685	24,004,110	38,450,795	-
Total liabilities	56,092,147	32,709,048	88,801,195	887,395

See notes to financial statements.

November 30, 2024

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
Deferred Inflows of Resource				
Deferred pension cost reductions (Note 11)	$ 9,199,431	$ 547,339	$ 9,746,770	$ -
Deferred OPEB cost reductions (Note 13)	10,332,359	562,660	10,895,019	-
Leases	3,435,797	1,026,397	4,462,194	-
Total deferred inflows of resource	22,967,587	2,136,396	25,103,983	-
Net Position				
Net investment in capital assets	241,743,133	96,365,790	338,108,923	591,283
Restricted:				
Community recreation	5,793,159	-	5,793,159	-
Municipal refuse	7,057,927	-	7,057,927	-
Streets, roads, and sidewalks	6,908,942	-	6,908,942	-
Library	7,265,846	-	7,265,846	-
Public safety communication	3,195,166	-	3,195,166	-
Grants	468,137	-	468,137	-
Ordinance requirements	-	2,306,344	2,306,344	-
Street lighting	851,624	-	851,624	-
Adjudicated forfeitures	3,023,160	-	3,023,160	-
Community transit	1,069,179	-	1,069,179	-
Capital improvements	11,287,819	-	11,287,819	-
Other postemployment benefits	6,593,548	359,058	6,952,606	-
Designated purpose	562,195	-	562,195	-
Health care	2,264,848	-	2,264,848	-
Unrestricted	17,454,395	36,914,629	54,369,024	2,413,376
Total net position	**$ 315,539,078**	**$ 135,945,821**	**$ 451,484,899**	**$ 3,004,659**

	Expenses	Program Revenue: Charges for Services	Program Revenue: Operating Grants and Contributions	Program Revenue: Capital Grants and Contributions
Functions/Programs				
Primary government:				
Governmental activities:				
General government	$ 15,314,578	$ 2,899,808	$ -	$ -
Public safety	43,957,856	8,553,461	882,691	-
Public works	28,968,502	1,985,983	13,658,934	1,273,467
Community and economic development	1,361,627	576,999	758,175	-
Recreation and culture	16,514,656	5,236,623	468,276	4,352,287
Interest on long-term debt	554,841	-	-	-
Total governmental activities	106,672,060	19,252,874	15,768,076	5,625,754
Business-type activities:				
Water and Sewer	42,864,475	47,102,939	-	436,165
Housing	1,613,524	1,495,720	-	-
Golf Course	2,337,729	2,544,631	-	-
Total business-type activities	46,815,728	51,143,290	-	436,165
Total primary government	**$ 153,487,788**	**$ 70,396,164**	**$ 15,768,076**	**$ 6,061,919**
Component units:				
Economic Development Corporation	$ -	$ -	$ -	$ -
Plymouth Road Development Authority	826,342	-	-	-
Brownfield Redevelopment Authority	1,249,011	-	-	-
Total component units	**$ 2,075,353**	**$ -**	**$ -**	**$ -**

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

Total general revenue

Transfers

Change in Net Position

Net Position - Beginning of year

Net Position - End of year

Net (Expense) Revenue and Changes in Net Position			
Primary Government			
Governmental Activities	Business-type Activities	Total	Component Units
$ (12,414,770)	$ -	$ (12,414,770)	$ -
(34,521,704)	-	(34,521,704)	-
(12,050,118)	-	(12,050,118)	-
(26,453)	-	(26,453)	-
(6,457,470)	-	(6,457,470)	-
(554,841)	-	(554,841)	-
(66,025,356)	-	(66,025,356)	-
-	4,674,629	4,674,629	-
-	(117,804)	(117,804)	-
-	206,902	206,902	-
-	4,763,727	4,763,727	-
(66,025,356)	4,763,727	(61,261,629)	-
-	-	-	-
-	-	-	(826,342)
-	-	-	(1,249,011)
-	-	-	(2,075,353)
66,249,322	-	66,249,322	2,231,268
16,770,909	-	16,770,909	-
6,164,947	1,733,638	7,898,585	33,248
1,577,762	-	1,577,762	-
-	22,246	22,246	-
2,404,523	-	2,404,523	-
93,167,463	1,755,884	94,923,347	2,264,516
323,439	(323,439)	-	-
27,465,546	6,196,172	33,661,718	189,163
288,073,532	129,749,649	417,823,181	2,815,496
$ 315,539,078	**$ 135,945,821**	**$ 451,484,899**	**$ 3,004,659**

Governmental Funds Balance Sheet

November 30, 2024

	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	$ 15,659,518	$ 8,655,131	$ 2,984,339	$ 54,916,215	$ 82,215,203
Accounts receivable:					
Property taxes	27,671	8,338	3,065	7,218	46,292
Special assessments	-	-	-	352,660	352,660
Workers compensation	41,902	-	-	-	41,902
Due from other governmental units	4,407,763	527,578	194,395	6,954,155	12,083,891
Due from fiduciary funds	3,614,149	-	-	-	3,614,149
Other	4,112,956	52,954	-	2,053,896	6,219,806
Lease receivable	3,508,065	-	-	119,511	3,627,576
Inventory, prepaid expenses, and deposits	426,116	-	-	-	426,116
Total assets	**$ 31,798,140**	**$ 9,244,001**	**$ 3,181,799**	**$ 64,403,655**	**$ 108,627,595**
Liabilities					
Accounts payable	$ 1,466,162	$ 1,412,702	$ 862,463	$ 4,579,194	$ 8,320,521
Accrued and other liabilities	2,620,363	35,881	-	564,636	3,220,880
Unearned revenue	33,510	-	-	711,441	744,951
Due to fiduciary funds	482,392	-	-	30,021	512,413
Bonds and deposits	1,840,183	-	-	-	1,840,183
Total liabilities	6,442,610	1,448,583	862,463	5,885,292	14,638,948
Deferred Inflows of Resources					
Unavailable revenue	3,875,778	533,405	196,537	6,671,858	11,277,578
Leases	3,332,094	-	-	103,703	3,435,797
Total deferred inflows of resources	7,207,872	533,405	196,537	6,775,561	14,713,375

See notes to financial statements.

Governmental Funds
Balance Sheet (Continued)

November 30, 2024

	General Fund	Major Special Revenue Funds: Refuse Disposal System	Major Special Revenue Funds: Roads and Sidewalks	Nonmajor Funds	Total Governmental Funds
Fund Balances					
Nonspendable - Inventory and prepaid assets	$ 426,116	$ -	$ -	$ -	$ 426,116
Restricted:					
Streets, roads, and sidewalks	-	-	2,122,799	4,380,321	6,503,120
Adjudicated forfeitures	-	-	-	3,023,160	3,023,160
Grants	-	-	-	396,630	396,630
Capital improvements	-	-	-	10,966,811	10,966,811
Community recreation	-	-	-	5,619,564	5,619,564
Municipal refuse	-	7,262,013	-	-	7,262,013
Street lighting	-	-	-	851,624	851,624
Library	-	-	-	7,087,096	7,087,096
Public safety communication	-	-	-	2,955,755	2,955,755
Community transit	-	-	-	958,696	958,696
Designated purpose	-	-	-	562,195	562,195
Health care	-	-	-	736,806	736,806
Committed:					
Cable access television	-	-	-	267,736	267,736
Arts Commission	-	-	-	73,623	73,623
Historical Commission	-	-	-	524,002	524,002
Assigned:					
Golf course capital improvements	-	-	-	803,962	803,962
Building improvements	-	-	-	12,012,866	12,012,866
Court building improvements	-	-	-	229,465	229,465
Senior center construction	-	-	-	292,490	292,490
Other postemployment benefits	1,000,000	-	-	-	1,000,000
Unassigned	16,721,542	-	-	-	16,721,542
Total fund balances	18,147,658	7,262,013	2,122,799	51,742,802	79,275,272
Total liabilities, deferred inflows of resources, and fund balances	**$ 31,798,140**	**$ 9,244,001**	**$ 3,181,799**	**$ 64,403,655**	**$ 108,627,595**

See notes to financial statements.

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

November 30, 2024

Fund Balances Reported in Governmental Funds	$	79,275,272
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		258,420,001
Certain receivables are expected to be collected over several years and are not reported in the funds		361,789
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		11,277,578
Landfill closure and postclosure liability is not due and payable in the current period and is not reported in the funds		(737,491)
Long-term liabilities are not due and payable in the current period and are not reported in the funds		(16,929,487)
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		252,619
Accrued interest is not due and payable in the current period and is not reported in the funds		(59,446)
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		(11,101,722)
Pension benefits		(17,350,059)
Retiree health care benefits		7,644,933
The Internal Service Fund (self-insurance) is included as part of governmental activities		4,485,091
Net Position of Governmental Activities	**$**	**315,539,078**

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

Year Ended November 30, 2024

	General Fund	Major Special Revenue Funds: Refuse Disposal System	Major Special Revenue Funds: Roads and Sidewalks	Nonmajor Funds	Total Governmental Funds
Revenue					
Property taxes	$ 39,728,807	$ 11,870,707	$ 4,372,056	$ 10,296,949	$ 66,268,519
Special assessments	-	-	-	1,273,467	1,273,467
Intergovernmental:					
Federal revenue	-	-	-	1,604,630	1,604,630
State and local revenue	14,401,000	1,481,492	614,882	15,638,904	32,136,278
Charges for services	5,122,918	117,027	-	5,580,458	10,820,403
Fines and forfeitures	3,755,295	-	-	649,214	4,404,509
Licenses and permits	2,557,023	-	-	-	2,557,023
Investment income	2,392,478	787,400	279,504	2,882,166	6,341,548
Other revenue:					
Miscellaneous revenue	3,078,954	699	-	1,321,653	4,401,306
Lease revenue	596,598	-	-	59,399	655,997
Total revenue	71,633,073	14,257,325	5,266,442	39,306,840	130,463,680
Expenditures					
Current services:					
General government	11,857,925	-	-	-	11,857,925
Employee benefits, insurance, and other	2,964,196	-	-	-	2,964,196
Public safety	46,945,708	-	-	3,443,109	50,388,817
Public works	4,397,317	18,431,579	12,875,216	6,606,972	42,311,084
Community and economic development	670,275	-	-	691,352	1,361,627
Recreation and culture	2,005,270	-	-	12,905,628	14,910,898
Capital outlay	-	-	-	9,765,507	9,765,507
Debt service:					
Principal retirement	-	-	-	2,050,000	2,050,000
Interest and other	-	-	-	675,434	675,434
Total expenditures	68,840,691	18,431,579	12,875,216	36,138,002	136,285,488
Excess of Revenue Over (Under) Expenditures	2,792,382	(4,174,254)	(7,608,774)	3,168,838	(5,821,808)
Other Financing Sources (Uses)					
Transfers in (Note 6)	-	-	7,800,000	13,267,876	21,067,876
Transfers out (Note 6)	(2,619,003)	-	-	(18,125,434)	(20,744,437)
Leases entered into	43,095	-	-	-	43,095
Total other financing (uses) sources	(2,575,908)	-	7,800,000	(4,857,558)	366,534
Net Change in Fund Balances	216,474	(4,174,254)	191,226	(1,688,720)	(5,455,274)
Fund Balances - Beginning of year	17,931,184	11,436,267	1,931,573	53,431,522	84,730,546
Fund Balances - End of year	**$ 18,147,658**	**$ 7,262,013**	**$ 2,122,799**	**$ 51,742,802**	**$ 79,275,272**

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, 2024

Net Change in Fund Balances Reported in Governmental Funds	$ (5,455,274)
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	31,902,674
Depreciation expense	(11,871,706)
Net book value of assets disposed of	(1,235,853)
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	3,600,519
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)	121,240
Issuing debt and entering into leases provide current financial resources to governmental funds, but increase long-term liabilities in the statement of net position	(43,095)
Repayment of bond principal is an expenditure in the governmental funds but not in the statement of activities (where it reduces long-term debt)	2,050,000
Interest expense is recognized in the government-wide statements as it accrues	174,480
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	3,705,049
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	3,335,595
Net change in accumulated employee sick and vacation pay is recorded when incurred in the statement of activities	(390,310)
Increase in landfill liability is recorded when incurred in the statement of activities	(16,769)
Internal service funds are included as part of governmental activities	1,588,996
Change in Net Position of Governmental Activities	**$ 27,465,546**

See notes to financial statements.

Proprietary Funds
Statement of Net Position

November 30, 2024

	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	$ 22,040,625	$ 3,403,363	$ 2,036,032	$ 27,480,020	$ 4,213,791
Accounts receivable:					
Customers	15,464,248	-	-	15,464,248	-
Other	553,280	-	5,573	558,853	-
Lease receivable	-	-	110,031	110,031	-
Inventory, prepaid expenses, and deposits	1,093,283	-	-	1,093,283	2,843,250
Total current assets	39,151,436	3,403,363	2,151,636	44,706,435	7,057,041
Noncurrent assets:					
Restricted assets (Note 8)	3,320,542	-	-	3,320,542	-
Special assessment receivables	72,654	-	-	72,654	-
Leases receivable	-	-	1,872,918	1,872,918	-
Net OPEB asset (Note 13)	347,427	-	11,631	359,058	-
Capital assets: (Note 5)					
Assets not subject to depreciation	9,706,484	1,581,948	3,582,488	14,870,920	-
Assets subject to depreciation - Net	101,519,860	3,913,830	471,592	105,905,282	-
Total noncurrent assets	114,966,967	5,495,778	5,938,629	126,401,374	-
Total assets	154,118,403	8,899,141	8,090,265	171,107,809	7,057,041
Deferred Outflows of Resources	599,835	-	20,080	619,915	-
Liabilities					
Current liabilities:					
Accounts payable	2,316,307	166,904	137,447	2,620,658	-
Due to other governmental units	2,469,458	-	-	2,469,458	-
Accrued and other liabilities	274,376	21,052	5,434	300,862	-
Unearned revenue	250,415	-	-	250,415	-
Due to fiduciary funds	30,021	-	-	30,021	-
Bonds and deposits	168,125	188,789	-	356,914	-
Compensated absences (Note 7)	206,783	44,421	15,336	266,540	-
Current portion of long-term debt (Note 7)	1,420,500	-	-	1,420,500	-
Total current liabilities	7,135,985	421,166	158,217	7,715,368	-
Noncurrent liabilities:					
Compensated absences and insurance claims (Note 7)	300,405	41,816	27,941	370,162	-
Net pension liability (Note 11)	599,341	-	20,067	619,408	-
Long-term debt - Net of current portion (Note 7)	24,004,110	-	-	24,004,110	2,571,950
Total noncurrent liabilities	24,903,856	41,816	48,008	24,993,680	2,571,950
Total liabilities	32,039,841	462,982	206,225	32,709,048	2,571,950

See notes to financial statements.

Proprietary Funds
Statement of Net Position (Continued)

November 30, 2024

	Major Enterprise Fund	Nonmajor Enterprise Funds			Governmental Activities
	Water and Sewer	Housing	Golf Course	Total Enterprise Funds	Internal Service Fund
Deferred Inflows of Resources					
Deferred pension cost reductions (Note 11)	$ 529,608	$ -	$ 17,731	$ 547,339	$ -
Deferred OPEB cost reductions (Note 13)	544,435	-	18,225	562,660	-
Leases	-	-	1,026,397	1,026,397	-
Total deferred inflows of resources	1,074,043	-	1,062,353	2,136,396	-
Net Position					
Net investment in capital assets	86,815,932	5,495,778	4,054,080	96,365,790	-
Restricted:					
Ordinance requirements	2,306,344	-	-	2,306,344	-
Other postemployment benefits	347,427	-	11,631	359,058	-
Unrestricted	32,134,651	2,940,381	1,839,597	36,914,629	4,485,091
Total net position	**$ 121,604,354**	**$ 8,436,159**	**$ 5,905,308**	**$ 135,945,821**	**$ 4,485,091**

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

Year Ended November 30, 2024

	Major Enterprise Fund	Nonmajor Enterprise Funds			Governmental Activities
	Water and Sewer	Housing	Golf Course	Total Enterprise Funds	Internal Service Fund
Operating Revenue					
Customer billings	$ 44,464,814	$ -	$ -	$ 44,464,814	$ -
Fines and forfeitures	1,888,751	-	-	1,888,751	-
Service connections	82,643	-	-	82,643	-
Greens fees	-	-	2,210,397	2,210,397	-
Golf cart fees	-	-	118,000	118,000	-
City contributions	-	-	-	-	15,712,743
Rental income	-	1,495,184	-	1,495,184	-
Other revenue	666,731	536	101,925	769,192	-
Total operating revenue	47,102,939	1,495,720	2,430,322	51,028,981	15,712,743
Operating Expenses					
Cost of water	13,028,727	-	-	13,028,727	-
Cost of sewage disposal	16,155,027	-	-	16,155,027	-
System maintenance and operation	7,461,026	-	-	7,461,026	-
General and administration	1,404,208	580	-	1,404,788	-
Reinsurance charges and claims	-	-	-	-	14,299,808
Salaries and wages	-	564,845	197,229	762,074	-
Supplies	-	11,801	277,469	289,270	-
Other services and charges	-	828,099	1,833,053	2,661,152	-
Depreciation	4,063,541	207,877	29,978	4,301,396	-
Total operating expenses	42,112,529	1,613,202	2,337,729	46,063,460	14,299,808
Operating Income (Loss)	4,990,410	(117,482)	92,593	4,965,521	1,412,935
Nonoperating Revenue (Expense)					
Investment income	1,473,878	165,945	93,815	1,733,638	176,061
Interest expense	(751,946)	(322)	-	(752,268)	-
Gain on sale of assets	22,246	-	-	22,246	-
Lease revenue	-	-	114,309	114,309	-
Total nonoperating revenue	744,178	165,623	208,124	1,117,925	176,061
Income - Before contributions and transfers	5,734,588	48,141	300,717	6,083,446	1,588,996
Capital Contributions - Lines donated by developers	436,165	-	-	436,165	-
Transfers Out	(73,439)	-	(250,000)	(323,439)	-
Change in Net Position	6,097,314	48,141	50,717	6,196,172	1,588,996
Net Position - Beginning of year	115,507,040	8,388,018	5,854,591	129,749,649	2,896,095
Net Position - End of year	**$ 121,604,354**	**$ 8,436,159**	**$ 5,905,308**	**$ 135,945,821**	**$ 4,485,091**

See notes to financial statements.

Proprietary Funds
Statement of Cash Flows

Year Ended November 30, 2024

	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	$ 45,168,274	$ 1,495,720	$ 2,428,936	$ 49,092,930	$ 15,712,743
Payments to suppliers	(30,925,046)	(1,012,448)	(2,043,604)	(33,981,098)	(15,402,743)
Payments to employees	(5,118,742)	(536,443)	(178,122)	(5,833,307)	-
Net cash and cash equivalents provided by (used in) operating activities	9,124,486	(53,171)	207,210	9,278,525	310,000
Cash Flows Used in Noncapital Financing Activities - Transfers out	(73,439)	-	(250,000)	(323,439)	-
Cash Flows from Capital and Related Financing Activities					
Issuance of bonds and capital leases	4,951	-	-	4,951	-
Special assessment collections	25,735	-	-	25,735	-
Proceeds from sale of capital assets	85,524	-	-	85,524	-
Net purchases of capital assets	(9,068,567)	(238,312)	-	(9,306,879)	-
Principal and interest paid on long-term debt	(2,101,145)	(7,586)	-	(2,108,731)	-
Lease receipts	-	-	108,543	108,543	-
Net cash and cash equivalents (used in) provided by capital and related financing activities	(11,053,502)	(245,898)	108,543	(11,190,857)	-
Cash Flows from Investing Activities					
Interest received on investments	1,473,878	165,945	93,815	1,733,638	176,061
Purchases of investment securities	-	-	(79,784)	(79,784)	(243,030)
Proceeds from sale and maturities of investment securities	314,200	82,819	-	397,019	-
Net cash and cash equivalents provided by (used in) investing activities	1,788,078	248,764	14,031	2,050,873	(66,969)
Net (Decrease) Increase in Cash and Cash Equivalents	(214,377)	(50,305)	79,784	(184,898)	243,031
Cash and Cash Equivalents - Beginning of year	14,048,383	1,752,087	938,232	16,738,702	1,863,865
Cash and Cash Equivalents - End of year	**$ 13,834,006**	**$ 1,701,782**	**$ 1,018,016**	**$ 16,553,804**	**$ 2,106,896**
Classification of Cash and Cash Equivalents					
Cash and investments	$ 22,040,625	$ 3,403,363	$ 2,036,032	$ 27,480,020	$ 4,213,791
Restricted cash (Note 8)	3,320,542	-	-	3,320,542	-
Less investments	(11,527,161)	(1,701,581)	(1,018,016)	(14,246,758)	(2,106,895)
Total cash and cash equivalents	**$ 13,834,006**	**$ 1,701,782**	**$ 1,018,016**	**$ 16,553,804**	**$ 2,106,896**

See notes to financial statements.

Proprietary Funds
Statement of Cash Flows (Continued)

Year Ended November 30, 2024

	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)	$ 4,990,410	$ (117,482)	$ 92,593	$ 4,965,521	$ 1,412,935
Adjustments to reconcile operating income (loss) to net cash and cash equivalents from operating activities:					
Depreciation	4,063,541	207,877	29,978	4,301,396	-
Changes in assets and liabilities:					
Receivables	(1,934,665)	-	(1,386)	(1,936,051)	-
Inventories	(286,362)	-	-	(286,362)	-
Prepaid and other assets	10,448	-	-	10,448	(1,065,675)
Net pension and OPEB liabilities	175,038	20,431	15,299	210,768	-
Accounts payable	2,071,108	(171,968)	66,918	1,966,058	-
Estimated claims liability	-	-	-	-	(37,260)
Accrued and other liabilities	34,968	7,971	3,808	46,747	-
Net cash and cash equivalents provided by (used in) operating activities	**$ 9,124,486**	**$ (53,171)**	**$ 207,210**	**$ 9,278,525**	**$ 310,000**

Noncash Transactions - During the year ended November 30, 2024, the City received $436,165 of donated lines reported as capital assets in the Water and Sewer Fund.

Fiduciary Funds
Statement of Fiduciary Net Position

November 30, 2024

	Pension and Other Employee Benefits	Custodial Funds	Total Fiduciary Funds
Assets			
Cash and cash equivalents (Note 3)	$ 980,163	$ 7,473,341	$ 8,453,504
Investments: (Note 3)			
U.S. government securities	24,322,283	-	24,322,283
Collateralized mortgage obligations	2,755,139	-	2,755,139
Common stocks	180,487,623	-	180,487,623
Corporate bonds	11,949,556	-	11,949,556
Real estate investment trust	1,509,893	-	1,509,893
Foreign bonds	919,661	-	919,661
Mutual funds	159,534,954	-	159,534,954
Accounts receivable	132,164	-	132,164
Due from primary government	542,434	-	542,434
Total assets	383,133,870	7,473,341	390,607,211
Liabilities			
Accounts payable	163,148	30,559	193,707
Due to other governmental units	25,702	6,682,391	6,708,093
Due to primary government	3,614,149	-	3,614,149
Bonds and other deposits	-	221,094	221,094
Total liabilities	3,802,999	6,934,044	10,737,043
Net Position			
Restricted:			
Pension	231,834,088	-	231,834,088
Postemployment benefits other than pension	147,496,783	-	147,496,783
Individuals, organizations, and other governments	-	539,297	539,297
Total net position	**$ 379,330,871**	**$ 539,297**	**$ 379,870,168**

See notes to financial statements.

Fiduciary Funds
Statement of Changes in Fiduciary Net Position

Year Ended November 30, 2024

	Pension and Other Employee Benefits	Custodial Funds	Total Fiduciary Funds
Additions			
Investment income (loss):			
Interest and dividends	$ 6,803,928	$ 136,460	$ 6,940,388
Net increase in fair value of investments	57,403,680	-	57,403,680
Investment costs	(871,354)	-	(871,354)
Net investment income	63,336,254	136,460	63,472,714
Contributions:			
Employer	9,190,996	-	9,190,996
Employee	1,461,532	-	1,461,532
Total contributions	10,652,528	-	10,652,528
Collections for other governments	-	178,593,564	178,593,564
Fines and fees	-	1,577,993	1,577,993
Bond receipts	-	1,152,847	1,152,847
Restitutions, judgments, and other	-	95,973	95,973
Total additions	73,988,782	181,556,837	255,545,619
Deductions			
Pension benefit payments	20,527,021	-	20,527,021
Medical benefit payments	10,382,804	-	10,382,804
Disability benefit payments	192,090	-	192,090
Refunds of contributions	300,668	-	300,668
Administrative expenses	319,145	-	319,145
Disbursements to other governments	-	179,971,661	179,971,661
Bond disbursements	-	1,152,847	1,152,847
Restitutions, judgments, and other refunds	-	204,691	204,691
Volunteer work program and civil drug fund	-	378,327	378,327
Total deductions	31,721,728	181,707,526	213,429,254
Net Increase (Decrease) in Net Position	42,267,054	(150,689)	42,116,365
Net Position - Beginning of year	337,063,817	689,986	337,753,803
Net Position - End of year	**$ 379,330,871**	**$ 539,297**	**$ 379,870,168**

Component Units
Statement of Net Position

November 30, 2024

	Economic Development Corporation	Plymouth Road Development Authority	Brownfield Redevelopment Authority	Total
Assets				
Cash and cash equivalents	$ 27,342	$ 1,631,993	$ 1,420,280	$ 3,079,615
Accounts receivable	-	221,156	-	221,156
Capital assets: (Note 5)				
Assets not subject to depreciation	-	474,048	-	474,048
Assets subject to depreciation - Net	-	117,235	-	117,235
Total assets	27,342	2,444,432	1,420,280	3,892,054
Liabilities				
Accounts payable	-	127,925	691,840	819,765
Due to other governmental units	-	-	67,630	67,630
Total liabilities	-	127,925	759,470	887,395
Net Position				
Net investment in capital assets	-	591,283	-	591,283
Unrestricted	27,342	1,725,224	660,810	2,413,376
Total net position	**$ 27,342**	**$ 2,316,507**	**$ 660,810**	**$ 3,004,659**

		Program Revenue		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Functions/Programs				
Economic Development Corporation	$ -	$ -	$ -	$ -
Plymouth Road Development Authority	826,342	-	-	-
Brownfield Redevelopment Authority	1,249,011	-	-	-
Total component units	**$ 2,075,353**	**$ -**	**$ -**	**$ -**

General revenue:
Property taxes
Investment income

Total general revenue

Change in Net Position

Net Position - Beginning of year

Net Position - End of year

Net (Expense) Revenue and Changes in Net Position			
Economic Development Corporation	Plymouth Road Development Authority	Brownfield Redevelopment Authority	Total
$ -	$ -	$ -	$ -
-	(826,342)	-	(826,342)
-	-	(1,249,011)	(1,249,011)
-	(826,342)	(1,249,011)	(2,075,353)
-	855,657	1,375,611	2,231,268
1,308	4,661	27,279	33,248
1,308	860,318	1,402,890	2,264,516
1,308	33,976	153,879	189,163
26,034	2,282,531	506,931	2,815,496
$ 27,342	**$ 2,316,507**	**$ 660,810**	**$ 3,004,659**

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 bond using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed at the time they are incurred. In the fund financial statements, governmental fund types recognize bond issuances and premiums as other financing sources and bond discounts as other financing uses. The General Fund 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 pension and OPEB plans, as detailed in Notes 11 and 13, respectively.

Net Position Flow Assumption

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

Note 1 - Significant Accounting Policies (Continued)

Fund Balance Flow Assumptions

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

Fund Balance Policies

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

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

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

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 2023 property tax revenue was levied and collectible on December 1, 2023 and is recognized as revenue in the year ended November 30, 2024 when the proceeds of the levy are budgeted and available for the financing of operations.

Note 1 - Significant Accounting Policies (Continued)

The 2023 taxable valuation of the City totaled $5.08 billion. Properties in the Plymouth Road Development Authority (PRDA) are assessed a millage of 2.0000 on July 1. The 2024 taxable valuation of PRDA totaled $426 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	$ 19,939
Police and fire	0.7939	3,986
Police and fire and snow	1.1911	5,981
Library	0.7939	3,977
Refuse and recycling	2.3690	11,871
Industrial development	0.0099	50
Roads, sidewalks, and trees	0.8729	4,372
Recreation	0.7710	3,862
Public safety	1.6689	8,379
Culture and senior services	0.2452	1,231
Transit and capital improvement	0.4907	2,458
Plymouth Road Development Authority	2.0000	854
Total		$ 66,960

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 2024. 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 (asset) 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 noncancelable lease of fiber-optic cable and infrastructure. The City recognizes a lease liability and an intangible right-of-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 noncancelable 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 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 Governmental 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 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.

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

Note 1 - Significant Accounting Policies (Continued)

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

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, 2023		$ (4,096,953)
Current year building permit revenue		2,180,108
Related expenses:		
Direct costs	$ 2,976,695	
Estimated indirect costs	765,124	3,741,819
Current year net revenue		(1,561,711)
Cumulative shortfall at November 30, 2024		$ (5,658,664)

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.

Note 3 - Deposits and Investments (Continued)

Custodial Credit Risk of Bank Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk. At year end, the City had bank deposits of $63,266,589 (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 $446,127 (checking and savings accounts) that were uninsured and uncollateralized. The City believes that, due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits.

Interest Rate Risk

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

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	$ 17,244,114	$ 17,244,114	$ -	$ -
Municipal bonds	1,057,070	1,057,070	-	-
U.S. Treasury securities	14,355,022	14,355,022	-	-
Bank investment pools	15,815,384	15,815,384	-	-
Total	$ 48,471,590	$ 48,471,590	$ -	$ -

City of Livonia Employees' Retirement System	Fair Value	0-5 Years	6-10 Years	More Than 10 Years
Corporate bonds	$ 7,589,881	$ 4,342,331	$ 1,445,557	$ 1,801,993
Foreign bonds	482,801	199,293	201,507	82,001
U.S. agency securities	4,217,874	134,770	60,811	4,022,293
U.S. Treasury securities	8,052,428	3,517,229	1,157,493	3,377,706
Collateralized mortgage obligations	1,352,962	-	62,535	1,290,427
Total	$ 21,695,946	$ 8,193,623	$ 2,927,903	$ 10,574,420

City of Livonia Retiree Health and Disability Benefits Plan	Fair Value	0-5 Years	6-10 Years	More Than 10 Years
Corporate bonds	$ 4,359,675	$ 2,409,771	$ 795,242	$ 1,154,662
Foreign bonds	436,860	203,943	166,163	66,754
U.S. agency securities	3,770,252	340,039	20,269	3,409,944
U.S. Treasury securities	8,281,729	4,393,441	1,057,057	2,831,231
Collateralized mortgage obligations	1,402,177	-	105,401	1,296,776
Total	$ 18,250,693	$ 7,347,194	$ 2,144,132	$ 8,759,367

Note 3 - Deposits and Investments (Continued)

Credit Risk

State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations. The City has no investment policy that would further limit its investment choices. As of November 30, 2024, 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	$ 15,815,384	Baa1/P2	Moody's
Bank investment pools	2,306,344	Ba3/NP	Moody's
Municipal bonds	1,057,070	AA	S&P
U.S. Treasury securities	14,355,022	AA+	S&P
U.S. agency securities	17,244,114	AA+	S&P
Total	$ 50,777,934		

Investment	Fair Value	Rating	Rating Organization
Fiduciary Funds			
Corporate bond	$ 397,985	Aaa	Moody's
Corporate bond	30,106	Aa1	Moody's
Corporate bond	1,886	Aa2	Moody's
Corporate bond	363,980	A1	Moody's
Corporate bond	161,796	A2	Moody's
Corporate bond	233,096	A3	Moody's
Corporate bond	2,403,611	Baa1 and below	Moody's
Corporate bond	8,357,096	NR	N/A
Foreign bonds	41,154	Baa1 and below	Moody's
Foreign bonds	878,507	NR	N/A
U.S. agency securities	7,988,126	Aaa	Moody's
U.S. Treasury securities	16,334,157	Aaa	Moody's
Collateralized mortgage obligations	1,021,536	Aaa	Moody's
Collateralized mortgage obligations	1,733,603	NR	N/A
Total	$ 39,946,639		

There are no limitations or restrictions on participant withdrawals for the $15,815,384 of bank investment pool investments that are recorded at amortized cost.

Concentration of Credit Risk

The City places no limit on the amount it may invest in any one issuer. Investments in the Employees' Retirement System Fund total $218,096,761 at November 30, 2024. Of this total, $16,247,352, or 7.45 percent, is invested in Loomis Senior Fund. Investments in the VEBA Fund total $151,091,693 at November 30, 2024. Of this total, $12,258,478, or 8.11 percent, is invested in Loomis Senior Fund.

Note 4 - Fair Value Measurements

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

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

The City has the following recurring fair value measurements as of November 30, 2024:

	Assets Measured at Fair Value on a Recurring Basis at November 30, 2024			
	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, 2024
Investments by Fair Value Level				
Debt securities:				
U.S. Treasury securities	$ 30,689,179	$ -	$ -	$ 30,689,179
Collateralized mortgage obligations	-	2,755,139	-	2,755,139
Corporate bonds	-	11,949,556	-	11,949,556
Foreign bonds and notes	-	919,661	-	919,661
Government agencies	-	25,232,240	-	25,232,240
Asset-backed securities	-	1,057,070	-	1,057,070
Total debt securities	30,689,179	41,913,666	-	72,602,845
Equity securities:				
Common stock	139,293,372	-	-	139,293,372
Foreign stock	5,465,357	-	-	5,465,357
Mutual funds	120,428,539	-	-	120,428,539
ADR	7,696,266	-	-	7,696,266
REIT	1,509,893	-	-	1,509,893
Short-term investments	-	5,041,612	-	5,041,612
Total equity securities	274,393,427	5,041,612	-	279,435,039
Total investments by fair value level	$ 305,082,606	$ 46,955,278	$ -	352,037,884
Investments measured at NAV:				
Real estate funds				22,991,016
CIF - Fixed income				28,505,829
CIF - Equity				10,600,586
Total investments measured at NAV				62,097,431
Total investments				$ 414,135,315

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

Note 4 - Fair Value Measurements (Continued)

The fair value of collateralized mortgage obligations, corporate bonds, foreign bonds and notes, government agency securities, municipal bonds, and short-term investments at November 30, 2024 was determined primarily based on Level 2 inputs. The City estimates the fair value of these investments using other inputs, such as interest rates and yield curves, that are observable at commonly quoted intervals.

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

Investments in Entities that Calculate Net Asset Value per Share

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

As of November 30, 2024, 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	$ 22,991,016	$ -	Unlimited	12 months
CIF - Fixed income	28,505,829	-	Unlimited	15 business days
CIF - Equity	10,600,586	-	Unlimited	None
Total investments measured at NAV	$ 62,097,431	$ -		

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, 2023	Reclassifications	Additions	Disposals and Adjustments	Balance November 30, 2024
Capital assets not being depreciated:					
Land	$ 34,862,968	$ -	$ 415,660	$ -	$ 35,278,628
Construction in progress	745,200	(2,242,631)	7,303,512	-	5,806,081
Subtotal	35,608,168	(2,242,631)	7,719,172	-	41,084,709
Capital assets being depreciated:					
Infrastructure	209,394,854	21,696,667	13,210,515	-	244,302,036
Road rights	21,696,667	(21,696,667)	-	-	-
Buildings and improvements	119,081,701	2,242,631	638,410	(239,330)	121,723,412
Equipment and vehicles	49,996,864	-	10,334,577	(1,281,675)	59,049,766
Lease assets - Equipment and vehicles	672,502	-	-	-	672,502
Subtotal	400,842,588	2,242,631	24,183,502	(1,521,005)	425,747,716
Accumulated depreciation:					
Infrastructure	85,286,402	14,439,509	5,850,624	2,692	105,579,227
Road rights	14,439,509	(14,439,509)	-	-	-
Buildings and improvements	64,912,256	-	2,466,516	(91,164)	67,287,608
Equipment and vehicles	32,148,474	-	3,487,316	(196,680)	35,439,110
Lease assets - Equipment and vehicles	39,229	-	67,250	-	106,479
Subtotal	196,825,870	-	11,871,706	(285,152)	208,412,424
Net capital assets being depreciated	204,016,718	2,242,631	12,311,796	(1,235,853)	217,335,292
Net governmental activities capital assets	$ 239,624,886	$ -	$ 20,030,968	$ (1,235,853)	$ 258,420,001

Note 5 - Capital Assets (Continued)

Business-type Activities

	Balance December 1, 2023	Reclassifications	Additions	Disposals and Adjustments	Balance November 30, 2024
Capital assets not being depreciated:					
Land	$ 5,164,436	$ -	$ -	$ -	$ 5,164,436
Construction in progress	6,856,258	(6,335,507)	9,185,733	-	9,706,484
Subtotal	12,020,694	(6,335,507)	9,185,733	-	14,870,920
Capital assets being depreciated:					
Water and sewer distribution	182,628,406	5,085,855	105,172	-	187,819,433
Buildings and building improvements	20,680,608	1,249,652	-	(11,466)	21,918,794
Machinery and equipment	2,719,987	(337,008)	36,565	(250,911)	2,168,633
Vehicles	4,062,029	337,008	415,575	(129,269)	4,685,343
Land improvements	3,069,555	-	-	-	3,069,555
Subtotal	213,160,585	6,335,507	557,312	(391,646)	219,661,758
Accumulated depreciation:					
Water and sewer distribution	95,100,576	-	3,332,817	-	98,433,393
Buildings and building improvements	7,255,567	-	421,532	(11,465)	7,665,634
Machinery and equipment	1,885,395	-	52,197	(250,913)	1,686,679
Vehicles	2,611,394	-	481,051	(65,990)	3,026,455
Land improvements	2,930,516	-	13,799	-	2,944,315
Subtotal	109,783,448	-	4,301,396	(328,368)	113,756,476
Net capital assets being depreciated	103,377,137	6,335,507	(3,744,084)	(63,278)	105,905,282
Net business-type activities capital assets	$ 115,397,831	$ -	$ 5,441,649	$ (63,278)	$ 120,776,202

Capital asset activity for the City's component unit for the year ended November 30, 2024 was as follows:

Component Unit - Plymouth Road Development Authority

	Balance December 1, 2023	Reclassifications	Additions	Disposals and Adjustments	Balance November 30, 2024
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	12,034,900	-	43,653	-	12,078,553
Net capital assets being depreciated	160,888	-	(43,653)	-	117,235
Net capital assets	$ 634,936	$ -	$ (43,653)	$ -	$ 591,283

Note 5 - Capital Assets (Continued)

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

Governmental activities:	
General government	$ 597,127
Public safety	1,779,249
Public works	7,109,939
Recreation and culture	2,385,391
Total governmental activities	$ 11,871,706
Business-type activities:	
Water and Sewer	$ 4,063,541
Golf Course	29,978
Newburgh and Silver Village	207,877
Total business-type activities	$ 4,301,396

Construction Commitments

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

	Spent to Date	Remaining Commitment
Street and sidewalk projects	$ 22,481,790	$ 1,815,903
Water, drain, and sewer projects	13,145,272	3,771,952
Senior center	2,877,549	22,628,062
Police station improvements	-	132,645
Park improvements	477,575	384,599
Total	$ 38,982,186	$ 28,733,161

Note 6 - Interfund Receivables, Payables, and Transfers

The composition of interfund balances is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	VEBA	$ 2,614,149
Employees' Retirement System	General Fund	202,836
	Nonmajor governmental funds	11,269
	Water and Sewer Fund	11,269
	Total Employees' Retirement System	225,374
VEBA	Water and Sewer Fund	18,752
	Nonmajor governmental funds	18,752
	Total VEBA	37,504
Police and Fire Revised Retirement Plan	General Fund	279,556
	Total	$ 3,156,583

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

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

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

Paying Fund (Transfer Out)	Receiving Fund (Transfer In)	Amount
General Fund	Nonmajor governmental funds	$ 2,619,003
Nonmajor governmental funds	Nonmajor governmental funds	10,325,434
	Roads and Sidewalks Fund	7,800,000
	Total nonmajor governmental funds	18,125,434
Water and Sewer Fund	Nonmajor governmental funds	73,439
Golf Course Fund	Nonmajor governmental funds	250,000
	Total	$ 21,067,876

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.

The transfers from the Water and Sewer Fund and the Golf Course Fund to nonmajor governmental funds were for capital improvements.

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. 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, 2024 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	$ 350,000	$ -	$ (175,000)	$ 175,000	$ 175,000
2016 MBA Refunding Bonds: Amount of issue - $6,180,000 Maturing through 2033	4.00%	$305,000 - $540,000	4,515,000	-	(375,000)	4,140,000	390,000
2017 MBA Refunding Bonds: Amount of issue - $19,980,000 Maturing through 2030	3.00% - 5.00%	$1,250,000 - $1,945,000	11,875,000	-	(1,500,000)	10,375,000	1,545,000
Installment purchases			441,874	43,095	(121,240)	363,729	110,852
Unamortized bond premiums			1,538,538	-	(200,309)	1,338,229	200,311
Total bonds and contracts payable			18,720,412	43,095	(2,371,549)	16,391,958	2,421,163
Leases			597,694	-	(60,165)	537,529	61,639
General liability claims, workers' compensation, and health insurance claims (Note 9)			2,609,210	-	(37,260)	2,571,950	-
Net pension liability (Note 11)			33,306,622	-	(23,253,519)	10,053,103	-
Net OPEB liability (asset) (Note 13)			2,186,321	-	(8,779,869)	(6,593,548)	-
Compensated absences			10,711,412	3,960,224	(3,569,914)	11,101,722	3,700,204
Landfill closure and postclosure			720,722	16,769	-	737,491	-
Total governmental activities long-term debt			$ 68,852,393	$ 4,020,088	$ (38,072,276)	$ 34,800,205	$ 6,183,006

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	$ 2,040,730	$ -	$ (170,000)	$ 1,870,730	$ 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	2,162,013	-	(175,000)	1,987,013	180,000
2015 State of Michigan Drinking Water Program Revolving Loan: Amount of issue - $7,104,415 Maturing through 2040	2.50%	$274,415 - $570,000	4,152,894	-	(275,000)	3,877,894	280,000
2020 State of Michigan Drinking Water Program Revolving Loan: Amount of issue - $9,160,000 Maturing through 2040	2.00%	$375,000 - $550,000	7,512,130	-	(370,500)	7,141,630	380,500
2021 State of Michigan Drinking Water Program Revolving Loan: Amount of issue - $5,337,668 Maturing through 2041	1.875%	$222,668 - $315,000	4,381,938	4,951	(210,000)	4,176,889	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	-	(200,000)	6,095,000	200,000
Installment purchases			7,155	-	(7,155)	-	-
Unamortized bond premiums			289,952	-	(14,498)	275,454	-
Total direct borrowings and direct placements principal outstanding			26,841,812	4,951	(1,422,153)	25,424,610	1,420,500
Net pension liability (Note 11)			1,066,619	-	(447,211)	619,408	-
Net OPEB liability (asset) (Note 13)			83,293	-	(442,351)	(359,058)	-
Compensated absences			627,142	309,771	(300,211)	636,702	266,540
Total business-type activities long-term debt			$ 28,618,866	$ 314,722	$ (2,611,926)	$ 26,321,662	$ 1,687,040

Note 7 - Long-term Debt (Continued)

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 $31.8 million. During the current year, net revenue of the system was $10.4 million, compared to annual debt requirements of approximately $2.2 million.

Conduit Debt Obligations

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.

Excluded from the City's financial statements are bonds issued by the Economic Development Corporation in October 2024. This debt is conduit debt under GASB 91, of which the issuer is not to record a liability and has limited commitment, which involves no responsibility for debt service beyond resources provided by the third-party obligor. The original issue amount of bonds was $17,000,000 and, as of November 30, 2024, $17,000,000 remains outstanding.

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
2025	$ 2,220,852	$ 632,292	$ 2,853,144	$ 1,420,500	$ 705,924	$ 2,126,424
2026	2,122,989	551,919	2,674,908	1,460,500	669,239	2,129,739
2027	2,220,606	453,929	2,674,535	1,490,500	631,510	2,122,010
2028	2,209,282	342,729	2,552,011	1,530,500	592,782	2,123,282
2029	2,310,000	233,700	2,543,700	1,560,500	552,897	2,113,397
2030-2034	3,970,000	214,925	4,184,925	8,502,244	2,123,540	10,625,784
2035-2039	-	-	-	6,297,894	1,092,667	7,390,561
2040-2043	-	-	-	2,886,518	266,357	3,152,875
Total	$ 15,053,729	$ 2,429,494	$ 17,483,223	$ 25,149,156	$ 6,634,916	$ 31,784,072

Bond Refunding

In previous years, the City defeased certain bonds by completing an advance refunding. As of November 30, 2024, there is still $9,630,000 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, 2024, the City set aside $2,306,344 of cash and cash equivalents to comply with these requirements. Additionally, the Water and Sewer Fund held $1,014,198 of unspent bond proceeds as of November 30, 2024 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").

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	
	2024	2023	2024	2023	2024	2023
Estimated liability - Beginning of year	$ 1,126,328	$ 1,182,634	$ 844,192	$ 325,429	$ 638,690	$ 536,612
Estimated claims incurred, including changes in estimates	877,342	1,349,562	823,841	1,424,474	11,749,907	11,853,090
Claim payments	(1,208,801)	(1,405,868)	(655,330)	(905,711)	(11,624,219)	(11,751,012)
Estimated liability - End of year	$ 794,869	$ 1,126,328	$ 1,012,703	$ 844,192	$ 764,378	$ 638,690

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

Note 10 - Defined Contribution Pension Plan (Continued)

- 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).

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 $3,377,008 during the current year, and employees contributed $1,273,067.

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).

Note 11 - Pension Plans (Continued)

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.

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 who 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.

Note 11 - Pension Plans (Continued)

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

City of Livonia Police and Fire Revised Retirement Plan

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

Average final compensation is the average of the highest annual compensation received during any 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, 2024	November 30, 2024
Inactive plan members or beneficiaries currently receiving benefits	540	3
Inactive plan members entitled to but not yet receiving benefits	2	26
Active plan members	7	167
Total employees covered by the plan	549	196

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, 2024, 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, 2024	November 30, 2024
Based on a comprehensive actuarial valuation as of	November 30, 2024	November 30, 2024

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, 2023	$ 233,181,713	$ 199,699,919	$ 33,481,794
Changes for the year:			
Service cost	191,077	-	191,077
Interest	15,612,769	-	15,612,769
Differences between expected and actual experience	136,452	-	136,452
Contributions - Employer	-	2,641,687	(2,641,687)
Contributions - Employee	-	53,577	(53,577)
Net investment income	-	36,805,702	(36,805,702)
Benefit payments, including refunds	(20,666,476)	(20,666,476)	-
Administrative expenses	-	(227,657)	227,657
Net changes	(4,726,178)	18,606,833	(23,333,011)
Balance at November 30, 2024	$ 228,455,535	$ 218,306,752	$ 10,148,783

The plan's fiduciary net position represents 95.56 percent of the total pension liability.

Note 11 - Pension Plans (Continued)

City of Livonia Police and Fire Revised Retirement Plan

	Increase (Decrease)		
Changes in Net Pension Liability	Total Pension Liability	Plan Net Position	Net Pension Liability
Balance at November 30, 2023	$ 9,102,686	$ 8,211,239	$ 891,447
Changes for the year:			
Service cost	3,131,602	-	3,131,602
Interest	850,758	-	850,758
Differences between expected and actual experience	1,127,231	-	1,127,231
Contributions - Employer	-	2,456,356	(2,456,356)
Contributions - Employee	-	1,117,292	(1,117,292)
Net investment income	-	1,947,611	(1,947,611)
Benefit payments, including refunds	(161,213)	(161,213)	-
Administrative expenses	-	(43,949)	43,949
Net changes	4,948,378	5,316,097	(367,719)
Balance at November 30, 2024	$ 14,051,064	$ 13,527,336	$ 523,728

The plan's fiduciary net position represents 96.27 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, 2024, the City recognized pension cost recovery of $396,760 for the System and pension expense of $2,250,705 for the Police and Fire Revised Retirement Plan.

At November 30, 2024, 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	$ 1,902,475	$ -
Net difference between projected and actual earnings on pension plan investments	-	9,746,770
Total	$ 1,902,475	$ 9,746,770

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

Years Ending November 30	Amount
2025	$ (1,803,259)
2026	2,499,767
2027	(4,980,700)
2028	(4,770,767)
2029	172,952
Thereafter	1,037,712
Total	$ (7,844,295)

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, 2024 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

Note 11 - Pension Plans (Continued)

Investment Rate of Return

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

Asset Class	Long-term Expected Real Rate of Return - Livonia Employees' Retirement System	Long-term Expected Real Rate of Return - Police and Fire Revised Retirement Plan
Domestic large-cap value stocks	5.70 %	5.70 %
Domestic large-cap growth stocks	6.00	6.00
Domestic small-cap value/core stocks	5.90	5.90
International stocks	4.80	4.80
U.S. core fixed income	1.20	1.20
Global fixed income	1.10	-
High-yield fixed income	2.90	2.90
Bank loans	2.90	-
Real estate (direct)	4.50	-
Real estate investment trusts	3.40	-
Global balanced strategy	-	5.38

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 (asset) of the City of Livonia Employees' Retirement System	$ 32,071,152	$ 10,148,783	$ (8,450,932)
Net pension liability (asset) of the City of Livonia Police and Fire Revised Retirement Plan	3,037,972	523,728	(1,498,162)

Note 11 - Pension Plans (Continued)

Investment Policy

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

The following was the adopted asset allocation policy of both pension plans as of November 30, 2024:

Asset Class	Target Allocation - Livonia Employees' Retirement System	Target Allocation - Police and Fire Revised Retirement Plan
Cash	2.00 %	2.00 %
Domestic large-cap value stocks	20.00	20.00
Domestic large-cap growth stocks	15.00	15.00
Domestic small-cap value/core stocks	10.00	10.00
International stocks	10.00	10.00
U.S. core fixed income	20.00	23.00
Global fixed income	5.00	-
High-yield fixed income	5.00	10.00
Bank loans	5.00	-
Real estate (direct)	4.00	-
Real estate investment trusts	4.00	-
Global balanced strategy	-	10.00

Rate of Return

For the year ended November 30, 2024, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 18.09 percent for the Employees' Retirement System and 20.48 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.

Note 12 - Pension Plan Reserves (Continued)

The balances of the reserve accounts at November 30, 2024 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	$ 205,704,647	$ 205,704,647	$ 1,465,619	$ 1,465,619
Pension savings fund	1,028,778	1,028,778	3,574,151	3,574,151
Pension accumulation fund	-	11,573,327	-	8,487,566

Note 13 - Other Postemployment Benefit Plan

Plan Description

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

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

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

Benefits Provided

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

Employees Covered by Benefit Terms

The following members were covered by the benefit terms:

Date of member count	November 30, 2024
Inactive plan members or beneficiaries currently receiving benefits	715
Inactive plan members entitled to but not yet receiving benefits	35
Active plan members	459
Total plan members	1,209

Note 13 - Other Postemployment Benefit Plan (Continued)

Contributions

The obligation to contribute to and maintain the VEBA was established by negotiation with certain bargaining units, including general and administrative employees. The funding policy provides for periodic employer contributions at actuarially determined rates per a funding valuation. For the year ended November 30, 2024, 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 (Asset)

The City has chosen to use the November 30 measurement date as its measurement date for the net OPEB liability (asset). The November 30, 2024 fiscal year end reported net OPEB asset was determined using a measure of the total OPEB liability and the OPEB net position as of the November 30, 2024 measurement date. The November 30, 2024 measurement date total OPEB liability was determined by an actuarial valuation performed as of that date.

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

	Increase (Decrease)		
Changes in Net OPEB Liability (Asset)	Total OPEB Liability	Plan Net Position	Net OPEB Liability (Asset)
Balance at November 30, 2023	$ 131,432,743	$ 129,152,659	$ 2,280,084
Changes for the year:			
Service cost	1,012,959	-	1,012,959
Interest	8,907,338	-	8,907,338
Differences between expected and actual experience	9,769,104	-	9,769,104
Changes in assumptions	(3,073)	-	(3,073)
Contributions - Employer	-	4,092,953	(4,092,953)
Contributions - Employee	-	290,663	(290,663)
Net investment income	-	24,582,941	(24,582,941)
Benefit payments, including refunds	(10,574,894)	(10,574,894)	-
Administrative expenses	-	(47,539)	47,539
Net changes	9,111,434	18,344,124	(9,232,690)
Balance at November 30, 2024	$ 140,544,177	$ 147,496,783	$ (6,952,606)

The plan's fiduciary net position represents 104.9 percent of the total OPEB liability.

At November 30, 2024, the City reported an asset of $6,952,606 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, 2024, the City recognized OPEB expense of $525,854.

Note 13 - Other Postemployment Benefit Plan (Continued)

At November 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 10,963,877	$ 1,209,903
Changes in assumptions	1,039,782	2,172,538
Net difference between projected and actual earnings on OPEB plan investments	-	7,512,578
Total	$ 12,003,659	$ 10,895,019

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
2025	$ 136,512
2026	5,343,060
2027	(1,218,809)
2028	(3,152,123)
Total	$ 1,108,640

Actuarial Assumptions

The total OPEB liability in the November 30, 2024 actuarial valuation was determined using an inflation assumption of 2.50 percent; an investment rate of return (net of investment expenses) of 7.00 percent; a health care cost trend rates of 7.50 percent for pre-65 ages and 6.50 percent for post-65 ages, both 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, 2024 was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that city contributions will be made at rates equal to the actuarially determined contribution rates.

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

Note 13 - Other Postemployment Benefit Plan (Continued)

Investment Rate of Return

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

Asset Class	Long-term Expected Real Rate of Return
Domestic large-cap value stocks	5.70 %
Domestic large-cap growth stocks	6.00
Domestic small-cap value/core	5.90
International stocks	4.80
U.S. core fixed income	1.20
Global fixed income	1.10
High-yield fixed income	2.90
Real estate (direct)	4.50
Real estate investment trusts	3.40

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

The following presents the net OPEB asset of the plan, calculated using the discount rate of 7.00 percent, as well as what the plan's net OPEB liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1 Percentage Point Decrease (6.00%)	Current Discount Rate (7.00%)	1 Percentage Point Increase (8.00%)
Net OPEB liability (asset)	$ 8,394,715	$ (6,952,606)	$ (19,798,831)

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

The following presents the net OPEB asset of the plan, calculated using the health care cost trend rate of 7.5 percent for pre-65 ages and 6.5 percent for post-65 ages, both decreasing to 4.5 percent, as well as what the plan's net OPEB (asset) liability would be if it were calculated using a health care cost trend rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1 Percentage Point Decrease (6.5% Pre-64 and 5.5% Post-65, Decreasing to 3.5%)	Current Health Care Cost Trend Rate (7.5% Pre-65 and 6.5% Post-65, Decreasing to 4.5%)	1 Percentage Point Increase (8.5% Pre-65 and 7.5% Post-65, Decreasing to 5.5%)
Net OPEB (asset) liability	$ (20,149,511)	$ (6,952,606)	$ 8,728,621

Assumption Changes

Health care trend rates for pre-65 ages have been reset to an initial rate of 7.5 percent decreasing by 0.5 percent annually down to an ultimate rate of 4.5 percent. Health care trend rates for post-65 ages have been reset to an initial rate of 6.5 percent decreasing by 0.25 percent annually down to an ultimate rate of 4.5 percent. This was a change from an initial rate of 8.0 percent for all ages in 2023.

Note 13 - Other Postemployment Benefit Plan (Continued)

Investment Policy

The VEBA's policy in regard to the allocation of invested assets is established and may be amended by the board of trustees of the City of Livonia Employees' Retirement System by a majority vote of its members. It is the policy of the board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The VEBA's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the VEBA's adopted asset allocation policy as of November 30, 2024:

City of Livonia Retiree Health and Disability Benefits Plan

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

Rate of Return

For the year ended November 30, 2024, the annual money-weighted rate of return on OPEB plan investments, net of OPEB plan investment expense, was 17.52 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	$ 218,096,761	$ 13,270,818	$ 151,091,693
Other assets	340,038	279,556	55,004
Liabilities	130,047	23,038	3,649,914
Net position	$ 218,306,752	$ 13,527,336	$ 147,496,783
Statement of Changes in Net Position			
Investment income	$ 36,805,702	$ 1,947,611	$ 24,582,941
Contributions	2,695,264	3,573,648	5,383,616
Benefit payments	(20,666,476)	(161,213)	(10,574,894)
Other decreases	(227,657)	(43,949)	(47,539)
Net change in net position	$ 18,606,833	$ 5,316,097	$ 19,344,124

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, 2024, the City abated $500,782 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, 2024, the City abated $90,996 of taxes under this program. There are no provisions to recapture taxes.

Additionally, the Brownfield Redevelopment Authority, a discretely presented component unit, uses brownfield redevelopment agreements under PA 381 of 1996 to reimburse taxpayers that remediate environmental contamination on their properties. As a result of these agreements, the brownfield's tax revenue is reduced. For the fiscal year ended November 30, 2024, the Brownfield Redevelopment Authority abated $412,166 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	$ 3,175,572
State sources - Unavailable	828,666
911 surcharge revenue - Unavailable	239,411
Local Community Stabilization Authority - Unavailable	2,913,360
Grant revenue - Unavailable	4,120,569
Leases	3,435,797
Total deferred inflows	$ 14,713,375

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, 2024 are as follows:

Years Ending	Principal	Interest	Total
2025	$ 61,639	$ 13,169	$ 74,808
2026	63,149	11,659	74,808
2027	64,696	10,112	74,808
2028	66,281	8,527	74,808
2029	67,904	6,903	74,807
2030-2032	213,860	10,563	224,423
Total	$ 537,529	$ 60,933	$ 598,462

Note 17 - Leases (Continued)

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, 2024, the City recognized the following related to its lessor agreements:

Lease revenue	$ 590,852
Interest income related to its leases	81,148

Required Supplementary Information

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenue				
Property Taxes	$ 39,597,446	$ 39,597,446	$ 39,728,807	$ 131,361
Licenses and Permits				
Business	188,600	188,600	155,728	(32,872)
Nonbusiness	2,763,500	2,763,500	2,401,295	(362,205)
Total licenses and permits	2,952,100	2,952,100	2,557,023	(395,077)
Intergovernmental Revenue				
State and local	14,246,926	14,329,926	13,930,560	(399,366)
Grants	62,700	62,700	470,440	407,740
Total intergovernmental revenue	14,309,626	14,392,626	14,401,000	8,374
Charges for Services	5,286,574	5,286,574	5,122,918	(163,656)
Interest and Rents	3,645,351	4,245,351	4,659,860	414,509
Fines and Forfeitures	3,390,869	3,390,869	3,755,295	364,426
Miscellaneous Revenue				
Sale of fixed assets	150,000	(150,000)	64,775	214,775
Other miscellaneous	2,189,506	2,189,506	1,386,490	(803,016)
Total miscellaneous revenue	2,339,506	2,039,506	1,451,265	(588,241)
Total revenue	**$ 71,521,472**	**$ 71,904,472**	**$ 71,676,168**	**$ (228,304)**
Expenditures				
General Government				
Legislative:				
City Council	$ 334,005	$ 349,033	$ 303,495	$ 45,538
City Clerk	633,636	633,636	587,844	45,792
Elections	679,174	664,174	660,690	3,484
Total legislative	1,646,815	1,646,843	1,552,029	94,814
Judicial	3,502,513	3,514,313	3,397,724	116,589
Executive - Mayor's office	584,792	606,092	606,009	83
Human resources:				
Labor relations	92,500	42,500	36,496	6,004
Civil service	959,897	854,897	851,328	3,569
Total human resources	1,052,397	897,397	887,824	9,573

Required Supplementary Information
Budgetary Comparison Schedule – General Fund (Continued)
Year Ended November 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
Expenditures (Continued)				
General Government (Continued)				
Financial administration:				
Accounting	$ 326,094	$ 326,094	$ 316,154	$ 9,940
Assessing	756,439	721,439	706,928	14,511
Finance	534,554	513,454	483,352	30,102
Independent audit	54,512	62,612	62,523	89
Board of review	3,545	3,545	3,100	445
Treasurer	679,921	614,921	613,777	1,144
Information systems	1,605,679	1,705,679	1,684,821	20,858
Total financial administration	3,960,744	3,947,744	3,870,655	77,089
Other activities:				
Legal	980,880	985,880	982,030	3,850
Communications	429,649	420,649	420,443	206
Government affairs	13,801	95,501	95,158	343
Utilities and supplies	546,613	506,613	502,316	4,297
Dues and subscriptions	58,000	64,000	63,695	305
Total other activities	2,028,943	2,072,643	2,063,642	9,001
Total general government	12,776,204	12,685,032	12,377,883	307,149
Public Safety				
Police:				
Traffic bureau	1,262,039	1,330,539	1,330,155	384
Administration	3,010,074	2,832,574	2,825,093	7,481
Data processing	999,901	959,901	958,517	1,384
Detective bureau	3,357,544	3,265,364	3,234,523	30,841
Automotive service	586,150	750,150	749,667	483
Communications/Records bureau	1,014,332	914,332	913,447	885
Crossing guards	81,488	73,488	72,945	543
School liaison	578,567	639,567	638,892	675
Office of emergency preparedness	184,118	184,118	166,197	17,921
Reserve police	407,969	487,969	485,828	2,141
Patrol bureau	14,764,790	14,811,388	14,807,851	3,537
Intelligence bureau	2,582,175	2,579,577	2,579,074	503
Total police	28,829,147	28,828,967	28,762,189	66,778
Fire:				
Administration	1,440,863	1,442,257	1,442,031	226
Firefighting	14,759,162	14,719,162	14,718,420	742
Fire prevention	865,073	903,679	902,781	898
Total fire	17,065,098	17,065,098	17,063,232	1,866

	Original Budget	Final Budget	Actual	Variance with Final Budget
Expenditures (Continued)				
Public Safety (Continued)				
Protective inspection:				
Building Code Board of Appeals	$ 1,361	$ 1,361	$ 60	$ 1,301
Inspection	2,007,116	2,007,116	1,941,071	66,045
Total protective inspection	2,008,477	2,008,477	1,941,131	67,346
Other protective - Traffic commission	2,353	2,353	1,652	701
Total public safety	47,905,075	47,904,895	47,768,204	136,691
Public Works				
Public services - Highways, streets, and maintenance:				
Engineering	43,534	43,534	4,940	38,594
Parks maintenance	1,726,526	1,728,526	1,573,465	155,061
Administration	85,450	90,450	3,028	87,422
Equipment maintenance	108,602	162,602	161,718	884
Building maintenance	2,026,738	1,899,738	1,756,400	143,338
Street lighting	266,328	274,328	274,295	33
Maintenance - Streets	600,843	633,843	633,362	481
Total public works	4,858,021	4,833,021	4,407,208	425,813
Parks and Recreation and Cultural				
Parks and recreation:				
Administration	352,803	352,803	264,002	88,801
Recreation facilities	54,189	54,989	39,988	15,001
Recreation athletics	144,447	143,647	128,416	15,231
Total parks and recreation	551,439	551,439	432,406	119,033
Cultural:				
Senior services	564,761	576,761	575,964	797
Greenmead and cultural	1,099,726	1,087,726	1,063,558	24,168
Total cultural	1,664,487	1,664,487	1,639,522	24,965
Total parks and recreation and cultural	2,215,926	2,215,926	2,071,928	143,998
Community and Economic Development				
City Planning Commission	726,556	666,056	637,295	28,761
Zoning Board of Appeals	53,825	33,325	32,980	345
Total community and economic development	780,381	699,381	670,275	29,106
Employee Benefits, Insurance, and Other	2,984,196	5,183,196	4,164,196	1,019,000
Total expenditures	**$ 71,519,803**	**$ 73,521,451**	**$ 71,459,694**	**$ 2,061,757**

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

Year Ended November 30, 2024

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Property taxes	$ 11,879,203	$ 11,879,203	$ 11,870,707	$ (8,496)
State and local revenue	1,523,100	1,523,100	1,481,492	(41,608)
Charges for services	135,000	135,000	117,027	(17,973)
Investment income	500,000	500,000	787,400	287,400
Other revenue	25,000	25,000	699	(24,301)
Total revenue	14,062,303	14,062,303	14,257,325	195,022
Expenditures - Current services - Public works	16,390,157	20,506,084	18,431,579	2,074,505
Net Change in Fund Balance	(2,327,854)	(6,443,781)	(4,174,254)	2,269,527
Fund Balance - Beginning of year	11,436,267	11,436,267	11,436,267	-
Fund Balance - End of year	**$ 9,108,413**	**$ 4,992,486**	**$ 7,262,013**	**$ 2,269,527**

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

Year Ended November 30, 2024

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Property taxes	$ 4,377,209	$ 4,377,209	$ 4,372,056	$ (5,153)
State and local revenue	560,493	560,493	614,882	54,389
Investment income	296,000	296,000	279,504	(16,496)
Other revenue - Transfers in	7,800,000	7,800,000	7,800,000	-
Total revenue	13,033,702	13,033,702	13,066,442	32,740
Expenditures - Current services - Public works	13,763,534	14,251,235	12,875,216	1,376,019
Net Change in Fund Balance	(729,832)	(1,217,533)	191,226	1,408,759
Fund Balance - Beginning of year	1,931,573	1,931,573	1,931,573	-
Fund Balance - End of year	**$ 1,201,741**	**$ 714,040**	**$ 2,122,799**	**$ 1,408,759**

See notes to required supplementary information.

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

Last Ten Fiscal Years
Years Ended November 30

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Annual money-weighted rate of return - Net of investment expense	18.09 %	10.02 %	(9.16)%	17.81 %	10.27 %	(12.45)%	(1.66)%	17.45 %	6.50 %	1.40 %

See notes to required supplementary information.

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

Last Ten Fiscal Years

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability										
Service cost	$ 191,077	$ 399,577	$ 588,570	$ 997,853	$ 908,315	$ 1,645,242	$ 1,655,509	$ 1,721,106	$ 1,644,915	$ 1,530,027
Interest	15,612,769	15,873,611	16,119,192	16,347,439	16,419,283	16,950,423	15,849,006	16,209,241	15,949,081	15,607,024
Changes in benefit terms	-	-	-	-	-	-	110,794	-	526,875	-
Differences between expected and actual experience	136,452	2,026,080	1,511,595	1,562,337	2,210,334	(11,621,805)	990,792	(235,377)	3,014,188	(673,125)
Changes in assumptions	-	2,060,266	2,070,007	1,371,992	2,035,532	8,335,763	14,813,206	9,009,758	-	4,763,196
Benefit payments, including refunds	(20,666,476)	(20,700,472)	(20,111,628)	(19,748,739)	(19,466,578)	(19,570,956)	(17,886,317)	(18,048,385)	(17,793,928)	(16,223,788)
Net Change in Total Pension Liability	(4,726,178)	(340,938)	177,736	530,882	2,106,886	(4,261,333)	15,532,990	8,656,343	3,341,131	5,003,334
Total Pension Liability - Beginning of year	233,181,713	233,522,651	233,344,915	232,814,033	230,707,147	234,968,480	219,435,490	210,779,147	207,438,016	202,434,682
Total Pension Liability - End of year	**$ 228,455,535**	**$ 233,181,713**	**$ 233,522,651**	**$ 233,344,915**	**$ 232,814,033**	**$ 230,707,147**	**$ 234,968,480**	**$ 219,435,490**	**$ 210,779,147**	**$ 207,438,016**
Plan Fiduciary Net Position										
Contributions - Employer	$ 2,641,687	$ 1,786,885	$ 2,393,141	$ 1,948,485	$ 1,019,900	$ 432,885	$ 558,568	$ 336,320	$ 815,291	$ 2,158,913
Contributions - Member	53,577	98,073	142,482	175,358	212,251	273,901	308,076	345,164	380,988	386,983
Net investment income (loss)	36,805,702	14,852,492	(20,072,738)	37,112,851	22,172,808	25,843,649	(1,636,195)	34,908,239	14,021,405	4,353,881
Administrative expenses	(227,657)	(245,479)	(282,819)	(255,672)	(232,019)	(247,666)	(230,600)	(210,695)	(216,924)	(212,335)
Benefit payments, including refunds	(20,666,476)	(20,700,472)	(20,111,628)	(19,748,739)	(19,466,578)	(19,570,956)	(17,886,317)	(18,048,385)	(17,793,928)	(16,223,788)
Net Change in Plan Fiduciary Net Position	18,606,833	(4,208,501)	(37,931,562)	19,232,283	3,706,362	6,731,813	(18,886,468)	17,330,643	(2,793,168)	(9,536,346)
Plan Fiduciary Net Position - Beginning of year	199,699,919	203,908,420	241,839,982	222,607,699	218,901,337	212,169,524	231,055,992	213,725,349	216,518,517	226,054,863
Plan Fiduciary Net Position - End of year	**$ 218,306,752**	**$ 199,699,919**	**$ 203,908,420**	**$ 241,839,982**	**$ 222,607,699**	**$ 218,901,337**	**$ 212,169,524**	**$ 231,055,992**	**$ 213,725,349**	**$ 216,518,517**
City's Net Pension Liability (Asset) - Ending	**$ 10,148,783**	**$ 33,481,794**	**$ 29,614,231**	**$ (8,495,067)**	**$ 10,206,334**	**$ 11,805,810**	**$ 22,798,956**	**$ (11,620,502)**	**$ (2,946,202)**	**$ (9,080,501)**
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	95.56 %	85.64 %	87.32 %	103.64 %	95.62 %	94.88 %	90.30 %	105.30 %	101.40 %	104.38 %
Covered Payroll	$ 797,017	$ 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
City's Net Pension Liability (Asset) as a Percentage of Covered Payroll	1,273.35 %	2,738.33 %	1,173.84 %	(257.17)%	255.29 %	257.79 %	353.66 %	(173.89)%	(38.63)%	(100.11)%

See notes to required supplementary information.

Required Supplementary Information
Schedule of Pension Contributions
Employees' Retirement System

Last Ten Fiscal Years
Years Ended November 30

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	$ 2,641,687	$ 1,786,885	$ 2,393,141	$ 1,948,485	$ 1,019,901	$ 432,885	$ -	$ 336,320	$ 815,291	$ 2,158,913
Contributions in relation to the actuarially determined contribution	2,641,687	1,786,885	2,393,141	1,948,485	1,019,901	432,885	558,568	336,320	815,291	2,158,913
Contribution Excess	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 558,568**	**$ -**	**$ -**	**$ -**
Covered Payroll	$ 797,017	$ 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
Contributions as a Percentage of Covered Payroll	331.45 %	146.14 %	94.86 %	58.99 %	25.51 %	9.45 %	8.66 %	5.03 %	10.69 %	23.80 %

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 payroll is as of November 30 of the current fiscal year.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Aggregate
Amortization method	Level dollar
Remaining amortization period	15 years
Asset valuation method	5-year smoothed market
Inflation	2.5 percent
Salary increase	4.0 percent, including inflation
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 Pension Investment Returns
Police and Fire Revised Retirement Plan

Last Four Fiscal Years
Years Ended November 30

	2024	2023	2022	2021
Annual money-weighted rate of return - Net of investment expense	20.48 %	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 days before the end of the fiscal year.

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

Last Four Fiscal Years

	2024	2023	2022	2021
Total Pension Liability				
Service cost	$ 3,131,602	$ 3,011,099	$ 2,565,868	$ 1,698,114
Interest	850,758	546,096	298,171	-
Differences between expected and actual experience	1,127,231	782,190	263,871	-
Benefit payments, including refunds	(161,213)	(53,933)	(8,790)	-
Net Change in Total Pension Liability	4,948,378	4,285,452	3,119,120	1,698,114
Total Pension Liability - Beginning of year	9,102,686	4,817,234	1,698,114	-
Total Pension Liability - End of year	**$ 14,051,064**	**$ 9,102,686**	**$ 4,817,234**	**$ 1,698,114**
Plan Fiduciary Net Position				
Contributions - Employer	$ 2,456,356	$ 2,585,480	$ 1,756,383	$ 1,037,028
Contributions - Member	1,117,292	1,019,243	935,795	936,427
Net investment income (loss)	1,947,611	420,908	(329,449)	-
Administrative expenses	(43,949)	(53,933)	(27,554)	(7,300)
Benefit payments, including refunds	(161,213)	(52,999)	(8,790)	-
Net Change in Plan Fiduciary Net Position	5,316,097	3,918,699	2,326,385	1,966,155
Plan Fiduciary Net Position - Beginning of year	8,211,239	4,292,540	1,966,155	-
Plan Fiduciary Net Position - End of year	**$ 13,527,336**	**$ 8,211,239**	**$ 4,292,540**	**$ 1,966,155**
City's Net Pension Liability (Asset) - Ending	**$ 523,728**	**$ 891,447**	**$ 524,694**	**$ (268,041)**
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	96.27 %	90.21 %	89.11 %	115.78 %
Covered Payroll	$ 14,293,161	$ 12,988,303	$ 12,593,492	$ 6,715,276
City's Net Pension Liability (Asset) as a Percentage of Covered Payroll	3.66 %	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 Four Fiscal Years
Years Ended November 30

	2024	2023	2022	2021
Actuarially determined contribution	$ 2,456,356	$ 2,585,480	$ 1,756,383	$ 1,037,028
Contributions in relation to the actuarially determined contribution	2,456,356	2,585,480	1,756,383	1,037,028
Contribution Excess	**$ -**	**$ -**	**$ -**	**$ -**
Covered Payroll	$ 14,293,161	$ 12,988,303	$ 12,593,492	$ 6,715,276
Contributions as a Percentage of Covered Payroll	17.19 %	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 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	17 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 Eight Fiscal Years
Years Ended November 30

	2024	2023	2022	2021	2020	2019	2018	2017
Annual money-weighted rate of return - Net of investment expense	17.52 %	9.89 %	(7.92)%	15.32 %	8.64 %	11.76 %	(2.29)%	16.21 %

*Schedule is built prospectively upon implementation of GASB Nos. 74 and 75.

See notes to required supplementary information.

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

Last Eight Fiscal Years

	2024	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability								
Service cost	$ 1,012,959	$ 1,347,853	$ 2,003,858	$ 1,638,292	$ 2,753,080	$ 5,782,551	$ 5,181,469	$ 4,381,818
Interest	8,907,338	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	9,769,104	7,274,098	14,818,580	(6,049,507)	(13,380,004)	(14,440,265)	(14,191,268)	9,974,080
Changes in assumptions	(3,073)	2,079,564	71,910	(10,851,167)	538,411	(74,592,646)	51,279,390	24,668,349
Benefit payments, including refunds	(10,574,894)	(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	9,111,434	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	131,432,743	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	**$ 140,544,177**	**$ 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	$ 4,092,953	$ 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	290,663	312,925	347,962	375,139	389,287	426,231	473,346	484,737
Net investment income (loss)	24,582,941	11,058,543	(11,342,121)	18,004,346	10,638,551	12,365,868	(1,556,473)	15,195,332
Administrative expenses	(47,539)	(43,325)	(51,099)	(53,730)	(49,673)	(48,875)	(58,229)	(35,971)
Benefit payments, including refunds	(10,574,894)	(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	18,344,124	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	129,152,659	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	**$ 147,496,783**	**$ 129,152,659**	**$ 121,774,443**	**$ 138,324,770**	**$ 122,755,757**	**$ 115,581,878**	**$ 105,989,115**	**$ 110,340,110**
Net OPEB (Asset) Liability - Ending	**$ (6,952,606)**	**$ 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	104.95 %	98.27 %	101.27 %	67.67 %	59.15 %	54.71 %	36.74 %	45.75 %
Covered Payroll	$ 34,475,706	$ 33,760,648	$ 34,261,025	$ 38,631,666	$ 36,744,168	$ 35,774,188	$ 36,890,435	$ 34,729,209
Net OPEB (Asset) Liability as a Percentage of Covered Payroll	(20.17)%	6.75 %	(4.46)%	171.05 %	230.77 %	267.47 %	494.63 %	376.75 %

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

See notes to required supplementary information.

Required Supplementary Information
Schedule of OPEB Contributions

Last Ten Fiscal Years
Years Ended November 30

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	$ 1,235,823	$ 5,956,424	$ 3,018,366	$ 3,251,858	$ 3,251,858	$ 4,054,515	$ 4,018,307	$ 4,517,014	$ 5,108,040	$ 5,907,902
Contributions in relation to the actuarially determined contribution	4,092,953	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
Contribution Excess (Deficiency)	**$ 2,857,130**	**$ (2,085,172)**	**$ 395,117**	**$ 2,278,093**	**$ 2,079,345**	**$ 870,375**	**$ 481,017**	**$ 570,448**	**$ (442,376)**	**$ (545,976)**
Covered Payroll	$ 34,475,706	$ 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
Contributions as a Percentage of Covered Payroll	11.87 %	11.47 %	9.96 %	14.31 %	14.51 %	13.77 %	12.20 %	14.65 %	14.86 %	17.55 %

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	23 years
Asset valuation method	Market value
Inflation	3.0 percent
Health care cost trend rates	7.5 percent, decreasing to 4.5 percent
Salary increase	3.25 percent
Investment rate of return	6.90 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	$ 71,633,073	$ 69,840,691
Operating transfers budgeted as expenditures	-	2,619,003
Other financing sources budgeted as revenue	43,095	-
Amounts per budget statement	$ 71,676,168	$ 72,459,694

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	$ 5,266,442	$ 12,875,216
Operating transfers budgeted as revenue	7,800,000	-
Amounts per budget statement	$ 13,066,442	$ 12,875,216

Pension Information - Employees' Retirement System

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 changed 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.

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	$ 1,177,116	$ 1,160,555	$ 6,471,630	$ 147,441	$ 853,046	$ 287,273	$ 7,426,145	$ 2,851,090	$ 3,042,400	$ 1,098,521	$ 809,628
Accounts receivable:											
Property taxes	-	-	2,707	-	-	-	2,788	-	-	1,723	-
Special assessments	-	-	-	-	-	-	-	-	-	-	-
Due from other governmental units	1,694,679	566,003	193,047	374,568	-	-	176,802	-	-	109,279	-
Other	6,994	-	9,125	142,072	-	-	2,500	365,162	-	-	-
Lease receivable	-	-	119,511	-	-	-	-	-	-	-	-
Total assets	**$ 2,878,789**	**$ 1,726,558**	**$ 6,796,020**	**$ 664,081**	**$ 853,046**	**$ 287,273**	**$ 7,608,235**	**$ 3,216,252**	**$ 3,042,400**	**$ 1,209,523**	**$ 809,628**
Liabilities											
Accounts payable	$ 15,741	$ -	$ 161,858	$ 123,040	$ 1,422	$ 4,949	$ 181,220	$ 309	$ 19,240	$ 116,126	$ 8,082
Accrued and other liabilities	-	-	80,616	18,147	-	14,588	131,148	20,777	-	24,218	239,351
Unearned revenue	-	-	656,684	54,757	-	-	-	-	-	-	-
Due to fiduciary funds	-	-	-	-	-	-	30,021	-	-	-	-
Total liabilities	15,741	-	899,158	195,944	1,422	19,537	342,389	21,086	19,240	140,344	247,433
Deferred Inflows of Resources											
Unavailable revenue	209,285	-	173,595	71,507	-	-	178,750	239,411	-	110,483	-
Leases	-	-	103,703	-	-	-	-	-	-	-	-
Total deferred inflows of resources	209,285	-	277,298	71,507	-	-	178,750	239,411	-	110,483	-
Total liabilities and deferred inflows of resources	225,026	-	1,176,456	267,451	1,422	19,537	521,139	260,497	19,240	250,827	247,433
Fund Balances											
Restricted:											
Streets, roads, and sidewalks	2,653,763	1,726,558	-	-	-	-	-	-	-	-	-
Adjudicated forfeitures	-	-	-	-	-	-	-	-	3,023,160	-	-
Grants	-	-	-	396,630	-	-	-	-	-	-	-
Capital improvements	-	-	-	-	-	-	-	-	-	-	-
Community recreation	-	-	5,619,564	-	-	-	-	-	-	-	-
Street lighting	-	-	-	-	851,624	-	-	-	-	-	-
Library	-	-	-	-	-	-	7,087,096	-	-	-	-
Public safety communication	-	-	-	-	-	-	-	2,955,755	-	-	-
Community transit	-	-	-	-	-	-	-	-	-	958,696	-
Designated purpose	-	-	-	-	-	-	-	-	-	-	562,195
Health care	-	-	-	-	-	-	-	-	-	-	-
Committed:											
Cable access television	-	-	-	-	-	267,736	-	-	-	-	-
Arts Commission	-	-	-	-	-	-	-	-	-	-	-
Historical Commission	-	-	-	-	-	-	-	-	-	-	-
Assigned:											
Golf course capital improvements	-	-	-	-	-	-	-	-	-	-	-
Building improvements	-	-	-	-	-	-	-	-	-	-	-
Court building improvements	-	-	-	-	-	-	-	-	-	-	-
Senior center construction	-	-	-	-	-	-	-	-	-	-	-
Total fund balances	2,653,763	1,726,558	5,619,564	396,630	851,624	267,736	7,087,096	2,955,755	3,023,160	958,696	562,195
Total liabilities, deferred inflows of resources, and fund balances	**$ 2,878,789**	**$ 1,726,558**	**$ 6,796,020**	**$ 664,081**	**$ 853,046**	**$ 287,273**	**$ 7,608,235**	**$ 3,216,252**	**$ 3,042,400**	**$ 1,209,523**	**$ 809,628**

November 30, 2024

	Special Revenue Funds			Debt Service Funds			Capital Projects Funds						
	Historical Commission	Arts Commission	Opioid Settlement	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
	$ 560,048	$ 73,735	$ 743,890	$ -	$ -	$ -	$ 851,993	$10,240,928	$ 1,792,096	$ 229,465	$ 12,397,805	$ 2,701,410	$ 54,916,215
	-	-	-	-	-	-	-	-	-	-	-	-	7,218
	-	-	-	-	-	-	-	-	352,660	-	-	-	352,660
	-	-	-	-	-	-	-	-	-	-	-	3,839,777	6,954,155
	-	-	1,528,043	-	-	-	-	-	-	-	-	-	2,053,896
	-	-	-	-	-	-	-	-	-	-	-	-	119,511
	$ 560,048	**$ 73,735**	**$ 2,271,933**	**$ -**	**$ -**	**$ -**	**$ 851,993**	**$10,240,928**	**$ 2,144,756**	**$ 229,465**	**$ 12,397,805**	**$ 6,541,187**	**$ 64,403,655**
	$ 255	$ 112	$ 7,085	$ -	$ -	$ -	$ 48,031	$ 490,476	$ 607,389	$ -	$ 384,939	$ 2,408,920	$ 4,579,194
	35,791	-	-	-	-	-	-	-	-	-	-	-	564,636
	-	-	-	-	-	-	-	-	-	-	-	-	711,441
	-	-	-	-	-	-	-	-	-	-	-	-	30,021
	36,046	112	7,085	-	-	-	48,031	490,476	607,389	-	384,939	2,408,920	5,885,292
	-	-	1,528,042	-	-	-	-	-	321,008	-	-	3,839,777	6,671,858
	-	-	-	-	-	-	-	-	-	-	-	-	103,703
	-	-	1,528,042	-	-	-	-	-	321,008	-	-	3,839,777	6,775,561
	36,046	112	1,535,127	-	-	-	48,031	490,476	928,397	-	384,939	6,248,697	12,660,853
	-	-	-	-	-	-	-	-	-	-	-	-	4,380,321
	-	-	-	-	-	-	-	-	-	-	-	-	3,023,160
	-	-	-	-	-	-	-	-	-	-	-	-	396,630
	-	-	-	-	-	-	-	9,750,452	1,216,359	-	-	-	10,966,811
	-	-	-	-	-	-	-	-	-	-	-	-	5,619,564
	-	-	-	-	-	-	-	-	-	-	-	-	851,624
	-	-	-	-	-	-	-	-	-	-	-	-	7,087,096
	-	-	-	-	-	-	-	-	-	-	-	-	2,955,755
	-	-	-	-	-	-	-	-	-	-	-	-	958,696
	-	-	-	-	-	-	-	-	-	-	-	-	562,195
	-	-	736,806	-	-	-	-	-	-	-	-	-	736,806
	-	-	-	-	-	-	-	-	-	-	-	-	267,736
	-	73,623	-	-	-	-	-	-	-	-	-	-	73,623
	524,002	-	-	-	-	-	-	-	-	-	-	-	524,002
	-	-	-	-	-	-	803,962	-	-	-	-	-	803,962
	-	-	-	-	-	-	-	-	-	-	12,012,866	-	12,012,866
	-	-	-	-	-	-	-	-	-	229,465	-	-	229,465
	-	-	-	-	-	-	-	-	-	-	-	292,490	292,490
	524,002	73,623	736,806	-	-	-	803,962	9,750,452	1,216,359	229,465	12,012,866	292,490	51,742,802
	$ 560,048	**$ 73,735**	**$ 2,271,933**	**$ -**	**$ -**	**$ -**	**$ 851,993**	**$10,240,928**	**$ 2,144,756**	**$ 229,465**	**$ 12,397,805**	**$ 6,541,187**	**$ 64,403,655**

	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	$ -	$ -	$ 3,862,104	$ -	$ -	$ -	$ 3,976,808	$ -	$ -	$ 181,797	$ -
Special assessments	-	-	-	-	1,086,782	-	-	-	-	-	-
Intergovernmental:											
Federal revenue	-	-	-	1,025,402	-	-	2,800	-	65,296	-	-
State and local revenue	9,423,002	3,580,791	946,107	570,973	-	-	679,004	-	-	433,796	-
Charges for services	-	-	4,620,496	-	-	-	17,496	560,805	-	36,038	-
Fines and forfeitures	-	-	-	-	-	-	16,236	-	101,623	-	-
Investment income	116,838	54,053	361,253	-	39,761	17,824	407,986	212,445	141,754	67,580	-
Other revenue	-	-	139,609	-	-	310,854	53,260	-	-	15,925	254,557
Total revenue	9,539,840	3,634,844	9,929,569	1,596,375	1,126,543	328,678	5,153,590	773,250	308,673	735,136	254,557
Expenditures											
Current services:											
Public safety	-	-	-	730,073	-	-	-	2,388,377	212,789	-	-
Public works	2,481,470	3,013,404	-	-	1,112,098	-	-	-	-	-	-
Community and economic development	-	-	-	691,352	-	-	-	-	-	-	-
Recreation and culture	-	-	6,761,058	-	-	518,664	4,479,112	-	-	967,092	109,128
Capital outlay	-	-	-	-	-	-	-	-	-	-	-
Debt service:											
Principal retirement	-	-	-	-	-	-	-	-	-	-	-
Interest and other	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	2,481,470	3,013,404	6,761,058	1,421,425	1,112,098	518,664	4,479,112	2,388,377	212,789	967,092	109,128
Excess of Revenue Over (Under) Expenditures	7,058,370	621,440	3,168,511	174,950	14,445	(189,986)	674,478	(1,615,127)	95,884	(231,956)	145,429
Other Financing Sources (Uses)											
Transfers in	-	7,600,000	-	17,727	-	-	-	-	-	-	-
Transfers out	(7,600,000)	(7,800,000)	(2,176,834)	-	-	-	-	-	-	-	-
Total other financing (uses) sources	(7,600,000)	(200,000)	(2,176,834)	17,727	-	-	-	-	-	-	-
Net Change in Fund Balances	(541,630)	421,440	991,677	192,677	14,445	(189,986)	674,478	(1,615,127)	95,884	(231,956)	145,429
Fund Balances - Beginning 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
Fund Balances - End of year	**$ 2,653,763**	**$ 1,726,558**	**$ 5,619,564**	**$ 396,630**	**$ 851,624**	**$ 267,736**	**$ 7,087,096**	**$ 2,955,755**	**$ 3,023,160**	**$ 958,696**	**$ 562,195**

Year Ended November 30, 2024

Special Revenue Funds			Debt Service Funds			Capital Projects Funds						
Historical Commission	Arts Commission	Opioid Settlement	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
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 2,276,240	$ -	$ -	$ -	$ -	$ 10,296,949
-	-	-	-	-	-	-	-	186,685	-	-	-	1,273,467
-	-	-	-	-	-	-	-	-	-	-	511,132	1,604,630
-	-	-	-	-	-	-	5,231	-	-	-	-	15,638,904
49,594	-	-	-	-	-	296,029	-	-	-	-	-	5,580,458
-	-	-	-	-	-	-	-	-	531,355	-	-	649,214
24,217	4,042	26,167	-	-	-	37,092	512,533	116,033	4,487	548,231	189,870	2,882,166
142,981	3,525	445,309	-	-	-	-	15,032	-	-	-	-	1,381,052
216,792	7,567	471,476	-	-	-	333,121	2,809,036	302,718	535,842	548,231	701,002	39,306,840
-	-	111,870	-	-	-	-	-	-	-	-	-	3,443,109
-	-	-	-	-	-	-	-	-	-	-	-	6,606,972
-	-	-	-	-	-	-	-	-	-	-	-	691,352
55,439	15,135	-	-	-	-	-	-	-	-	-	-	12,905,628
-	-	-	-	-	-	228,800	4,262,489	262,297	-	492,160	4,519,761	9,765,507
-	-	-	175,000	375,000	1,500,000	-	-	-	-	-	-	2,050,000
-	-	-	6,984	173,600	494,850	-	-	-	-	-	-	675,434
55,439	15,135	111,870	181,984	548,600	1,994,850	228,800	4,262,489	262,297	-	492,160	4,519,761	36,138,002
161,353	(7,568)	359,606	(181,984)	(548,600)	(1,994,850)	104,321	(1,453,453)	40,421	535,842	56,071	(3,818,759)	3,168,838
-	-	-	181,984	548,600	1,994,850	250,000	1,474,715	-	200,000	1,000,000	-	13,267,876
-	-	-	-	-	-	-	-	-	(548,600)	-	-	(18,125,434)
-	-	-	181,984	548,600	1,994,850	250,000	1,474,715	-	(348,600)	1,000,000	-	(4,857,558)
161,353	(7,568)	359,606	-	-	-	354,321	21,262	40,421	187,242	1,056,071	(3,818,759)	(1,688,720)
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
$ 524,002	**$ 73,623**	**$ 736,806**	**$ -**	**$ -**	**$ -**	**$ 803,962**	**$ 9,750,452**	**$ 1,216,359**	**$ 229,465**	**$ 12,012,866**	**$ 292,490**	**$ 51,742,802**

Supplementary Information
Combining Statement of Fiduciary Net Position
Fiduciary Funds

November 30, 2024

	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	$ 673,755	$ 12,535	$ 293,873	$ 980,163	$ 103,688	$ 6,594,509	$ 41,368	$ 69,227	$ 664,549	$ 7,473,341
Investments:										
U.S. government securities	12,270,302	-	12,051,981	24,322,283	-	-	-	-	-	-
Collateralized mortgage obligations	1,352,962	-	1,402,177	2,755,139	-	-	-	-	-	-
Common stocks	109,975,073	569,506	69,943,044	180,487,623	-	-	-	-	-	-
Corporate bonds	7,589,881	-	4,359,675	11,949,556	-	-	-	-	-	-
Real estate investment trust	1,004,092	-	505,801	1,509,893	-	-	-	-	-	-
Foreign bonds	482,801	-	436,860	919,661	-	-	-	-	-	-
Mutual funds	84,747,895	12,688,777	62,098,282	159,534,954	-	-	-	-	-	-
Accounts receivable	114,664	-	17,500	132,164	-	-	-	-	-	-
Due from primary government	225,374	279,556	37,504	542,434	-	-	-	-	-	-
Total assets	218,436,799	13,550,374	151,146,697	383,133,870	103,688	6,594,509	41,368	69,227	664,549	7,473,341
Liabilities										
Accounts payable	104,345	23,038	35,765	163,148	7,271	-	-	-	23,288	30,559
Due to other governmental units	25,702	-	-	25,702	-	6,594,509	85	-	87,797	6,682,391
Due to primary government	-	-	3,614,149	3,614,149	-	-	-	-	-	-
Bonds and other deposits	-	-	-	-	96,417	-	-	-	124,677	221,094
Total liabilities	130,047	23,038	3,649,914	3,802,999	103,688	6,594,509	85	-	235,762	6,934,044
Net Position										
Restricted:										
Pension	218,306,752	13,527,336	-	231,834,088	-	-	-	-	-	-
Postemployment benefits other than pension	-	-	147,496,783	147,496,783	-	-	-	-	-	-
Individuals, organizations, and other governments	-	-	-	-	-	-	41,283	69,227	428,787	539,297
Total net position	**$ 218,306,752**	**$ 13,527,336**	**$ 147,496,783**	**$ 379,330,871**	**$ -**	**$ -**	**$ 41,283**	**$ 69,227**	**$ 428,787**	**$ 539,297**

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

Year Ended November 30, 2024

	Pension and Other Employee Benefit Trust Funds				Custodial Funds					
	Employees' Retirement System	Police and Fire Revised Retirement Plan	VEBA	Total	Special Trust Fund	Undistributed Tax Fund	Special Operation Team	Western Wayne Mobile Field Force Team	District Court Fund	Total
Additions										
Investment income (loss):										
Interest and dividends	$ 3,971,411	$ 249,632	$ 2,582,885	$ 6,803,928	$ -	$ 113,507	$ 4,123	$ 3,457	$ 15,373	$ 136,460
Net increase in fair value of investments	33,346,373	1,711,272	22,346,035	57,403,680	-	-	-	-	-	-
Investment costs	(512,082)	(13,293)	(345,979)	(871,354)	-	-	-	-	-	-
Net investment income	36,805,702	1,947,611	24,582,941	63,336,254	-	113,507	4,123	3,457	15,373	136,460
Contributions:										
Employer	2,641,687	2,456,356	4,092,953	9,190,996	-	-	-	-	-	-
Employee	53,577	1,117,292	290,663	1,461,532	-	-	-	-	-	-
Total contributions	2,695,264	3,573,648	4,383,616	10,652,528	-	-	-	-	-	-
Collections for other governments	-	-	-	-	149,356	178,324,708	91,000	28,500	-	178,593,564
Fines and fees	-	-	-	-	-	-	-	-	1,577,993	1,577,993
Bond receipts	-	-	-	-	-	-	-	-	1,152,847	1,152,847
Restitutions, judgments, and other	-	-	-	-	-	-	-	-	95,973	95,973
Total additions	39,500,966	5,521,259	28,966,557	73,988,782	149,356	178,438,215	95,123	31,957	2,842,186	181,556,837
Deductions										
Pension benefit payments	20,430,104	96,917	-	20,527,021	-	-	-	-	-	-
Medical benefit payments	-	-	10,382,804	10,382,804	-	-	-	-	-	-
Disability benefit payments	-	-	192,090	192,090	-	-	-	-	-	-
Refunds of contributions	236,372	64,296	-	300,668	-	-	-	-	-	-
Administrative expenses	227,657	43,949	47,539	319,145	-	-	-	-	-	-
Disbursements to other governments	-	-	-	-	149,356	178,438,215	99,155	14,541	1,270,394	179,971,661
Bond disbursements	-	-	-	-	-	-	-	-	1,152,847	1,152,847
Restitutions, judgments, and other refunds	-	-	-	-	-	-	-	-	204,691	204,691
Volunteer work program and civil drug fund	-	-	-	-	-	-	-	-	378,327	378,327
Total deductions	20,894,133	205,162	10,622,433	31,721,728	149,356	178,438,215	99,155	14,541	3,006,259	181,707,526
Net Increase (Decrease) in Fiduciary Net Position	18,606,833	5,316,097	18,344,124	42,267,054	-	-	(4,032)	17,416	(164,073)	(150,689)
Net Position - Beginning of year	199,699,919	8,211,239	129,152,659	337,063,817	-	-	45,315	51,811	592,860	689,986
Net Position - End of year	**$ 218,306,752**	**$ 13,527,336**	**$ 147,496,783**	**$ 379,330,871**	**$ -**	**$ -**	**$ 41,283**	**$ 69,227**	**$ 428,787**	**$ 539,297**

City of Livonia, Michigan

Federal Awards Supplementary Information
November 30, 2024

Contents

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

Independent Auditor's Report

To the City Council
City of Livonia, Michigan

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Livonia, Michigan (the "City") as of and for the year ended November 30, 2024 and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated May 28, 2025, which contained an unmodified opinion on the financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. We have not performed any procedures with respect to the audited financial statements subsequent to May 28, 2025.

The accompanying schedule of expenditures of federal awards and the reconciliation of basic financial statements federal revenue with schedule of expenditures of federal awards are presented for the purpose of additional analysis, as required by the Uniform Guidance, and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 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 information is fairly stated in all material respects in relation to the financial statements as a whole.

Plante & Moran, PLLC

May 28, 2025

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

Independent Auditor's Report

To Management and the City Council
City of Livonia, Michigan

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund informationof the City of Livonia, Michigan (the "City") as of and for the year ended November 30, 2024 and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated May 28, 2025.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

To Management and the City Council
City of Livonia, Michigan

Purpose of this Report

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

Plante & Moran, PLLC

May 28, 2025

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

Independent Auditor's Report

To the City Council
City of Livonia, Michigan

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Livonia, Michigan's (the "City") compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on the City's major federal program for the year ended November 30, 2024. The City's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the major federal program for the year ended November 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditor’s Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's federal program.

To the City Council
City of Livonia, Michigan

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matter

The results of our auditing procedures disclosed an instance of noncompliance that is required to be reported in accordance with the Uniform Guidance, which is described in the accompanying schedule of findings and questioned costs as Finding 2024-001. Our opinion on the major federal program is not modified with respect to this matter.

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the noncompliance finding identified in our compliance audit and described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of compliance, and, accordingly, we express no opinion on it.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance, and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a material weakness.

To the City Council
City of Livonia, Michigan

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention of those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as Finding 2024-001 to be a material weakness.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the internal control over compliance finding identified in our audit and described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of compliance, and, accordingly, we express no opinion on it.

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

Plante & Moran, PLLC

May 28, 2025

Schedule of Expenditures of Federal Awards

Year Ended November 30, 2024

Federal Agency/Pass-through Agency/Program Title	Assistance Listing Number	Pass-through Entity Identifying Number	Total Amount Provided to Subrecipients	Federal Expenditures
U.S. Department of Agriculture - Food Distribution Cluster - Passed through the Wayne Metropolitan Community Services Agency - Emergency Food Assistance Program (Food Commodities)	10.569	N/A	$ -	$ 51,341
U.S. Department of Transportation:				
Highway Planning and Construction - Passed through Michigan Department of Transportation	20.205	N/A	-	209,285
Highway Safety Cluster - Passed through the Michigan Office of Highway Safety				
State and Community Highway Safety - Belt Enforcement	20.600	PT-0082	-	23,294
Total U.S. Department of Transportation			-	232,579
U.S. Department of Housing and Urban Development:				
CDBG Entitlement/Special Purpose Grants Cluster - Community Development Block Grant:				
Program year 2023	14.218		-	422,691
Program year 2024	14.218		-	280,838
COVID-19 - CDBG Entitlement Grant	14.218		-	2,751
Total CDBG Entitlement/Special Purpose Grants Cluster			-	706,280
Passed through the Michigan State Housing Development Authority - HOME Investment Partnership Program - Program year 2024	14.239	N/A	-	921
Total U.S. Department of Housing and Urban Development			-	707,201
U.S. Department of Justice:				
Federal Equitable Sharing Program	16.922		-	65,297
U.S. Marshals - Detroit Fugitive Apprehension Task Force	16.unknown		-	21,618
Federal Bureau of Investigation - Detroit Major Crimes Task Force	16.unknown		-	6,802
Total U.S. Department of Justice			-	93,717
U.S. Department of Homeland Security:				
Direct Award - Assistance to Firefighters Grant	97.044		-	70,842
Passed through the Michigan Department of State Police - Emergency Management Performance Grant	97.042	N/A	-	13,706
Total U.S. Department of Homeland Security			-	84,548
U.S. Department of the Treasury -				
Passed through Michigan Department of Health and Human Services				
COVID-19 - Coronavirus State and Local Fiscal Recovery Fund	21.027	N/A	-	1,540,727
Passed through Institute of Museum and Library Services				
Grants to States - Professional Development	45.310	N/A	-	2,800
Total federal awards			**$ -**	**$ 2,712,913**

See notes to schedule of expenditures of federal awards.

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

Year Ended November 30, 2024

Revenue from federal sources - As reported on financial statements (includes all funds)	$ 1,604,630
Program income in excess of expenditures	(116,978)
Value of noncash assistance	51,341
Unavailable revenue not reported for year ended November 30, 2023	1,310,387
Unavailable revenue not reported for year ended November 30, 2024	(136,467)
Federal expenditures per the schedule of expenditures of federal awards	**$ 2,712,913**

Notes to Schedule of Expenditures of Federal Awards

Year Ended November 30, 2024

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal grant activity of the City of Livonia, Michigan (the “City”) under programs of the federal government for the year ended November 30, 2024. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the “Uniform Guidance”). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported in the Schedule are reported on the same basis of accounting as the financial statements. Such expenditures are recognized following the cost principles contained in Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The pass-through entity identifying numbers are presented where available.

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

Note 3 - Noncash Assistance

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

The grantee received the following noncash assistance during the year ended November 30, 2024 that is included in the schedule of expenditures of federal awards:

Federal Program	ALN	Description	Amount
U.S. Department of Agriculture - Passed through Wayne Metropolitan Community Services Agency	10.569	USDA Food Distribution	$ 51,341

Schedule of Findings and Questioned Costs

Year Ended November 30, 2024

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

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

Federal Awards

Internal control over major programs:

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

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

Identification of major programs:

Assistance Listing Number	Name of Federal Program or Cluster	Opinion
21.027	COVID-19 Coronavirus State and Local Fiscal Recovery Funds	Unmodified

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

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

Section II - Financial Statement Audit Findings

Reference Number	Finding
Current Year	None

Section III - Federal Program Audit Findings

Reference Number	Finding	Questioned Costs
2024-001	**Assistance Listing Number, Federal Agency, and Program Name** - COVID-19 - 21.027, U.S. Department of the Treasury, Coronavirus State and Local Fiscal Recovery Fund	None

Federal Award Identification Number and Year - N/A

Pass-through Entity - Michigan Department of Health and Human Services

Finding Type - Material weakness and material noncompliance with laws and regulations

Repeat Finding - No

Criteria - The City must establish and maintain effective internal controls to ensure compliance with federal requirements, including period of performance, as outlined in 2 CFR 200.303.

Condition - The City lacked adequate controls to verify that expenditures charged to the grant were incurred within the proper period of performance. Transactions were processed without sufficient review or procedures around the period of performance, resulting in expenditures being charged from outside the allowable time frame.

Questioned Costs - None

If Questioned Costs are not Determinable, Description of Why Known Questioned Costs Were Undetermined or Otherwise Could not be Reported - N/A

Identification of How Questioned Costs Were Computed - N/A

Context - During the year, the City requested reimbursement for $151,621 of expenditures that were not within the period of performance.

Cause and Effect - The City's control for identifying whether expenditures charged to the grant was not effective, as it relied on the date of the vendor's invoice and not the period in which the services were performed. As a result, reports and reimbursement requests improperly included $64,109 of expenditures incurred prior to the period of performance. The City identified the error after year end and appropriately excluded the expenditures from the final SEFA. Later, it was discovered that an additional $87,512 was improperly included on the SEFA. The City removed the additional expenditures discovered from the SEFA as well, thus creating no questioned costs.

Recommendation - Internal controls should be strengthened to ensure expenditures are being properly reviewed for period of performance before submitting for reimbursement.

Views of Responsible Officials and Corrective Action Plan - The City concurs with this finding and has already implemented controls to look specifically at the service period of expenditures when reviewing invoices and submitting reports and reimbursement requests.