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**MEETING PACKET FOR THE
FINANCE AND BUDGET COMMITTEE
JUNE 8, 2026
7:00 P.M.**

**The electronic agenda is compiled, produced and distributed
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The official documents are on file in the City Clerk's office.

CITY COUNCIL FINANCE AND BUDGET COMMITTEE

Monday, June 8, 2026 - 7:00 PM

Livonia City Hall Auditorium

33000 Civic Center Drive

Livonia, MI 48154

Members:

Martha Ptashnik, Chair

Robin Persiconi, Vice Chair

Carrie Budzinski, Member

AGENDA:

1. [The subject matter of Annual Audit Reports for the period December 1, 2024 to November 30, 2025. \(CR 367-02\)](#)

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

View meeting packet here: <https://livoniami.portal.civicclerk.com/>

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 15, 2026**

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LETTER TO THE LIVONIA CITY COUNCIL

1.

MEETING DATE

FB060826/R061526

PRESENTED BY

AGENDA ITEM

The subject matter of Annual Audit Reports for the period December 1, 2024 to November 30, 2025. (CR 367-02)

BACKGROUND DETAILS

The City of Livonia audit for the fiscal year ended November 30, 2025 has been completed by Plante & Moran. The City has received an unqualified opinion from Plante & Moran.

Attached are electronic copies of the audits for the General Purpose Financial Statements, Federal Financial Assistance Programs and 16th District Court. Also attached is a copy of the Management Letter.

These reports are the subject of the scheduled June 8, 2026 meeting of the Finance and Budget Committee.

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

We respectfully request that City Council receive and file this report.

ATTACHMENTS

1. City of Livonia - End of Audit Communications 2025
2. City of Livonia Audit Report and Single Audit 2025
3. Livonia FY25 Graphs

APPROVED BY

May 20, 2026

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, 2025 and have issued our report thereon dated May 20, 2026. 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 and members of the City Council.

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



Keith Szymanski
Partner



Stephanie Atkinson
Manager

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 January 5, 2026, 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 20, 2026 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 letter about planning matters dated March 9, 2026.

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.

During the year, the City implemented GASB Statement No. 101, *Compensated Absences*; however, the new standard did not materially impact the City's financial statements.

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.

Section I - Required Communications with Those Charged with Governance (Continued)

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, 2024 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, 2025 to November 30, 2025. 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 and governmental activities expenditures and record a prepaid asset for \$317,108 related to the portion of an invoice paid in fiscal year 2025 for services to be received in fiscal year 2026. 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 20, 2026.

**Section I - Required Communications with Those Charged with Governance
(Continued)**

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, 2025, General Fund fund balance increased by approximately \$2.1 million as revenue exceeded expenditures. Actual spending in the General Fund was approximately \$3.0 million less than the amended budget with police being significantly under budget. At the same time, actual revenue in the General Fund was approximately \$236,000 more than the amended budget. Overall results were approximately \$3.2 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 97 percent funded as of November 30, 2025 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 2025, 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 \$22.9 million. During fiscal year 2025, the City contributed the actuarially determined amount of approximately \$3.2 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, 2025, there were 207 participants in the plan and \$18.3 million in the trust. Required contributions for 2025 were \$2.7 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 \$151.9 million in net position for these costs as of November 30, 2025. Additionally, previous changes to benefits significantly reduced the total OPEB liability and the annual contributions. The plan is 102 percent funded as of November 30, 2025.

During fiscal year 2025, the actuarially determined contribution for the VEBA was approximately \$1.3 million, and the City contributed \$2.2 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.

Cable Television Fund

The Cable Television Fund has experienced a consistent decline in fund balance over the past several years, decreasing from approximately \$861,000 in 2021 to \$70,000 in 2025. This decline is driven by a combination of decreasing revenue and increasing expenditures. Revenue has fallen from \$395,000 in 2021 to \$312,000 in 2025, primarily due to a reduction in cable franchise fees. In contrast, expenditures have increased from \$453,000 in 2021 to \$509,000 over the same period.

Section II - Other Recommendations and Related Information (Continued)

During the 2026 budget process, it was acknowledged that revenue has continued to decline. While the City elected to maintain four full-time positions for 2026, a potential reduction in staffing was identified as a consideration for future periods. Given the ongoing structural imbalance, we encourage the City to evaluate cost containment measures, including the recommended staffing adjustments, as well as consider reviewing the fee structure to better align revenue with expenditures and support a balanced budget.

Adjudicated Forfeitures Fund

As of the end of fiscal year 2025, the Adjudicated Forfeitures Fund had \$3.2 million of fund balance. While there are restrictions as to how these funds can be spend, we would like to remind the City these funds are available to supplement the existing police spending.

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.

Road Funding

In October 2025, the State passed a new Transportation Funding Package that took effect in the State's fiscal year 2026 and will continue through fiscal year 2030 and beyond. The package includes the following four items that have an impact on local units:

- Amendment to the Motor Fuel Tax Act to increase the motor fuel tax rate from 31 cents per gallon to at least 51 cents per gallon beginning on January 1, 2026
- Amendment to Act 51 to create the Neighborhood Roads Fund (NRF) and the Infrastructure Projects Authority Fund and prescribe the distribution of money from each fund
- Creation of a new act to impose excise taxes on certain sales or transfers of marijuana tax revenue and deposit the revenue into the newly created NRF
- Amendment to the Income Tax Act to, among other things, repeal the \$600 million in income tax revenue currently redirected to the Michigan Transportation Fund (MTF) and generate additional revenue from the corporate income tax to the NRF

MTF distribution payments will continue monthly and will be separate from the NRF distribution payments. Based on the Department of Treasury's frequently asked questions for the NRF, it is anticipated that the City will see a temporary decrease in monthly MTF distributions due to the repeal of the \$600 million redirection of income tax revenue to the MTF, and this decrease is anticipated to be resolved as the NRF funding is distributed.

Further details of this Transportation Funding Package are available at <https://www.michigan.gov/mdot/-/media/Project/Websites/MDOT/Business/Local-Government/Act-51/MTF-Reports/New-Revenue-Package/Letter-tolocals.pdf?rev=0be839cf7c2c4484ae49164504b1c090&hash=B6C20F0935AF51A9A517D7262>.

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.

Section III - Legislative and Informational Items (Continued)

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. 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 (MD&A); 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. This statement requires that the MD&A be limited to the five topics noted in the standard and provides further guidance on how the MD&A should be written. For proprietary fund financial reporting, the statement defines nonoperating revenue and expense and introduces the concept of subsidies. It also requires new subtotals to present total noncapital subsidies and income or loss, including both operating activities and noncapital subsidies. The statement prescribes that the required budgetary comparison schedules be reported only in the required supplementary information section of the statements and dictates what variance information should be included. Next, the statement removes the option to present discretely presented component unit information as condensed information in the notes rather than in the statements. Lastly, the statement outlines how unusual or infrequent items should be presented separately on the financial statements.

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.

GASB Statement No. 105 - Subsequent Events

This new standard defines subsequent events as transactions that occur after the date of the financial statements but before the financial statements are available to be issued. This statement clarifies the subsequent events that constitute recognized and unrecognized events and establishes specific note disclosure requirements for nonrecognized events. The provisions of this statement are effective for the City's fiscal year ending November 30, 2027.

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 in two phases - one in early 2027 and another in 2028.

Plante & Moran, PLLC has spent significant time digesting this new proposed standard and 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

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with Supplementary Information
November 30, 2025**

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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, 2025 and the related notes to the financial statements, which collectively comprise the City's basic financial statements, as listed in the table of contents.

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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 20, 2026 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 20, 2026

Overview of the Financial Statements

The City of Livonia, Michigan's (the "City") 2025 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.

City of Livonia, Michigan

Management's Discussion and Analysis (Continued)

- 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, 2025 to the prior year:

The City's Net Position

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Assets						
Current and other assets	\$ 113,923,395	\$ 122,639,973	\$ 52,908,029	\$ 49,395,148	\$ 166,831,424	\$ 172,035,121
Capital assets	284,841,577	258,420,001	123,980,111	120,776,202	408,821,688	379,196,203
Total assets	398,764,972	381,059,974	176,888,140	170,171,350	575,653,112	551,231,324
Deferred Outflows of Resources	16,373,804	13,538,838	-	619,915	16,373,804	14,158,753
Liabilities	51,329,910	56,092,147	31,514,033	32,709,048	82,843,943	88,801,195
Deferred Inflows of Resources	21,337,437	22,967,587	1,385,991	2,136,396	22,723,428	25,103,983
Net Position						
Net investment in capital assets	267,966,740	241,743,133	100,104,425	96,365,790	368,071,165	338,108,923
Restricted	48,668,930	56,341,550	2,390,702	2,665,402	51,059,632	59,006,952
Unrestricted	25,835,759	17,454,395	41,492,989	36,914,629	67,328,748	54,369,024
Total net position	\$ 342,471,429	\$ 315,539,078	\$ 143,988,116	\$ 135,945,821	\$ 486,459,545	\$ 451,484,899

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 \$486.5 million (net position). However, a major portion (75.7 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 \$17.5 million at November 30, 2024 to \$25.8 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.

City of Livonia, Michigan

Management's Discussion and Analysis (Continued)

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	
	2025	2024	2025	2024	2025	2024
Revenue						
Program revenue:						
Charges for services	\$ 20,033,523	\$ 19,252,874	\$ 54,642,966	\$ 51,143,290	\$ 74,676,489	\$ 70,396,164
Operating grants and contributions	15,830,740	15,893,931	-	-	15,830,740	15,893,931
Capital grants and contributions	12,990,385	5,499,255	1,188,106	436,165	14,178,491	5,935,420
General revenue:						
Property taxes	70,705,155	66,249,322	-	-	70,705,155	66,249,322
State-shared revenue	17,489,867	16,770,909	-	-	17,489,867	16,770,909
Investment income	4,758,970	6,164,947	1,279,575	1,733,638	6,038,545	7,898,585
Other revenue	3,501,326	3,982,285	34,850	22,246	3,536,176	4,004,531
Total revenue	145,309,966	133,813,523	57,145,497	53,335,339	202,455,463	187,148,862
Expenses						
General government	14,665,596	15,314,578	-	-	14,665,596	15,314,578
Public safety	49,801,514	43,957,856	-	-	49,801,514	43,957,856
Public works	36,196,856	28,968,502	-	-	36,196,856	28,968,502
Community and economic development	1,469,503	1,361,627	-	-	1,469,503	1,361,627
Recreation and culture	16,084,248	16,514,012	-	-	16,084,248	16,514,012
Interest on long-term debt	309,898	554,841	-	-	309,898	554,841
Water and Sewer	-	-	44,668,788	42,864,475	44,668,788	42,864,475
Golf Course	-	-	2,484,169	2,337,729	2,484,169	2,337,729
Housing	-	-	1,800,245	1,613,524	1,800,245	1,613,524
Total expenses	118,527,615	106,671,416	48,953,202	46,815,728	167,480,817	153,487,144
Transfers	150,000	323,439	(150,000)	(323,439)	-	-
Change in Net Position	26,932,351	27,465,546	8,042,295	6,196,172	34,974,646	33,661,718
Net Position - Beginning of year	315,539,078	288,073,532	135,945,821	129,749,649	451,484,899	417,823,181
Net Position - End of year	\$ 342,471,429	\$ 315,539,078	\$ 143,988,116	\$ 135,945,821	\$ 486,459,545	\$ 451,484,899

Governmental Activities

In reviewing governmental activities in the above table, it can be noted that revenue increased by \$11.5 million and expenses increased by \$11.9 million. The most significant factors impacting revenue were the one-time grants from the U.S. Department of Housing and Urban Development and Wayne County totaling \$12.3 million for the completion of the senior center, increases to property tax revenue due to increases in taxable value, increases in charges of services and state-shared revenue. These items more than offset decreased investment income and other income. The most significant factors increasing expenses were actuarial adjustments to pension and OPEB liabilities, a voluntary contribution to the VEBA trust, and increased costs for the public works and road maintenance.

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, Newburgh Village, and Golden Oaks.

City of Livonia, Michigan

Management's Discussion and Analysis (Continued)

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	
	2025	2024	2025	2024	2025	2024
Operating revenue	\$ 50,351,889	\$ 47,102,939	\$ 2,669,781	\$ 2,430,322	\$ 1,506,225	\$ 1,495,720
Operating expenses	(43,983,337)	(42,112,529)	(2,484,169)	(2,337,729)	(1,800,245)	(1,613,202)
Operating income (loss)	\$ 6,368,552	\$ 4,990,410	\$ 185,612	\$ 92,593	\$ (294,020)	\$ (117,482)

The operating income of the Housing Fund decreased between 2024 and 2025 primarily due to modest increases in rental revenue being more than offset by higher operating costs. Operating income for the Golf Course Fund increased as higher revenue more than offset increased labor costs. Net income for the Water and Sewer Fund increased year over year as fixed costs were lower than projected.

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 2025 include the General Fund, Refuse Disposal System Fund, Roads and Sidewalks Fund, and Senior Center Construction Fund.

The City's governmental funds reported a combined fund balance of \$76.5 million. This is a decrease of approximately \$2.8 million for the year and is attributable budgeted reductions in fund balance by additional projects in the Refuse Disposal System and Roads and Sidewalks funds and other nonmajor funds exceeding a \$2.0 million favorable variable in the General Fund.

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. Budget amendments were done for this purpose to allocate additional funds for the completion of the senior center and to cover increased personnel costs in the fire department. A budget amendment was also used to contribute additional funds to the VEBA to provide additional funding for postretirement medical benefits. Overall, 2025 General Fund expenditures were lower than budget due to personnel vacancies, primarily in the police department.

Actual General Fund revenue was approximately \$236,000 above the final budget in 2025. Actual General Fund expenditures were approximately \$1.7 million below the original budget and approximately \$3.0 million below the final budget. All departments held expenditures below the final budget.

Capital Assets and Debt Administration

At the end of fiscal year 2025, the City has \$746.7 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 \$14.5 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 \$24.0 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 2025 include \$13.5 million invested in the construction of infrastructure and improvements to roads, \$8.2 million invested in equipment and vehicles, and \$13.4 million invested in water and sewer system infrastructure. Significant disposals of capital assets during fiscal year 2025 included the disposal of governmental activities vehicles and equipment with a total cost of \$1.9 million. At year end, over \$25.7 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. The City does face revenue and expense risk. 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 66.4 percent of the City's total governmental activities revenue. Revenue has been slowly increasing after many years of reductions. The City also faces risks with rising costs, particularly personnel and material costs.

In the coming years, the City plans a renewed focus on maintaining, updating, and replacing its aging infrastructure, including buildings and other fixed assets needed to deliver services. The focus on infrastructure will require appropriate budgeting and rate setting.

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, Michigan, 33000 Civic Center Drive, Livonia, MI 48154.

November 30, 2025

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash and cash equivalents	\$ 88,607,114	\$ 32,159,663	\$ 120,766,777	\$ 2,049,287
Accounts receivable:				
Property taxes	132,481	-	132,481	105,354
Special assessments	255,973	59,669	315,642	-
Customers	-	16,524,622	16,524,622	-
Workers compensation	35,370	-	35,370	-
Due from other governmental units	8,822,531	-	8,822,531	-
Due from fiduciary funds	1,020,637	-	1,020,637	-
Other	6,088,920	188,194	6,277,114	-
Lease receivable	3,183,674	936,438	4,120,112	-
Inventory, prepaid expenses, and deposits	3,279,364	534,814	3,814,178	-
Restricted assets (Note 8)	-	2,504,629	2,504,629	-
Net pension asset (Note 11)	68,687	-	68,687	-
Net OPEB asset (Note 13)	2,428,644	-	2,428,644	-
Capital assets: (Note 5)				
Assets not subject to depreciation	59,137,091	6,988,118	66,125,209	795,191
Assets subject to depreciation - Net	225,704,486	116,991,993	342,696,479	86,511
Total assets	398,764,972	176,888,140	575,653,112	3,036,343
Deferred Outflows of Resources				
Deferred charges on bond refunding	225,176	-	225,176	-
Deferred pension costs (Note 11)	1,729,523	-	1,729,523	-
Deferred OPEB costs (Note 13)	14,419,105	-	14,419,105	-
Total deferred outflows of resources	16,373,804	-	16,373,804	-
Liabilities				
Accounts payable	10,990,945	3,383,045	14,373,990	221,350
Due to other governmental units	-	2,473,316	2,473,316	30,100
Accrued and other liabilities	3,371,807	303,394	3,675,201	-
Unearned revenue	682,829	2,071	684,900	-
Due to fiduciary funds	582,250	9,021	591,271	-
Bonds and deposits	1,704,082	377,897	2,081,979	-
Noncurrent liabilities: (Note 7)				
Due within one year:				
Compensated absences	957,609	59,233	1,016,842	-
Current portion of long-term debt	2,407,204	1,460,500	3,867,704	-
Due in more than one year:				
Compensated absences and insurance claims	11,013,824	481,844	11,495,668	-
Landfill closure and postclosure	754,587	-	754,587	-
Net pension liability (Note 11)	6,731,780	434,599	7,166,379	-
Long-term debt - Net of current portion	12,132,993	22,529,113	34,662,106	-
Total liabilities	51,329,910	31,514,033	82,843,943	251,450

Statement of Net Position (Continued)

November 30, 2025

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Deferred Inflows of Resource				
Deferred pension cost reductions (Note 11)	\$ 8,253,026	\$ 473,903	\$ 8,726,929	\$ -
Deferred OPEB cost reductions (Note 13)	10,104,962	-	10,104,962	-
Leases	2,979,449	912,088	3,891,537	-
Total deferred inflows of resource	21,337,437	1,385,991	22,723,428	-
Net Position				
Net investment in capital assets	267,966,740	100,104,425	368,071,165	881,702
Restricted:				
Community recreation	4,630,350	-	4,630,350	-
Municipal refuse	4,092,404	-	4,092,404	-
Streets, roads, and sidewalks	6,766,892	-	6,766,892	-
Library	8,154,657	-	8,154,657	-
Public safety communication	3,559,822	-	3,559,822	-
Grants	462,011	-	462,011	-
Ordinance requirements	-	2,390,702	2,390,702	-
Street lighting	940,827	-	940,827	-
Adjudicated forfeitures	3,160,752	-	3,160,752	-
Community transit	1,082,210	-	1,082,210	-
Capital improvements	10,437,038	-	10,437,038	-
Pension and other postemployment benefits	2,497,331	-	2,497,331	-
Parks capital projects	106,461	-	106,461	-
Designated purpose	611,823	-	611,823	-
Health care	2,166,352	-	2,166,352	-
Unrestricted	25,835,759	41,492,989	67,328,748	1,903,191
Total net position	\$ 342,471,429	\$ 143,988,116	\$ 486,459,545	\$ 2,784,893

City of Livonia, Michigan

Functions/Programs	Expenses	Program Revenue		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 14,665,596	\$ 2,831,575	\$ -	\$ -
Public safety	49,801,514	9,561,395	1,084,498	-
Public works	36,196,856	1,718,866	13,737,743	1,698,525
Community and economic development	1,469,503	620,963	779,207	-
Recreation and culture	16,084,248	5,300,724	229,292	11,291,860
Interest on long-term debt	309,898	-	-	-
Total governmental activities	<u>118,527,615</u>	<u>20,033,523</u>	<u>15,830,740</u>	<u>12,990,385</u>
Business-type activities:				
Water and Sewer	44,668,788	50,351,889	-	1,188,106
Housing	1,800,245	1,506,225	-	-
Golf Course	2,484,169	2,784,852	-	-
Total business-type activities	<u>48,953,202</u>	<u>54,642,966</u>	<u>-</u>	<u>1,188,106</u>
Total primary government	<u>\$ 167,480,817</u>	<u>\$ 74,676,489</u>	<u>\$ 15,830,740</u>	<u>\$ 14,178,491</u>
Component units:				
Economic Development Corporation	\$ -	\$ -	\$ -	\$ -
Plymouth Road Development Authority	1,322,247	-	-	-
Brownfield Redevelopment Authority	1,250,121	-	-	-
Total component units	<u>\$ 2,572,368</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
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				

Statement of Activities

Year Ended November 30, 2025

Net (Expense) Revenue and Changes in Net Position			
Primary Government			
Governmental Activities	Business-type Activities	Total	Component Units
\$ (11,834,021)	\$ -	\$ (11,834,021)	\$ -
(39,155,621)	-	(39,155,621)	-
(19,041,722)	-	(19,041,722)	-
(69,333)	-	(69,333)	-
737,628	-	737,628	-
(309,898)	-	(309,898)	-
(69,672,967)	-	(69,672,967)	-
-	6,871,207	6,871,207	-
-	(294,020)	(294,020)	-
-	300,683	300,683	-
-	6,877,870	6,877,870	-
(69,672,967)	6,877,870	(62,795,097)	-
-	-	-	-
-	-	-	(1,322,247)
-	-	-	(1,250,121)
-	-	-	(2,572,368)
70,705,155	-	70,705,155	2,316,386
17,489,867	-	17,489,867	-
4,758,970	1,279,575	6,038,545	33,872
1,376,669	-	1,376,669	-
-	34,850	34,850	-
2,124,657	-	2,124,657	2,344
96,455,318	1,314,425	97,769,743	2,352,602
150,000	(150,000)	-	-
26,932,351	8,042,295	34,974,646	(219,766)
315,539,078	135,945,821	451,484,899	3,004,659
<u>\$ 342,471,429</u>	<u>\$ 143,988,116</u>	<u>\$ 486,459,545</u>	<u>\$ 2,784,893</u>

Governmental Funds
Balance Sheet

November 30, 2025

	Major Special Revenue Funds			Major Capital Projects Fund	Nonmajor Funds	Total Governmental Funds
	General Fund	Refuse Disposal System Fund	Roads and Sidewalks Fund	Senior Center Construction Fund		
Assets						
Cash and investments	\$ 22,035,375	\$ 6,869,976	\$ 2,270,183	\$ 3,531,368	\$ 50,722,831	\$ 85,429,733
Accounts receivable:						
Property taxes	79,219	23,819	8,776	-	20,667	132,481
Special assessments	-	-	-	-	255,973	255,973
Workers compensation	35,370	-	-	-	-	35,370
Due from other governmental units	4,566,111	558,631	190,990	869,469	2,637,330	8,822,531
Due from fiduciary funds	1,020,637	-	-	-	-	1,020,637
Other	3,784,130	28,153	20,400	-	1,968,941	5,801,624
Due from other funds (Note 6)	35,422	-	-	-	-	35,422
Lease receivable	3,147,732	-	-	-	35,942	3,183,674
Inventory, prepaid expenses, and deposits	247,746	-	-	-	1,260	249,006
Total assets	\$ 34,951,742	\$ 7,480,579	\$ 2,490,349	\$ 4,400,837	\$ 55,642,944	\$ 104,966,451
Liabilities						
Accounts payable	\$ 2,329,728	\$ 2,596,434	\$ 722,361	\$ 4,090,602	\$ 1,251,820	\$ 10,990,945
Due to other funds (Note 6)	-	-	-	-	35,422	35,422
Accrued and other liabilities	2,584,179	37,154	-	-	698,240	3,319,573
Unearned revenue	13,205	-	-	-	669,624	682,829
Due to fiduciary funds	574,733	-	-	-	7,517	582,250
Bonds and deposits	1,704,082	-	-	-	-	1,704,082
Total liabilities	7,205,927	2,633,588	722,361	4,090,602	2,662,623	17,315,101
Deferred Inflows of Resources						
Unavailable revenue	4,594,303	540,337	199,147	310,135	2,560,494	8,204,416
Leases	2,949,847	-	-	-	29,602	2,979,449
Total deferred inflows of resources	7,544,150	540,337	199,147	310,135	2,590,096	11,183,865

Governmental Funds
Balance Sheet (Continued)

November 30, 2025

	Major Special Revenue Funds			Major Capital Projects Fund	Nonmajor Funds	Total Governmental Funds
	General Fund	Refuse Disposal System Fund	Roads and Sidewalks Fund	Senior Center Construction Fund		
Fund Balances						
Nonspendable - Inventory and prepaid assets	\$ 247,746	\$ -	\$ -	\$ -	\$ 1,260	\$ 249,006
Restricted:						
Streets, roads, and sidewalks	-	-	1,568,841	-	4,998,904	6,567,745
Adjudicated forfeitures	-	-	-	-	3,160,752	3,160,752
Parks capital projects	-	-	-	-	106,461	106,461
Grants	-	-	-	-	294,688	294,688
Capital improvements	-	-	-	-	10,211,809	10,211,809
Community recreation	-	-	-	-	4,354,019	4,354,019
Municipal refuse	-	4,306,654	-	-	-	4,306,654
Street lighting	-	-	-	-	940,827	940,827
Library	-	-	-	-	7,973,550	7,973,550
Public safety communication	-	-	-	-	3,375,758	3,375,758
Community transit	-	-	-	-	914,529	914,529
Designated purpose	-	-	-	-	611,823	611,823
Health care	-	-	-	-	806,333	806,333
Committed:						
Cable access television	-	-	-	-	70,218	70,218
Arts Commission	-	-	-	-	76,399	76,399
Historical Commission	-	-	-	-	580,937	580,937
Assigned:						
Golf course capital improvements	-	-	-	-	858,846	858,846
Building improvements	-	-	-	-	10,730,171	10,730,171
Court building improvements	-	-	-	-	322,941	322,941
Senior center construction	-	-	-	100	-	100
Unassigned	19,953,919	-	-	-	-	19,953,919
Total fund balances	20,201,665	4,306,654	1,568,841	100	50,390,225	76,467,485
Total liabilities, deferred inflows of resources, and fund balances	\$ 34,951,742	\$ 7,480,579	\$ 2,490,349	\$ 4,400,837	\$ 55,642,944	\$ 104,966,451

Governmental Funds

Reconciliation of the Balance Sheet to the Statement of Net Position

November 30, 2025

Fund Balances Reported in Governmental Funds	\$ 76,467,485
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	284,841,577
Certain receivables are expected to be collected over several years and are not reported in the funds	287,296
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	8,204,416
Landfill closure and postclosure liability is not due and payable in the current period and is not reported in the funds	(754,587)
Long-term liabilities are not due and payable in the current period and are not reported in the funds	(14,540,197)
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	225,176
Accrued interest is not due and payable in the current period and is not reported in the funds	(52,234)
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	(9,831,999)
Pension benefits	(13,186,596)
Retiree health care benefits	6,742,787
The Internal Service Fund (self-insurance) is included as part of governmental activities	<u>4,068,305</u>
Net Position of Governmental Activities	<u><u>\$ 342,471,429</u></u>

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

Year Ended November 30, 2025

	Major Special Revenue Funds			Major Capital Projects Fund	Nonmajor Funds	Total Governmental Funds
	General Fund	Refuse Disposal System Fund	Roads and Sidewalks Fund	Senior Center Construction Fund		
Revenue						
Property taxes	\$ 42,354,489	\$ 12,632,657	\$ 4,657,350	\$ -	\$ 10,969,879	\$ 70,614,375
Special assessments	-	-	-	-	1,395,231	1,395,231
Intergovernmental:						
Federal revenue	-	-	-	6,469,612	1,137,645	7,607,257
State and local revenue	14,588,530	1,489,993	546,195	8,000,000	15,552,532	40,177,250
Charges for services	5,952,843	116,499	-	-	5,526,123	11,595,465
Fines and forfeitures	3,589,553	-	-	-	577,565	4,167,118
Licenses and permits	3,522,694	-	-	-	-	3,522,694
Investment income	1,875,846	452,702	214,951	20,444	2,366,127	4,930,070
Other revenue:						
Local donations	-	-	-	-	105,500	105,500
Miscellaneous revenue	2,826,781	-	-	-	1,070,066	3,896,847
Lease revenue	492,632	-	-	-	59,399	552,031
Total revenue	75,203,368	14,691,851	5,418,496	14,490,056	38,760,067	148,563,838
Expenditures						
Current services:						
General government	11,526,205	-	-	-	-	11,526,205
Employee benefits, insurance, and other	3,907,374	-	-	-	-	3,907,374
Public safety	47,531,076	-	-	-	1,523,716	49,054,792
Public works	4,529,067	17,647,210	13,472,454	-	6,570,079	42,218,810
Community and economic development	631,443	-	-	-	838,060	1,469,503
Recreation and culture	2,174,045	-	-	-	13,547,610	15,721,655
Capital outlay	-	-	-	16,782,446	8,242,944	25,025,390
Debt service:						
Principal retirement	-	-	-	-	2,110,000	2,110,000
Interest and other	-	-	-	-	609,636	609,636
Total expenditures	\$ 70,299,210	\$ 17,647,210	\$ 13,472,454	\$ 16,782,446	\$ 33,442,045	\$ 151,643,365

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

Year Ended November 30, 2025

	Major Special Revenue Funds			Major Capital Projects Fund	Nonmajor Funds	Total Governmental Funds
	General Fund	Refuse Disposal System Fund	Roads and Sidewalks Fund	Senior Center Construction Fund		
Excess of Revenue Over (Under) Expenditures	\$ 4,904,158	\$ (2,955,359)	\$ (8,053,958)	\$ (2,292,390)	\$ 5,318,022	\$ (3,079,527)
Other Financing Sources (Uses)						
Transfers in (Note 6)	-	-	7,500,000	2,000,000	12,919,787	22,419,787
Transfers out (Note 6)	(2,850,151)	-	-	-	(19,419,636)	(22,269,787)
Leases entered into	-	-	-	-	121,740	121,740
Total other financing (uses) sources	(2,850,151)	-	7,500,000	2,000,000	(6,378,109)	271,740
Net Change in Fund Balances	2,054,007	(2,955,359)	(553,958)	(292,390)	(1,060,087)	(2,807,787)
Fund Balances - Beginning of year, as previously reported	18,147,658	7,262,013	2,122,799	-	51,742,802	79,275,272
Change within Financial Reporting Entity (Note 1)	-	-	-	292,490	(292,490)	-
Fund Balances - Beginning of year, as adjusted	18,147,658	7,262,013	2,122,799	292,490	51,450,312	79,275,272
Fund Balances - End of year	\$ 20,201,665	\$ 4,306,654	\$ 1,568,841	\$ 100	\$ 50,390,225	\$ 76,467,485

Governmental Funds

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

Year Ended November 30, 2025

Net Change in Fund Balances Reported in Governmental Funds	\$ (2,807,787)
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	39,776,879
Depreciation expense	(13,008,637)
Net book value of assets disposed of	(346,666)
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	(3,147,623)
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)	200,718
Issuing debt and entering into leases provide current financial resources to governmental funds, but increase long-term liabilities in the statement of net position	(121,740)
Repayment of bond principal is an expenditure in the governmental funds but not in the statement of activities (where it reduces long-term debt)	2,110,000
Interest expense is recognized in the government-wide statements as it accrues	180,049
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	4,163,463
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	(902,146)
Net change in accumulated employee sick and vacation pay is recorded when incurred in the statement of activities	1,269,723
Increase in landfill liability is recorded when incurred in the statement of activities	(17,096)
Internal service funds are included as part of governmental activities	(416,786)
Change in Net Position of Governmental Activities	\$ 26,932,351

Proprietary Funds
Statement of Net Position

November 30, 2025

	Major	Nonmajor Enterprise Funds		Total Enterprise Funds	Governmental
	Enterprise Fund	Housing	Golf Course		Activities
	Water and Sewer				Internal Service Fund
Assets					
Current assets:					
Cash and investments	\$ 26,435,862	\$ 3,452,370	\$ 2,271,431	\$ 32,159,663	\$ 3,177,381
Accounts receivable:					
Customers	16,524,622	-	-	16,524,622	-
Other	177,689	-	10,505	188,194	-
Lease receivable	-	-	110,301	110,301	-
Inventory, prepaid expenses, and deposits	534,814	-	-	534,814	3,030,358
Total current assets	43,672,987	3,452,370	2,392,237	49,517,594	6,207,739
Noncurrent assets:					
Restricted assets (Note 8)	2,504,629	-	-	2,504,629	-
Special assessment receivables	59,669	-	-	59,669	-
Lease receivable	-	-	826,137	826,137	-
Capital assets: (Note 5)					
Assets not subject to depreciation	1,823,682	1,581,948	3,582,488	6,988,118	-
Assets subject to depreciation - Net	112,903,156	3,646,074	442,763	116,991,993	-
Total noncurrent assets	117,291,136	5,228,022	4,851,388	127,370,546	-
Total assets	160,964,123	8,680,392	7,243,625	176,888,140	6,207,739
Liabilities					
Current liabilities:					
Accounts payable	3,133,113	128,612	121,320	3,383,045	-
Due to other governmental units	2,473,316	-	-	2,473,316	-
Accrued and other liabilities	277,411	20,032	5,951	303,394	-
Unearned revenue	2,071	-	-	2,071	-
Due to fiduciary funds	9,021	-	-	9,021	-
Bonds and deposits	191,790	186,107	-	377,897	-
Compensated absences (Note 7)	48,634	7,120	3,479	59,233	-
Current portion of long-term debt (Note 7)	1,460,500	-	-	1,460,500	-
Total current liabilities	7,595,856	341,871	130,750	8,068,477	-
Noncurrent liabilities:					
Compensated absences and insurance claims (Note 7)	395,627	57,913	28,304	481,844	2,139,434
Net pension liability (Note 11)	420,359	-	14,240	434,599	-
Long-term debt - Net of current portion (Note 7)	22,529,113	-	-	22,529,113	-
Total noncurrent liabilities	23,345,099	57,913	42,544	23,445,556	2,139,434
Total liabilities	30,940,955	399,784	173,294	31,514,033	2,139,434

Proprietary Funds
Statement of Net Position (Continued)

November 30, 2025

	Major Enterprise Fund	Nonmajor Enterprise Funds		Total Enterprise Funds	Governmental Activities
	Water and Sewer	Housing	Golf Course		Internal Service Fund
Deferred Inflows of Resources					
Deferred pension cost reductions (Note 11)	\$ 458,376	\$ -	\$ 15,527	\$ 473,903	\$ -
Leases	-	-	912,088	912,088	-
Total deferred inflows of resources	<u>458,376</u>	<u>-</u>	<u>927,615</u>	<u>1,385,991</u>	<u>-</u>
Net Position					
Net investment in capital assets	90,851,152	5,228,022	4,025,251	100,104,425	-
Restricted - Ordinance requirements	2,390,702	-	-	2,390,702	-
Unrestricted	<u>36,322,938</u>	<u>3,052,586</u>	<u>2,117,465</u>	<u>41,492,989</u>	<u>4,068,305</u>
Total net position	<u>\$ 129,564,792</u>	<u>\$ 8,280,608</u>	<u>\$ 6,142,716</u>	<u>\$ 143,988,116</u>	<u>\$ 4,068,305</u>

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

Year Ended November 30, 2025

	Major	Nonmajor Enterprise Funds		Total Enterprise Funds	Governmental
	Enterprise Fund	Housing	Golf Course		Activities
	Water and Sewer				Internal Service Fund
Operating Revenue					
Customer billings	\$ 48,025,953	\$ -	\$ -	\$ 48,025,953	\$ -
Fines and forfeitures	2,200,384	-	-	2,200,384	-
Service connections	66,349	-	-	66,349	-
Greens fees	-	-	2,444,180	2,444,180	-
Golf cart fees	-	-	118,000	118,000	-
City contributions	-	-	-	-	14,619,875
Rental income	-	1,504,025	-	1,504,025	-
Other revenue	59,203	2,200	107,601	169,004	-
Total operating revenue	50,351,889	1,506,225	2,669,781	54,527,895	14,619,875
Operating Expenses					
Cost of water	13,851,688	-	-	13,851,688	-
Cost of sewage disposal	14,969,932	-	-	14,969,932	-
System maintenance and operation	9,716,179	-	-	9,716,179	-
General and administration	1,328,916	1,740	-	1,330,656	-
Reinsurance charges and claims	-	-	-	-	15,239,250
Salaries and wages	-	534,919	162,378	697,297	-
Supplies	-	11,648	292,261	303,909	-
Other services and charges	-	984,183	2,000,700	2,984,883	-
Depreciation	4,116,622	267,755	28,830	4,413,207	-
Total operating expenses	43,983,337	1,800,245	2,484,169	48,267,751	15,239,250
Operating Income (Loss)	6,368,552	(294,020)	185,612	6,260,144	(619,375)
Nonoperating Revenue (Expense)					
Investment income	1,054,381	138,469	86,725	1,279,575	202,589
Interest expense	(685,451)	-	-	(685,451)	-
Gain on sale of assets	34,850	-	-	34,850	-
Lease revenue	-	-	115,071	115,071	-
Total nonoperating revenue	403,780	138,469	201,796	744,045	202,589
Income (Loss) - Before contributions and transfers	6,772,332	(155,551)	387,408	7,004,189	(416,786)
Capital Contributions - Lines donated by developers	1,188,106	-	-	1,188,106	-
Transfers Out	-	-	(150,000)	(150,000)	-
Change in Net Position	7,960,438	(155,551)	237,408	8,042,295	(416,786)
Net Position - Beginning of year	121,604,354	8,436,159	5,905,308	135,945,821	4,485,091
Net Position - End of year	\$ 129,564,792	\$ 8,280,608	\$ 6,142,716	\$ 143,988,116	\$ 4,068,305

Proprietary Funds
Statement of Cash Flows

Year Ended November 30, 2025

	Major	Nonmajor Enterprise Funds		Total Enterprise Funds	Governmental
	Enterprise Fund	Housing	Golf Course		Activities
	Water and Sewer				Internal Service Fund
Cash Flows from Operating Activities					
Receipts from customers	\$ 49,665,500	\$ 1,506,225	\$ 2,664,849	\$ 53,836,574	\$ 14,619,875
Payments to suppliers	(33,317,844)	(1,038,545)	(2,309,088)	(36,665,477)	(15,858,874)
Payments to employees	(5,329,547)	(557,143)	(167,900)	(6,054,590)	-
Net cash and cash equivalents provided by (used in) operating activities	11,018,109	(89,463)	187,861	11,116,507	(1,238,999)
Cash Flows Used in Noncapital Financing Activities - Transfers out					
	-	-	(150,000)	(150,000)	-
Cash Flows from Capital and Related Financing Activities					
Special assessment collections	12,921	-	-	12,921	-
Proceeds from sale of capital assets	44,692	-	-	44,692	-
Net purchases of capital assets	(6,438,852)	-	-	(6,438,852)	-
Principal and interest paid on long-term debt	(2,111,927)	-	-	(2,111,927)	-
Lease receipts	-	-	110,813	110,813	-
Net cash and cash equivalents (used in) provided by capital and related financing activities	(8,493,166)	-	110,813	(8,382,353)	-
Cash Flows from Investing Activities					
Interest received on investments	1,054,381	138,470	86,725	1,279,576	202,589
Purchases of investment securities	(1,747,484)	(24,504)	(117,699)	(1,889,687)	-
Proceeds from sale and maturities of investment securities	-	-	-	-	518,205
Net cash and cash equivalents (used in) provided by investing activities	(693,103)	113,966	(30,974)	(610,111)	720,794
Net Increase (Decrease) in Cash and Cash Equivalents					
	1,831,840	24,503	117,700	1,974,043	(518,205)
Cash and Cash Equivalents - Beginning of year					
	13,834,006	1,701,782	1,018,016	16,553,804	2,106,896
Cash and Cash Equivalents - End of year					
	<u>\$ 15,665,846</u>	<u>\$ 1,726,285</u>	<u>\$ 1,135,716</u>	<u>\$ 18,527,847</u>	<u>\$ 1,588,691</u>
Classification of Cash and Cash Equivalents					
Cash and investments	\$ 26,435,862	\$ 3,452,370	\$ 2,271,431	\$ 32,159,663	\$ 3,177,381
Restricted cash (Note 8)	2,504,629	-	-	2,504,629	-
Less investments	(13,274,645)	(1,726,085)	(1,135,715)	(16,136,445)	(1,588,690)
Total cash and cash equivalents	<u>\$ 15,665,846</u>	<u>\$ 1,726,285</u>	<u>\$ 1,135,716</u>	<u>\$ 18,527,847</u>	<u>\$ 1,588,691</u>

Proprietary Funds
Statement of Cash Flows (Continued)

Year Ended November 30, 2025

	Major Enterprise Fund	Nonmajor Enterprise Funds		Total Enterprise Funds	Governmental Activities
	Water and Sewer	Housing	Golf Course		Internal Service Fund
Reconciliation of Operating Income					
(Loss) to Net Cash and Cash					
Equivalents from Operating Activities					
Operating income (loss)	\$ 6,368,552	\$ (294,020)	\$ 185,612	\$ 6,260,144	\$ (619,375)
Adjustments to reconcile operating income (loss) to net cash and cash equivalents from operating activities:					
Depreciation	4,116,622	267,755	28,830	4,413,207	-
Changes in assets and liabilities:					
Receivables	(686,389)	-	(4,932)	(691,321)	-
Inventories	560,345	-	-	560,345	-
Prepaid and other assets	(1,876)	-	-	(1,876)	(187,108)
Net pension and OPEB liabilities	152,613	168	5,455	158,236	-
Accounts payable	551,431	(40,974)	(16,127)	494,330	-
Estimated claims liability	-	-	-	-	(432,516)
Accrued and other liabilities	(43,189)	(22,392)	(10,977)	(76,558)	-
Net cash and cash equivalents provided by (used in) operating activities	<u>\$ 11,018,109</u>	<u>\$ (89,463)</u>	<u>\$ 187,861</u>	<u>\$ 11,116,507</u>	<u>\$ (1,238,999)</u>

Noncash Transactions - During the year ended November 30, 2025, the City received \$1,188,106 of donated lines reported as capital assets in the Water and Sewer Fund.

Fiduciary Funds
Statement of Fiduciary Net Position

November 30, 2025

	Pension and Other Employee Benefits	Custodial Funds	Total Fiduciary Funds
Assets			
Cash and cash equivalents (Note 3)	\$ 1,266,115	\$ 8,298,501	\$ 9,564,616
Investments: (Note 3)			
U.S. government securities	24,461,024	-	24,461,024
Collateralized mortgage obligations	2,396,110	-	2,396,110
Common stocks	182,496,346	-	182,496,346
Corporate bonds	14,303,453	-	14,303,453
Real estate investment trust	1,496,540	-	1,496,540
Foreign bonds	1,382,698	-	1,382,698
Mutual funds	159,257,937	-	159,257,937
Accounts receivable	97,164	-	97,164
Due from primary government	591,271	-	591,271
	387,748,658	8,298,501	396,047,159
Liabilities			
Accounts payable	332,907	96,994	429,901
Due to other governmental units	32,566	7,080,749	7,113,315
Due to primary government	1,020,637	-	1,020,637
Bonds and other deposits	-	591,706	591,706
	1,386,110	7,769,449	9,155,559
Net Position			
Restricted:			
Pension	234,487,960	-	234,487,960
Postemployment benefits other than pension	151,874,588	-	151,874,588
Individuals, organizations, and other governments	-	529,052	529,052
	\$ 386,362,548	\$ 529,052	\$ 386,891,600

Fiduciary Funds
Statement of Changes in Fiduciary Net Position

Year Ended November 30, 2025

	Pension and Other Employee Benefits	Custodial Funds	Total Fiduciary Funds
Additions			
Investment income (loss):			
Interest and dividends	\$ 7,338,457	\$ 177,802	\$ 7,516,259
Net increase in fair value of investments	22,168,989	-	22,168,989
Investment costs	(1,203,099)	-	(1,203,099)
Net investment income	28,304,347	177,802	28,482,149
Contributions:			
Employer	8,088,138	-	8,088,138
Employee	1,508,863	-	1,508,863
Total contributions	9,597,001	-	9,597,001
Collections for other governments	-	173,947,347	173,947,347
Fines and fees	-	1,451,764	1,451,764
Bond receipts	-	1,002,590	1,002,590
Restitutions, judgments, and other	-	70,937	70,937
Total additions	37,901,348	176,650,440	214,551,788
Deductions			
Pension benefit payments	20,503,074	-	20,503,074
Medical benefit payments	9,385,873	-	9,385,873
Disability benefit payments	215,259	-	215,259
Refunds of contributions	423,288	-	423,288
Administrative expenses	342,177	-	342,177
Disbursements to other governments	-	175,217,884	175,217,884
Bond disbursements	-	1,002,590	1,002,590
Restitutions, judgments, and other refunds	-	171,379	171,379
Volunteer work program and civil drug fund	-	268,832	268,832
Total deductions	30,869,671	176,660,685	207,530,356
Net Increase (Decrease) in Net Position	7,031,677	(10,245)	7,021,432
Net Position - Beginning of year	379,330,871	539,297	379,870,168
Net Position - End of year	\$ 386,362,548	\$ 529,052	\$ 386,891,600

**Component Units
Statement of Net Position**

November 30, 2025

	Economic Development Corporation	Plymouth Road Development Authority	Brownfield Redevelopment Authority	Total
Assets				
Cash and cash equivalents	\$ 28,481	\$ 1,137,661	\$ 883,145	\$ 2,049,287
Accounts receivable	-	105,354	-	105,354
Capital assets: (Note 5)				
Assets not subject to depreciation	-	795,191	-	795,191
Assets subject to depreciation - Net	-	86,511	-	86,511
Total assets	28,481	2,124,717	883,145	3,036,343
Liabilities				
Accounts payable	-	221,350	-	221,350
Due to other governmental units	-	-	30,100	30,100
Total liabilities	-	221,350	30,100	251,450
Net Position				
Net investment in capital assets	-	881,702	-	881,702
Unrestricted	28,481	1,021,665	853,045	1,903,191
Total net position	<u>\$ 28,481</u>	<u>\$ 1,903,367</u>	<u>\$ 853,045</u>	<u>\$ 2,784,893</u>

City of Livonia, Michigan

	Program Revenue			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Functions/Programs				
Economic Development Corporation	\$ -	\$ -	\$ -	\$ -
Plymouth Road Development Authority	1,322,247	-	-	-
Brownfield Redevelopment Authority	1,250,121	-	-	-
Total component units	<u>\$ 2,572,368</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

General revenue:

Property taxes

Investment income

Other miscellaneous income

Total general revenue

Change in Net Position

Net Position - Beginning of year

Net Position - End of year

Component Units
Statement of Activities

Year Ended November 30, 2025

Net (Expense) Revenue and Changes in Net Position			
Economic Development Corporation	Plymouth Road Development Authority	Brownfield Redevelopment Authority	Total
\$ -	\$ -	\$ -	\$ -
-	(1,322,247)	-	(1,322,247)
-	-	(1,250,121)	(1,250,121)
-	(1,322,247)	(1,250,121)	(2,572,368)
-	903,281	1,413,105	2,316,386
1,139	3,482	29,251	33,872
-	2,344	-	2,344
1,139	909,107	1,442,356	2,352,602
1,139	(413,140)	192,235	(219,766)
27,342	2,316,507	660,810	3,004,659
\$ 28,481	\$ 1,903,367	\$ 853,045	\$ 2,784,893

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.

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.

Note 1 - Significant Accounting Policies (Continued)

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.
- The Senior Center Construction Fund accounts for the funding and construction of the senior center. Funding is primarily through federal and state grants.

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 2024 property tax revenue was levied and collectible on December 31, 2024 and is recognized as revenue in the year ended November 30, 2025 when the proceeds of the levy are budgeted and available for the financing of operations.

November 30, 2025

Note 1 - Significant Accounting Policies (Continued)

The 2024 taxable valuation of the City totaled \$5.35 billion. Properties in the Plymouth Road Development Authority (PRDA) are assessed a millage of 2.0000 on July 1. The 2025 taxable valuation of PRDA totaled \$444 million. The millages levied by the City and the resulting revenue are as follows:

Purpose	Millage Rate	Approximate Revenue (in 000s)
Operating purposes	3.9673 \$	21,185
Police and fire	0.7931	4,235
Police and fire and snow	1.1900	6,355
Library	0.7931	4,235
Refuse and recycling	2.3662	12,633
Industrial development	0.0093	50
Roads, sidewalks, and trees	0.8721	4,657
Recreation	0.7703	4,114
Public safety	1.6673	8,903
Culture and senior services	0.2449	1,308
Transit and capital improvement	0.4902	2,618
Plymouth Road Development Authority	2.0000	893
Total		<u>\$ 71,186</u>

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 2025. 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. The net pension liability will be liquidated from the funds from which an individual employee's salary is paid, primarily the General Fund.

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. The net OPEB liability will be liquidated from the funds from which an individual employee's salary is paid, primarily the General Fund.

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. The compensated absence liabilities are reported in the government-wide and proprietary fund financial statements. A leave liability is recognized due to the leave attributable to services already rendered, leave that accumulates, and leave that is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.

Proprietary Funds Operating Classification

Proprietary funds distinguish operating revenue and expenses from nonoperating items. Operating revenue and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of 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.

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.

Note 1 - Significant Accounting Policies (Continued)

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 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.

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.

In December 2025, the GASB issued Statement No. 105, *Subsequent Events*, which defines subsequent events as transactions that occur after the date of the financial statements but before the financial statements are available to be issued. This statement clarifies the subsequent events that constitute recognized and unrecognized events and establishes specific note disclosure requirements for nonrecognized events. The provisions of this statement are effective for the City's financial statements for the year ending November 30, 2027.

Accounting Changes and Error Corrections

Changes to or within the Financial Reporting Entity

Change in Major Funds

The Senior Center Construction Fund was previously reported as a nonmajor fund but is now reported as a major fund for fiscal year 2025. The effects of this change in major funds are shown in the table below.

November 30, 2025

Note 1 - Significant Accounting Policies (Continued)

Adjustments to and Restatements of Beginning Balances

During fiscal year 2025, the changes noted above resulted in adjustments to and restatements of beginning fund balance as follows:

	November 30, 2024	Change to or within the Financial Reporting Entity	November 30, 2024
	As Previously Reported		As Restated
Governmental funds:			
Major funds:			
General Fund	\$ 18,147,658	\$ -	\$ 18,147,658
Refuse Disposal System Fund	7,262,013	-	7,262,013
Roads and Sidewalks Fund	2,122,799	-	2,122,799
Senior Center Construction Fund	-	292,490	292,490
Nonmajor funds	51,742,802	(292,490)	51,450,312
Total governmental funds	<u>\$ 79,275,272</u>	<u>\$ -</u>	<u>\$ 79,275,272</u>

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, 2024		\$ (5,658,664)
Current year building permit revenue		3,148,683
Related expenses:		
Direct costs	\$ 2,630,266	
Estimated indirect costs	645,638	3,275,904
Current year net revenue		<u>(127,221)</u>
Cumulative shortfall at November 30, 2025		<u>\$ (5,785,885)</u>

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.

Note 3 - Deposits and Investments (Continued)

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

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

Custodial Credit Risk of Bank Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk. At year end, the City had bank deposits of \$45,107,331 (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 \$389,710 (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	\$ 13,522,496	\$ 13,522,496	\$ -	\$ -
Municipal bonds	1,076,565	1,076,565	-	-
U.S. Treasury securities	17,193,913	17,193,913	-	-
Bank investment pools	36,764,133	36,764,133	-	-
Total	\$ 68,557,107	\$ 68,557,107	\$ -	\$ -

City of Livonia Employees' Retirement System	Fair Value	0-5 Years	6-10 Years	More Than 10 Years
Corporate bonds	\$ 9,366,584	\$ 6,043,515	\$ 2,021,299	\$ 1,301,770
Foreign bonds	640,959	472,216	168,743	-
U.S. agency securities	4,332,688	118,841	65,488	4,148,359
U.S. Treasury securities	7,457,674	2,150,491	1,594,504	3,712,679
Collateralized mortgage obligations	1,217,436	130,682	-	1,086,754
Total	\$ 23,015,341	\$ 8,915,745	\$ 3,850,034	\$ 10,249,562

November 30, 2025

Note 3 - Deposits and Investments (Continued)

City of Livonia Retiree Health and Disability Benefits Plan	Fair Value	0-5 Years	6-10 Years	More Than 10 Years
Corporate bonds	\$ 4,936,869	\$ 3,071,221	\$ 1,164,830	\$ 700,818
Foreign bonds	741,739	572,026	169,713	-
U.S. agency securities	3,756,574	184,106	24,367	3,548,101
U.S. Treasury securities	8,914,088	5,006,464	737,939	3,169,685
Collateralized mortgage obligations	1,178,674	60,956	49,295	1,068,423
Total	\$ 19,527,944	\$ 8,894,773	\$ 2,146,144	\$ 8,487,027

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

Investment	Fair Value	Rating	Rating Organization
Primary Government			
Bank investment pools	\$ 36,764,133	Baa1/P2	Moody's
Municipal bonds	1,076,565	AA	S&P
U.S. agency securities	13,522,496	AA+	S&P
Total	\$ 51,363,194		

Investment	Fair Value	Rating	Rating Organization
Fiduciary Funds			
Corporate bond	\$ 221,087	Aaa	Moody's
Corporate bond	28,028	Aa1	Moody's
Corporate bond	245,049	A1	Moody's
Corporate bond	148,157	A3	Moody's
Corporate bond	1,141,644	Baa1 and below	Moody's
Corporate bond	12,519,488	NR	N/A
Foreign bonds	41,320	Baa1 and below	Moody's
Foreign bonds	1,341,378	NR	N/A
U.S. agency securities	8,089,262	Aaa	Moody's
Collateralized mortgage obligations	533,554	Aaa	Moody's
Collateralized mortgage obligations	1,862,556	NR	N/A
Total	\$ 26,171,523		

There are no limitations or restrictions on participant withdrawals for the \$36,764,133 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 \$216,081,363 at November 30, 2025. Of this total, \$16,852,998, or 7.80 percent, is invested in Loomis Senior Fund. Investments in the VEBA Fund total \$152,993,015 at November 30, 2025. Of this total, \$12,979,291, or 8.48 percent, is invested in Loomis Senior Fund.

November 30, 2025

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, 2025:

	Assets Measured at Fair Value on a Recurring Basis at November 30, 2025			
	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, 2025
Investments by Fair Value Level				
Debt securities:				
U.S. Treasury securities	\$ 33,565,675	\$ -	\$ -	\$ 33,565,675
Collateralized mortgage obligations	-	2,396,110	-	2,396,110
Corporate bonds	-	14,303,453	-	14,303,453
Foreign bonds and notes	-	1,382,698	-	1,382,698
Government agencies	-	21,611,758	-	21,611,758
Asset-backed securities	-	1,076,565	-	1,076,565
Total debt securities	33,565,675	40,770,584	-	74,336,259
Equity securities:				
Common stock	137,204,381	-	-	137,204,381
Foreign stock	6,144,589	-	-	6,144,589
Mutual funds	115,797,643	-	-	115,797,643
ADR	7,080,630	-	-	7,080,630
REIT	1,496,540	-	-	1,496,540
Short-term investments	-	3,592,666	-	3,592,666
Total equity securities	267,723,783	3,592,666	-	271,316,449
Total investments by fair value level	\$ 301,289,458	\$ 44,363,250	\$ -	345,652,708
Investments measured at NAV:				
Real estate funds				28,474,080
CIF - Fixed income				30,182,007
CIF - Equity				13,278,287
Total investments measured at NAV				71,934,374
Total investments				\$ 417,587,082

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, 2025 was determined primarily based on Level 2 inputs. The City's foreign investments are not subject to foreign currency risk, as they are not denominated in foreign currencies. 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, 2025, 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	\$ 28,474,080	\$ -	Unlimited	12 months
CIF - Fixed income	30,182,007	-	Unlimited	15 business days
CIF - Equity	13,278,287	-	Unlimited	None
Total investments measured at NAV	<u>\$ 71,934,374</u>	<u>\$ -</u>		

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.

November 30, 2025

Note 5 - Capital Assets

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

Governmental Activities

	Balance December 1, 2024	Reclassifications	Additions	Disposals and Adjustments	Balance November 30, 2025
Capital assets not being depreciated:					
Land	\$ 35,278,628	\$ -	\$ -	\$ -	\$ 35,278,628
Construction in progress	5,806,081	(1,875,500)	19,927,882	-	23,858,463
Subtotal	41,084,709	(1,875,500)	19,927,882	-	59,137,091
Capital assets being depreciated:					
Infrastructure	244,302,036	-	13,490,018	-	257,792,054
Buildings and improvements	121,723,412	1,875,500	317,267	-	123,916,179
Equipment and vehicles	59,049,766	-	6,041,712	(1,867,184)	63,224,294
Lease assets - Equipment and vehicles	672,502	-	-	-	672,502
Subtotal	425,747,716	1,875,500	19,848,997	(1,867,184)	445,605,029
Accumulated depreciation:					
Infrastructure	105,579,227	-	6,144,146	-	111,723,373
Buildings and improvements	67,287,608	-	2,588,170	-	69,875,778
Equipment and vehicles	35,439,110	-	4,209,071	(1,520,518)	38,127,663
Lease assets - Equipment and vehicles	106,479	-	67,250	-	173,729
Subtotal	208,412,424	-	13,008,637	(1,520,518)	219,900,543
Net capital assets being depreciated	217,335,292	1,875,500	6,840,360	(346,666)	225,704,486
Net governmental activities capital assets	\$ 258,420,001	\$ -	\$ 26,768,242	\$ (346,666)	\$ 284,841,577

November 30, 2025

Note 5 - Capital Assets (Continued)

Business-type Activities

	Balance December 1, 2024	Reclassifications	Additions	Disposals and Adjustments	Balance November 30, 2025
Capital assets not being depreciated:					
Land	\$ 5,164,436	\$ -	\$ -	\$ -	\$ 5,164,436
Construction in progress	9,706,484	(14,116,180)	6,233,378	-	1,823,682
Subtotal	14,870,920	(14,116,180)	6,233,378	-	6,988,118
Capital assets being depreciated:					
Water and sewer distribution Buildings and building improvements	187,819,433	12,462,035	920,679	-	201,202,147
Machinery and equipment	21,918,794	-	-	-	21,918,794
Vehicles	2,168,633	1,654,145	128,560	(159,429)	3,791,909
Land improvements	4,685,343	-	344,341	(86,490)	4,943,194
Subtotal	3,069,555	-	-	-	3,069,555
Subtotal	219,661,758	14,116,180	1,393,580	(245,919)	234,925,599
Accumulated depreciation:					
Water and sewer distribution Buildings and building improvements	98,433,393	-	3,426,116	-	101,859,509
Machinery and equipment	7,665,634	-	481,410	-	8,147,044
Vehicles	1,686,679	-	56,520	(143,942)	1,599,257
Land improvements	3,026,455	-	435,362	(92,135)	3,369,682
Subtotal	2,944,315	-	13,799	-	2,958,114
Subtotal	113,756,476	-	4,413,207	(236,077)	117,933,606
Net capital assets being depreciated	105,905,282	14,116,180	(3,019,627)	(9,842)	116,991,993
Net business-type activities capital assets	\$ 120,776,202	\$ -	\$ 3,213,751	\$ (9,842)	\$ 123,980,111

Capital asset activity for the City's component unit for the year ended November 30, 2025 was as follows:

Component Unit - Plymouth Road Development Authority

	Balance December 1, 2024	Reclassifications	Additions	Disposals and Adjustments	Balance November 30, 2025
Capital assets not being depreciated - Land	\$ 474,048	\$ -	\$ 321,143	\$ -	\$ 795,191
Capital assets being depreciated - Land improvements	12,195,788	-	-	-	12,195,788
Accumulated depreciation - Land improvements	12,078,553	-	30,724	-	12,109,277
Net capital assets being depreciated	117,235	-	(30,724)	-	86,511
Net capital assets	\$ 591,283	\$ -	\$ 290,419	\$ -	\$ 881,702

November 30, 2025

Note 5 - Capital Assets (Continued)

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

Governmental activities:	
General government	\$ 653,828
Public safety	2,041,123
Public works	7,899,693
Recreation and culture	<u>2,413,993</u>
Total governmental activities	<u>\$ 13,008,637</u>
Business-type activities:	
Water and Sewer	\$ 4,116,622
Golf Course	28,830
Housing	<u>267,755</u>
Total business-type activities	<u>\$ 4,413,207</u>

Construction Commitments

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

	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Street and sidewalk projects	\$ 16,976,643	\$ 1,257,618
Water, drain, and sewer projects	16,104,704	981,087
Senior center	21,238,093	4,267,517
Fire station improvements	<u>283,445</u>	<u>706,147</u>
Total	<u>\$ 54,602,885</u>	<u>\$ 7,212,369</u>

Note 6 - Interfund Receivables, Payables, and Transfers

The composition of interfund balances is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	VEBA	\$ 1,020,637
	Nonmajor governmental funds	<u>35,422</u>
	Total General Fund	1,056,059
Employees' Retirement System	General Fund	267,290
	Nonmajor governmental funds	118
	Water and Sewer Fund	<u>142</u>
	Total Employees' Retirement System	267,550
VEBA	Water and Sewer Fund	8,879
	Nonmajor governmental funds	<u>7,399</u>
	Total VEBA	16,278
Police and Fire Revised Retirement Plan	General Fund	<u>307,443</u>
	Total	<u>\$ 1,647,330</u>

November 30, 2025

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

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.

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	\$ 2,850,151
Nonmajor governmental funds	Nonmajor governmental funds	9,919,636
	Roads and Sidewalks Fund	7,500,000
	Senior Center Construction Fund	<u>2,000,000</u>
	Total nonmajor governmental funds	19,419,636
Golf Course Fund	Nonmajor governmental funds	<u>150,000</u>
	Total	<u>\$ 22,419,787</u>

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 transfer from the nonmajor governmental funds to the Senior Center Construction Fund was for capital improvements.

The transfer from 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.

November 30, 2025

Note 7 - Long-term Debt (Continued)

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

Governmental Activities

	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
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	\$ 175,000	\$ -	\$ (175,000)	\$ -	\$ -
2016 MBA Refunding Bonds:							
Amount of issue -							
\$6,180,000 Maturing through 2033	4.00%	\$305,000 - \$540,000	4,140,000	-	(390,000)	3,750,000	405,000
2017 MBA Refunding Bonds:							
Amount of issue -							
\$19,980,000 Maturing through 2030	3.00% - 5.00%	\$1,250,000 - \$1,945,000	10,375,000	-	(1,545,000)	8,830,000	1,600,000
Installment purchases			363,729	121,740	(139,080)	346,389	138,745
Unamortized bond premiums			1,338,229	-	(200,312)	1,137,917	200,310
Total bonds and contracts payable			16,391,958	121,740	(2,449,392)	14,064,306	2,344,055
Leases			537,529	-	(61,638)	475,891	63,149
General liability claims, workers' compensation, and health insurance claims (Note 9)			2,571,950	-	(432,516)	2,139,434	-
Compensated absences			11,101,722	-	(1,269,723)	9,831,999	957,609
Landfill closure and postclosure			737,491	17,096	-	754,587	-
Total governmental activities long-term debt			\$ 31,340,650	\$ 138,836	\$ (4,213,269)	\$ 27,266,217	\$ 3,364,813

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.

November 30, 2025

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		\$125,000 -					
Maturing through 2034	2.00%	\$220,000	\$ 1,870,730	\$ -	\$ (170,000)	\$ 1,700,730	\$ 175,000
2014 State of Michigan Drinking Water Program Revolving Loan:							
Amount of issue - \$3,552,013		\$145,000 -					
Maturing through 2036	2.00%	\$235,000	1,987,013	-	(180,000)	1,807,013	185,000
2015 State of Michigan Drinking Water Program Revolving Loan:							
Amount of issue - \$7,104,415		\$274,415 -					
Maturing through 2040	2.50%	\$570,000	3,877,894	-	(280,000)	3,597,894	290,000
2020 State of Michigan Drinking Water Program Revolving Loan:							
Amount of issue - \$9,160,000		\$375,000 -					
Maturing through 2040	2.00%	\$550,000	7,141,630	-	(380,500)	6,761,130	385,500
2021 State of Michigan Drinking Water Program Revolving Loan:							
Amount of issue - \$5,337,668		\$222,668 -					
Maturing through 2041	1.875%	\$315,000	4,176,889	-	(210,000)	3,966,889	215,000
2023 Water Supply and Wastewater System Revenue Bonds:							
Amount of issue - \$6,295,000		\$200,000 -					
Maturing through 2043	5.00% - 5.25%	\$480,000	6,095,000	-	(200,000)	5,895,000	210,000
Unamortized bond premiums			275,454	-	(14,497)	260,957	-
Total direct borrowings and direct placements principal outstanding			25,424,610	-	(1,434,997)	23,989,613	1,460,500
Compensated absences			636,702	-	(95,625)	541,077	59,233
Total business-type activities long-term debt			<u>\$ 26,061,312</u>	<u>\$ -</u>	<u>\$ (1,530,622)</u>	<u>\$ 24,530,690</u>	<u>\$ 1,519,733</u>

The changes in the compensated absences liabilities presented in the tables above reflect the net additions and reductions during the reporting period.

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 \$29.7 million. During the current year, net revenue of the system was \$12 million, compared to annual debt requirements of approximately \$2.1 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, 2025, approximately \$15,790,000 remains outstanding.

Debt Service Requirements to Maturity

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

Years Ending November 30	Governmental Activities			Business-type Activities		
	Other Debt			Direct Borrowings and Direct Placements		
	Principal	Interest	Total	Principal	Interest	Total
2026	\$ 2,143,745	\$ 535,400	\$ 2,679,145	\$ 1,460,500	\$ 669,239	\$ 2,129,739
2027	2,243,020	459,743	2,702,763	1,490,500	631,510	2,122,010
2028	2,233,485	346,751	2,580,236	1,530,500	592,782	2,123,282
2029	2,336,139	235,788	2,571,927	1,560,500	552,897	2,113,397
2030	2,420,000	120,125	2,540,125	1,615,500	511,999	2,127,499
2031-2035	1,550,000	94,800	1,644,800	8,292,744	1,903,123	10,195,867
2036-2040	-	-	-	6,111,524	915,233	7,026,757
2041-2043	-	-	-	1,666,888	152,210	1,819,098
Total	\$ 12,926,389	\$ 1,792,607	\$ 14,718,996	\$ 23,728,656	\$ 5,928,993	\$ 29,657,649

Bond Refunding

In previous years, the City defeased certain bonds by completing an advance refunding. As of November 30, 2025, there is still \$7,985,000 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, 2025, the City set aside \$2,390,702 of cash and cash equivalents to comply with these requirements. Additionally, the Water and Sewer Fund held \$113,927 of unspent bond proceeds as of November 30, 2025 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	
	2025	2024	2025	2024	2025	2024
Estimated liability - Beginning of year	\$ 794,869	\$ 1,126,328	\$ 1,012,703	\$ 844,192	\$ 764,378	\$ 638,690
Estimated claims incurred, including changes in estimates	1,481,470	877,342	284,363	823,841	12,993,585	11,749,907
Claim payments	(1,391,752)	(1,208,801)	(532,342)	(655,330)	(13,267,840)	(11,624,219)
Estimated liability - End of year	<u>\$ 884,587</u>	<u>\$ 794,869</u>	<u>\$ 764,724</u>	<u>\$ 1,012,703</u>	<u>\$ 490,123</u>	<u>\$ 764,378</u>

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 \$3,371,349 during the current year, and employees contributed \$1,310,026.

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.

November 30, 2025

Note 11 - Pension Plans (Continued)

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

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

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, 2025	November 30, 2025
Inactive plan members or beneficiaries currently receiving benefits	524	4
Inactive plan members entitled to but not yet receiving benefits	2	36
Active plan members	3	167
Total employees covered by the plan	<u>529</u>	<u>207</u>

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, 2025, 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.

November 30, 2025

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.

	<u>City of Livonia Employees' Retirement System</u>	<u>City of Livonia Police and Fire Revised Retirement Plan</u>
Measurement date used for the City NPL	November 30, 2025	November 30, 2025
Based on a comprehensive actuarial valuation as of	November 30, 2025	November 30, 2025

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

City of Livonia Employees' Retirement System

<u>Changes in Net Pension Liability</u>	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability</u>	<u>Plan Net Position</u>	<u>Net Pension Liability</u>
Balance at November 30, 2024	\$ 228,455,535	\$ 218,306,752	\$ 10,148,783
Changes for the year:			
Service cost	88,468	-	88,468
Interest	15,275,937	-	15,275,937
Differences between expected and actual experience	209,434	-	209,434
Contributions - Employer	-	3,182,220	(3,182,220)
Contributions - Employee	-	32,439	(32,439)
Net investment income	-	15,586,106	(15,586,106)
Benefit payments, including refunds	(20,632,669)	(20,632,669)	-
Administrative expenses	-	(244,522)	244,522
Net changes	<u>(5,058,830)</u>	<u>(2,076,426)</u>	<u>(2,982,404)</u>
Balance at November 30, 2025	<u>\$ 223,396,705</u>	<u>\$ 216,230,326</u>	<u>\$ 7,166,379</u>

The plan's fiduciary net position represents 96.79 percent of the total pension liability.

Note 11 - Pension Plans (Continued)

City of Livonia Police and Fire Revised Retirement Plan

Changes in Net Pension Liability (Asset)	Increase (Decrease)		
	Total Pension Liability	Plan Net Position	Net Pension Liability (Asset)
Balance at November 30, 2024	\$ 14,051,064	\$ 13,527,336	\$ 523,728
Changes for the year:			
Service cost	3,408,747	-	3,408,747
Interest	1,211,908	-	1,211,908
Differences between expected and actual experience	(189,079)	-	(189,079)
Contributions - Employer	-	2,669,665	(2,669,665)
Contributions - Employee	-	1,214,437	(1,214,437)
Net investment income	-	1,195,996	(1,195,996)
Benefit payments, including refunds	(293,693)	(293,693)	-
Administrative expenses	-	(56,107)	56,107
Net changes	4,137,883	4,730,298	(592,415)
Balance at November 30, 2025	<u>\$ 18,188,947</u>	<u>\$ 18,257,634</u>	<u>\$ (68,687)</u>

The plan's fiduciary net position represents 100.38 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, 2025, the City recognized pension cost recovery of \$953,637 for the System and pension expense of \$2,383,818 for the Police and Fire Revised Retirement Plan.

At November 30, 2025, 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	\$ 1,729,523	\$ 171,890
Net difference between projected and actual earnings on pension plan investments	-	8,555,039
Total	<u>\$ 1,729,523</u>	<u>\$ 8,726,929</u>

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

Years Ending November 30	Amount
2026	\$ 2,286,456
2027	(5,194,010)
2028	(4,984,079)
2029	(40,357)
2030	155,763
Thereafter	778,821
Total	<u>\$ (6,997,406)</u>

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, 2025 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	5.80 %	5.80 %
Domestic large-cap growth stocks	6.10	6.10
Domestic small-cap value/core stocks	5.90	5.90
International stocks	4.90	4.90
U.S. core fixed income	1.30	1.30
Global fixed income	1.20	-
High-yield fixed income	3.00	3.00
Bank loans	3.00	-
Real estate (direct)	4.20	-
Real estate investment trusts	3.50	-
Global balanced strategy	-	5.13

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

The following presents the net pension liabilities (assets) 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	\$ 28,349,595	\$ 7,166,379	\$ (10,841,117)
Net pension liability (asset) of the City of Livonia Police and Fire Revised Retirement Plan	3,128,358	(68,687)	(2,646,762)

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.

November 30, 2025

Note 11 - Pension Plans (Continued)

The following was the adopted asset allocation policy of both pension plans as of November 30, 2025:

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, 2025, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 7.64 percent for the Employees' Retirement System and 8.10 percent for the Police and Fire Revised Retirement Plan. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Note 12 - Pension Plan Reserves

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

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

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

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

The balances of the reserve accounts at November 30, 2025 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	\$ 193,526,659	\$ 193,526,659	\$ 1,439,518	\$ 1,439,518
Pension savings fund	451,300	451,300	4,715,756	4,715,756
Pension accumulation fund	-	22,252,367	-	12,102,360

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, 2025
Inactive plan members or beneficiaries currently receiving benefits	678
Inactive plan members entitled to but not yet receiving benefits	33
Active plan members	<u>464</u>
Total plan members	<u><u>1,175</u></u>

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, 2025, the City's average contribution rate was 6.5 percent of covered-employee payroll. Plan members were required to make a contribution of 2 percent beginning on December 1, 2006.

November 30, 2025

Note 13 - Other Postemployment Benefit Plan (Continued)

Net OPEB Asset

The City has chosen to use the November 30 measurement date as its measurement date for the net OPEB asset. The November 30, 2025 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, 2025 measurement date. The November 30, 2025 measurement date total OPEB liability was determined by an actuarial valuation performed as of that date.

Changes in the City's share of the net OPEB asset during the measurement year were as follows:

Changes in Net OPEB Asset	Increase (Decrease)		
	Total OPEB Liability	Plan Net Position	Net OPEB Asset
Balance at November 30, 2024	\$ 140,544,177	\$ 147,496,783	\$ (6,952,606)
Changes for the year:			
Service cost	956,647	-	956,647
Interest	9,574,702	-	9,574,702
Changes in benefits	1,235,714	-	1,235,714
Differences between expected and actual experience	(4,058,372)	-	(4,058,372)
Changes in assumptions	10,794,208	-	10,794,208
Contributions - Employer	-	2,236,253	(2,236,253)
Contributions - Employee	-	261,987	(261,987)
Net investment income	-	11,522,245	(11,522,245)
Benefit payments, including refunds	(9,601,132)	(9,601,132)	-
Administrative expenses	-	(41,548)	41,548
Net changes	8,901,767	4,377,805	4,523,962
Balance at November 30, 2025	<u>\$ 149,445,944</u>	<u>\$ 151,874,588</u>	<u>\$ (2,428,644)</u>

The plan's fiduciary net position represents 101.6 percent of the total OPEB liability.

At November 30, 2025, the City reported an asset of \$2,428,644 for its proportionate share of the net OPEB asset.

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

For the year ended November 30, 2025, the City recognized OPEB expense of \$3,554,713.

At November 30, 2025, 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	\$ 6,703,075	\$ 2,705,581
Changes in assumptions	7,716,030	1,538
Net difference between projected and actual earnings on OPEB plan investments	-	7,397,843
Total	<u>\$ 14,419,105</u>	<u>\$ 10,104,962</u>

November 30, 2025

Note 13 - Other Postemployment Benefit Plan (Continued)

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

Years Ending November 30	Amount
2026	\$ 7,301,204
2027	739,335
2028	(3,439,258)
2029	(287,138)
Total	<u>\$ 4,314,143</u>

Actuarial Assumptions

The total OPEB liability in the November 30, 2025 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 8.50 percent for pre-65 ages and 7.00 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, 2025 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.

Investment Rate of Return

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

Asset Class	Long-term Expected Real Rate of Return
Domestic large-cap value stocks	5.80 %
Domestic large-cap growth stocks	6.10
Domestic small-cap value/core	5.90
International stocks	4.90
U.S. core fixed income	1.30
Global fixed income	1.20
High-yield fixed income	3.00
Real estate (direct)	4.20
Real estate investment trusts	3.50

Note 13 - Other Postemployment Benefit Plan (Continued)

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)	\$ 13,438,631	\$ (2,428,644)	\$ (15,787,469)

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 8.5 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 (7.5% Pre-65 and 6.0% Post- 65, Decreasing to 3.5%)	Current Health Care Cost Trend Rate (8.5% Pre- 65 and 7.0% Post-65, Decreasing to 4.5%)	1 Percentage Point Increase (9.5% Pre-65 and 8.0% Post- 65, Decreasing to 5.5%)
Net OPEB (asset) liability	\$ (16,071,263)	\$ (2,428,644)	\$ 13,711,629

Assumption Changes

Health care trend rates for pre-65 ages have been reset to an initial rate of 8.5 percent decreasing by 0.25 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 7.00 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 7.5 percent decreasing by 0.5 percent annually to an ultimate rate of 4.5 percent for pre-65 ages and an initial rate of 6.5 percent decreasing by 0.25 percent annually to an ultimate rate of 4.5 percent for post-65 ages in 2024.

Benefit Changes

Retiree life insurance was added for some groups which resulted in a slight increase in liabilities.

November 30, 2025

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, 2025:

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, 2025, the annual money-weighted rate of return on OPEB plan investments, net of OPEB plan investment expense, was 8.08 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	\$ 216,081,363	\$ 17,985,845	\$ 152,993,015
Other assets	364,714	307,443	16,278
Liabilities	215,751	35,654	1,134,705
Net position	<u>\$ 216,230,326</u>	<u>\$ 18,257,634</u>	<u>\$ 151,874,588</u>
Statement of Changes in Net Position			
Investment income	\$ 15,586,106	\$ 1,195,996	\$ 11,522,245
Contributions	3,214,659	3,884,102	2,498,240
Benefit payments	(20,632,669)	(293,693)	(9,601,132)
Other decreases	(244,522)	(56,107)	(41,548)
Net change in net position	<u>\$ (2,076,426)</u>	<u>\$ 4,730,298</u>	<u>\$ 4,377,805</u>

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, 2025, the City abated \$500,265 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, 2025, the City abated \$90,902 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, 2025, the Brownfield Redevelopment Authority abated \$411,741 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	\$ 3,629,826
State sources - Unavailable	856,558
911 surcharge revenue - Unavailable	184,064
Local Community Stabilization Authority - Unavailable	2,943,732
Grant revenue - Unavailable	590,236
Leases	<u>2,979,449</u>
Total deferred inflows	<u><u>\$ 11,183,865</u></u>

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, 2025 are as follows:

Years Ending	Principal	Interest	Total
2026	\$ 63,149	\$ 11,659	\$ 74,808
2027	64,696	10,112	74,808
2028	66,281	8,527	74,808
2029	67,905	6,903	74,808
2030	69,568	5,240	74,808
2031-2032	<u>144,292</u>	<u>5,324</u>	<u>149,616</u>
Total	<u><u>\$ 475,891</u></u>	<u><u>\$ 47,765</u></u>	<u><u>\$ 523,656</u></u>

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, 2025, the City recognized the following related to its lessor agreements:

Lease revenue	\$	570,658
Interest income related to its leases		73,795

Required Supplementary Information

Required Supplementary Information
Budgetary Comparison Schedule – General Fund

Year Ended November 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenue				
Property Taxes	\$ 42,479,021	\$ 42,479,021	\$ 42,354,489	\$ (124,532)
Licenses and Permits				
Business	188,800	188,800	192,950	4,150
Nonbusiness	3,038,500	3,038,500	3,329,744	291,244
Total licenses and permits	3,227,300	3,227,300	3,522,694	295,394
Intergovernmental Revenue				
State and local	14,032,749	14,032,749	14,236,973	204,224
Grants	170,430	170,430	351,557	181,127
Total intergovernmental revenue	14,203,179	14,203,179	14,588,530	385,351
Charges for Services	5,681,294	5,681,294	5,952,843	271,549
Interest and Rents	3,749,574	3,749,574	3,882,262	132,688
Fines and Forfeitures	3,517,386	3,517,386	3,589,553	72,167
Miscellaneous Revenue				
Sale of fixed assets	100,000	100,000	146,501	46,501
Other miscellaneous	2,009,198	2,009,198	1,166,496	(842,702)
Total miscellaneous revenue	2,109,198	2,109,198	1,312,997	(796,201)
Total revenue	\$ 74,966,952	\$ 74,966,952	\$ 75,203,368	\$ 236,416
Expenditures				
General Government				
Legislative:				
City Council	\$ 309,289	\$ 309,289	\$ 298,065	\$ 11,224
City Clerk	647,053	647,053	551,415	95,638
Elections	528,734	528,734	462,443	66,291
Total legislative	1,485,076	1,485,076	1,311,923	173,153
Judicial	3,401,357	3,401,357	3,355,513	45,844
Executive - Mayor's office	606,896	606,896	558,890	48,006
Human resources:				
Labor relations	82,500	82,500	38,841	43,659
Civil service	995,360	995,360	849,129	146,231
Total human resources	1,077,860	1,077,860	887,970	189,890

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

Year Ended November 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget
Expenditures (Continued)				
General Government (Continued)				
Financial administration:				
Accounting	\$ 314,671	\$ 359,671	\$ 318,551	\$ 41,120
Assessing	735,315	735,315	719,500	15,815
Finance	552,058	552,058	570,881	(18,823)
Independent audit	60,239	60,239	74,755	(14,516)
Board of review	3,545	3,545	2,993	552
Treasurer	687,898	687,898	631,079	56,819
Information systems	<u>1,459,651</u>	<u>1,384,843</u>	<u>1,370,806</u>	<u>14,037</u>
Total financial administration	3,813,377	3,783,569	3,688,565	95,004
Other activities:				
Legal	926,919	926,919	907,919	19,000
Communications	434,555	434,555	446,795	(12,240)
Government affairs	131,958	131,958	127,291	4,667
Utilities and supplies	565,859	565,859	516,532	49,327
Dues and subscriptions	<u>58,000</u>	<u>58,000</u>	<u>56,112</u>	<u>1,888</u>
Total other activities	<u>2,117,291</u>	<u>2,117,291</u>	<u>2,054,649</u>	<u>62,642</u>
Total general government	12,501,857	12,472,049	11,857,510	614,539
Public Safety				
Police:				
Traffic bureau	1,345,440	1,336,968	1,246,816	90,152
Administration	3,050,501	3,100,610	2,960,339	140,271
Data processing	1,036,393	1,029,579	948,483	81,096
Detective bureau	3,595,720	3,595,720	3,655,504	(59,784)
Automotive service	621,150	624,150	700,913	(76,763)
Communications/Records bureau	1,022,504	1,022,504	825,313	197,191
Crossing guards	81,488	81,488	67,950	13,538
School liaison	614,391	614,391	607,945	6,446
Office of emergency preparedness	184,426	184,426	170,793	13,633
Reserve police	414,841	414,841	478,061	(63,220)
Patrol bureau	15,880,439	15,883,637	14,574,050	1,309,587
Intelligence bureau	<u>2,959,418</u>	<u>2,918,397</u>	<u>2,725,401</u>	<u>192,996</u>
Total police	30,806,711	30,806,711	28,961,568	1,845,143
Fire:				
Administration	1,492,377	1,497,877	1,473,321	24,556
Firefighting	14,343,701	14,620,149	14,521,293	98,856
Fire prevention	<u>841,227</u>	<u>841,227</u>	<u>890,757</u>	<u>(49,530)</u>
Total fire	16,677,305	16,959,253	16,885,371	73,882

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

Year Ended November 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget
Expenditures (Continued)				
Public Safety (Continued)				
Protective inspection:				
Building Code Board of Appeals	\$ 3,361	\$ 3,361	\$ 535	\$ 2,826
Inspection	1,866,838	1,866,838	1,682,003	184,835
Total protective inspection	1,870,199	1,870,199	1,682,538	187,661
Other protective - Traffic commission	2,353	2,353	1,599	754
Total public safety	49,356,568	49,638,516	47,531,076	2,107,440
Public Works				
Public services - Highways, streets, and maintenance:				
Engineering	828	828	31,868	(31,040)
Parks maintenance	1,908,406	1,908,406	1,154,048	754,358
Administration	58,700	64,700	8,722	55,978
Equipment maintenance	165,687	165,687	51,680	114,007
Building maintenance	1,915,979	1,915,979	2,451,565	(535,586)
Street lighting	280,467	280,467	271,933	8,534
Maintenance - Streets	199,566	193,566	559,251	(365,685)
Total public works	4,529,633	4,529,633	4,529,067	566
Parks and Recreation and Cultural				
Parks and recreation:				
Administration	345,656	340,656	312,250	28,406
Recreation facilities	55,700	81,812	77,607	4,205
Recreation athletics	212,592	212,992	198,451	14,541
Total parks and recreation	613,948	635,460	588,308	47,152
Cultural:				
Senior services	590,713	590,213	605,406	(15,193)
Greenmead and cultural	1,145,144	1,145,644	980,331	165,313
Total cultural	1,735,857	1,735,857	1,585,737	150,120
Total parks and recreation and cultural	2,349,805	2,371,317	2,174,045	197,272
Community and Economic Development				
City Planning Commission	672,512	672,512	587,134	85,378
Zoning Board of Appeals	46,972	46,972	44,309	2,663
Total community and economic development	719,484	719,484	631,443	88,041
Employee Benefits, Insurance, and Other				
Total expenditures	\$ 74,883,776	\$ 76,157,428	\$ 73,149,361	\$ 3,008,067

City of Livonia, Michigan

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

Year Ended November 30, 2025

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance with Amended Budget</u>
Revenue				
Property taxes	\$ 12,656,820	\$ 12,656,820	\$ 12,632,657	\$ (24,163)
State and local revenue	1,500,000	1,500,000	1,489,993	(10,007)
Charges for services	195,000	195,000	116,499	(78,501)
Investment income	675,000	675,000	452,702	(222,298)
Total revenue	15,026,820	15,026,820	14,691,851	(334,969)
Expenditures - Current services - Public works	17,478,150	18,810,449	17,647,210	1,163,239
Net Change in Fund Balance	(2,451,330)	(3,783,629)	(2,955,359)	828,270
Fund Balance - Beginning of year	7,262,013	7,262,013	7,262,013	-
Fund Balance - End of year	<u>\$ 4,810,683</u>	<u>\$ 3,478,384</u>	<u>\$ 4,306,654</u>	<u>\$ 828,270</u>

City of Livonia, Michigan

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

Year Ended November 30, 2025

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Property taxes	\$ 4,665,083	\$ 4,665,083	\$ 4,657,350	\$ (7,733)
State and local revenue	545,000	545,000	546,195	1,195
Investment income	300,000	300,000	214,951	(85,049)
Other revenue - Transfers in	7,500,000	7,500,000	7,500,000	-
Total revenue	13,010,083	13,010,083	12,918,496	(91,587)
Expenditures - Current services - Public works	13,535,392	14,045,742	13,472,454	573,288
Net Change in Fund Balance	(525,309)	(1,035,659)	(553,958)	481,701
Fund Balance - Beginning of year	2,122,799	2,122,799	2,122,799	-
Fund Balance - End of year	<u>\$ 1,597,490</u>	<u>\$ 1,087,140</u>	<u>\$ 1,568,841</u>	<u>\$ 481,701</u>

City of Livonia, Michigan

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

**Last Ten Fiscal Years
Years Ended November 30**

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Annual money-weighted rate of return - Net of investment expense	7.64 %	18.09 %	10.02 %	(9.16)%	17.81 %	10.27 %	(12.45)%	(1.66)%	17.45 %	6.50 %

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

Last Ten Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total Pension Liability										
Service cost	\$ 88,468	\$ 191,077	\$ 399,577	\$ 588,570	\$ 997,853	\$ 908,315	\$ 1,645,242	\$ 1,655,509	\$ 1,721,106	\$ 1,644,915
Interest	15,275,937	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
Changes in benefit terms	-	-	-	-	-	-	-	110,794	-	526,875
Differences between expected and actual experience	209,434	136,452	2,026,080	1,511,595	1,562,337	2,210,334	(11,621,805)	990,792	(235,377)	3,014,188
Changes in assumptions	-	-	2,060,266	2,070,007	1,371,992	2,035,532	8,335,763	14,813,206	9,009,758	-
Benefit payments, including refunds	(20,632,669)	(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)
Net Change in Total Pension Liability	(5,058,830)	(4,726,178)	(340,938)	177,736	530,882	2,106,886	(4,261,333)	15,532,990	8,656,343	3,341,131
Total Pension Liability - Beginning 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
Total Pension Liability - End of year	\$ 223,396,705	\$ 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
Plan Fiduciary Net Position										
Contributions - Employer	\$ 3,182,220	\$ 2,641,687	\$ 1,786,885	\$ 2,393,141	\$ 1,948,485	\$ 1,019,900	\$ 432,885	\$ 558,568	\$ 336,320	\$ 815,291
Contributions - Member	32,439	53,577	98,073	142,482	175,358	212,251	273,901	308,076	345,164	380,988
Net investment income (loss)	15,586,106	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
Administrative expenses	(244,522)	(227,657)	(245,479)	(282,819)	(255,672)	(232,019)	(247,666)	(230,600)	(210,695)	(216,924)
Benefit payments, including refunds	(20,632,669)	(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)
Net Change in Plan Fiduciary Net Position	(2,076,426)	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)
Plan Fiduciary Net Position - Beginning 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
Plan Fiduciary Net Position - End of year	\$ 216,230,326	\$ 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
City's Net Pension Liability (Asset) - Ending	\$ 7,166,379	\$ 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)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	96.79 %	95.56 %	85.64 %	87.32 %	103.64 %	95.62 %	94.88 %	90.30 %	105.30 %	101.40 %
Covered Payroll	\$ 374,357	\$ 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
City's Net Pension Liability (Asset) as a Percentage of Covered Payroll	1,914.32 %	1,273.35 %	2,738.33 %	1,173.84 %	(257.17)%	255.29 %	257.79 %	353.66 %	(173.89)%	(38.63)%

See notes to required supplementary information.

Required Supplementary Information
 Schedule of Pension Contributions
 Employees' Retirement System

Last Ten Fiscal Years
 Years Ended November 30

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially determined contribution	\$ 3,182,220	\$ 2,641,687	\$ 1,786,885	\$ 2,393,141	\$ 1,948,485	\$ 1,019,901	\$ 432,885	\$ -	\$ 336,320	\$ 815,291
Contributions in relation to the actuarially determined contribution	3,182,220	2,641,687	1,786,885	2,393,141	1,948,485	1,019,901	432,885	558,568	336,320	815,291
Contribution Excess	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 558,568	\$ -	\$ -
Covered Payroll	\$ 374,357	\$ 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
Contributions as a Percentage of Covered Payroll	850.05 %	331.45 %	146.14 %	94.86 %	58.99 %	25.51 %	9.45 %	8.66 %	5.03 %	10.69 %

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	12 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-2021

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

**Last Five Fiscal Years
Years Ended November 30**

	2025	2024	2023	2022	2021
Annual money-weighted rate of return - Net of investment expense	8.10 %	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-weighted rate of return, as the plan was funded days before the end of the fiscal year.

City of Livonia, Michigan

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

	Last Five Fiscal Years				
	2025	2024	2023	2022	2021
Total Pension Liability					
Service cost	\$ 3,408,747	\$ 3,131,602	\$ 3,011,099	\$ 2,565,868	\$ 1,698,114
Interest	1,211,908	850,758	546,096	298,171	-
Differences between expected and actual experience	(189,079)	1,127,231	782,190	263,871	-
Benefit payments, including refunds	(293,693)	(161,213)	(53,933)	(8,790)	-
Net Change in Total Pension Liability	4,137,883	4,948,378	4,285,452	3,119,120	1,698,114
Total Pension Liability - Beginning of year	14,051,064	9,102,686	4,817,234	1,698,114	-
Total Pension Liability - End of year	\$ 18,188,947	\$ 14,051,064	\$ 9,102,686	\$ 4,817,234	\$ 1,698,114
Plan Fiduciary Net Position					
Contributions - Employer	\$ 2,669,665	\$ 2,456,356	\$ 2,585,480	\$ 1,756,383	\$ 1,037,028
Contributions - Member	1,214,437	1,117,292	1,019,243	935,795	936,427
Net investment income (loss)	1,195,996	1,947,611	420,908	(329,449)	-
Administrative expenses	(56,107)	(43,949)	(53,933)	(27,554)	(7,300)
Benefit payments, including refunds	(293,693)	(161,213)	(52,999)	(8,790)	-
Net Change in Plan Fiduciary Net Position	4,730,298	5,316,097	3,918,699	2,326,385	1,966,155
Plan Fiduciary Net Position - Beginning of year	13,527,336	8,211,239	4,292,540	1,966,155	-
Plan Fiduciary Net Position - End of year	\$ 18,257,634	\$ 13,527,336	\$ 8,211,239	\$ 4,292,540	\$ 1,966,155
City's Net Pension (Asset) Liability - Ending	\$ (68,687)	\$ 523,728	\$ 891,447	\$ 524,694	\$ (268,041)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	100.38 %	96.27 %	90.21 %	89.11 %	115.78 %
Covered Payroll	\$ 15,101,354	\$ 14,293,161	\$ 12,988,303	\$ 12,593,492	\$ 6,715,276
City's Net Pension (Asset) Liability as a Percentage of Covered Payroll	(0.45)%	3.66 %	6.86 %	4.17 %	(3.99)%

*Schedule is built prospectively upon creation of the plan.

Required Supplementary Information
Schedule of OPEB Investment Returns

Last Nine Fiscal Years
Years Ended November 30

	2025	2024	2023	2022	2021	2020	2019	2018	2017
Annual money-weighted rate of return - Net of investment expense	8.08 %	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.

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

Last Nine Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability									
Service cost	\$ 956,647	\$ 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	9,574,702	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	1,235,714	-	-	(106,680,323)	5,428,511	-	-	-	-
Differences between expected and actual experience	(4,058,372)	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	10,794,208	(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	(9,601,132)	(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	8,901,767	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	140,544,177	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	\$ 149,445,944	\$ 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	\$ 2,236,253	\$ 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	261,987	290,663	312,925	347,962	375,139	389,287	426,231	473,346	484,737
Net investment income (loss)	11,522,245	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	(41,548)	(47,539)	(43,325)	(51,099)	(53,730)	(49,673)	(48,875)	(58,229)	(35,971)
Benefit payments, including refunds	(9,601,132)	(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	4,377,805	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	147,496,783	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	\$ 151,874,588	\$ 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	\$ (2,428,644)	\$ (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	101.63 %	104.95 %	98.27 %	101.27 %	67.67 %	59.15 %	54.71 %	36.74 %	45.75 %
Covered Payroll	\$ 34,517,814	\$ 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	(7.04)%	(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.

Required Supplementary Information
Schedule of OPEB Contributions

Last Ten Fiscal Years
Years Ended November 30

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially determined contribution	\$ 1,267,459	\$ 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
Contributions in relation to the actuarially determined contribution	2,236,253	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
Contribution Excess (Deficiency)	\$ 968,794	\$ 2,857,130	\$ (2,085,172)	\$ 395,117	\$ 2,278,093	\$ 2,079,345	\$ 870,375	\$ 481,017	\$ 570,448	\$ (442,376)
Covered Payroll	\$ 34,517,814	\$ 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
Contributions as a Percentage of Covered Payroll	6.48 %	11.87 %	11.47 %	9.96 %	14.31 %	14.51 %	13.77 %	12.20 %	14.65 %	14.86 %

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	22 years
Asset valuation method	Market value
Inflation	3.0 percent
Health care cost trend rates	8.5 percent, decreasing to 4.5 percent
Salary increase	3.65 percent
Investment rate of return	7.00 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	\$ 75,203,368	\$ 70,299,210
Operating transfers budgeted as expenditures	-	2,850,151
	\$ 75,203,368	\$ 73,149,361

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 balances:

	Total Revenue	Total Expenditures
Amounts per operating statement	\$ 5,418,496	\$ 13,472,454
Operating transfers budgeted as revenue	7,500,000	-
	\$ 12,918,496	\$ 13,472,454

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 2025, health care trend rates for pre-65 ages have been reset to an initial rate of 8.5 percent decreasing by 0.25 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 7.00 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 7.5 percent decreasing by 0.5 percent annually to an ultimate rate of 4.5 percent for pre-65 ages and an initial rate of 6.5 percent decreasing by 0.25 percent annually to an ultimate rate of 4.5 percent for post-65 ages in 2024.

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.

November 30, 2025

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

City of Livonia, Michigan

Special Revenue Funds

	Major Streets	Local Streets	Community Recreation	Grants	SAD Street Lighting	Cable Television	Library	Public Safety Communication
Assets								
Cash and investments	\$ 1,672,091	\$ 1,627,568	\$ 5,460,483	\$ -	\$ 940,827	\$ 88,243	\$ 8,239,018	\$ 3,402,966
Accounts receivable:								
Property taxes	-	-	7,752	-	-	-	7,982	-
Special assessments	-	-	-	-	-	-	-	-
Due from other governmental units	1,246,628	465,984	192,008	451,667	-	-	173,689	-
Other	6,994	-	111,755	142,072	-	-	2,295	184,064
Lease receivable	-	-	35,942	-	-	-	-	-
Prepaid expenses	-	-	-	1,260	-	-	-	-
Total assets	\$ 2,925,713	\$ 2,093,552	\$ 5,807,940	\$ 594,999	\$ 940,827	\$ 88,243	\$ 8,422,984	\$ 3,587,030
Liabilities								
Accounts payable	\$ 20,361	\$ -	\$ 390,849	\$ 74,557	\$ -	\$ 3,024	\$ 130,243	\$ 11
Due to other funds	-	-	-	35,422	-	-	-	-
Accrued and other liabilities	-	-	93,537	16,987	-	15,001	130,567	27,197
Unearned revenue	-	-	663,602	6,022	-	-	-	-
Due to fiduciary funds	-	-	-	-	-	-	7,517	-
Total liabilities	20,361	-	1,147,988	132,988	-	18,025	268,327	27,208
Deferred Inflows of Resources								
Unavailable revenue	-	-	276,331	166,063	-	-	181,107	184,064
Leases	-	-	29,602	-	-	-	-	-
Total deferred inflows of resources	-	-	305,933	166,063	-	-	181,107	184,064
Total liabilities and deferred inflows of resources	20,361	-	1,453,921	299,051	-	18,025	449,434	211,272
Fund Balances								
Nonspendable	-	-	-	1,260	-	-	-	-
Restricted:								
Streets, roads, and sidewalks	2,905,352	2,093,552	-	-	-	-	-	-
Adjudicated forfeitures	-	-	-	-	-	-	-	-
Parks capital projects	-	-	-	-	-	-	-	-
Grants	-	-	-	294,688	-	-	-	-
Capital improvements	-	-	-	-	-	-	-	-
Community recreation	-	-	4,354,019	-	-	-	-	-
Street lighting	-	-	-	-	940,827	-	-	-
Library	-	-	-	-	-	-	7,973,550	-
Public safety communication	-	-	-	-	-	-	-	3,375,758
Community transit	-	-	-	-	-	-	-	-
Designated purpose	-	-	-	-	-	-	-	-
Health care	-	-	-	-	-	-	-	-
Committed:								
Cable access television	-	-	-	-	-	70,218	-	-
Arts Commission	-	-	-	-	-	-	-	-
Historical Commission	-	-	-	-	-	-	-	-
Assigned:								
Golf course capital improvements	-	-	-	-	-	-	-	-
Building improvements	-	-	-	-	-	-	-	-
Court building improvements	-	-	-	-	-	-	-	-
Total fund balances	2,905,352	2,093,552	4,354,019	295,948	940,827	70,218	7,973,550	3,375,758
Total liabilities, deferred inflows of resources, and fund balances	\$ 2,925,713	\$ 2,093,552	\$ 5,807,940	\$ 594,999	\$ 940,827	\$ 88,243	\$ 8,422,984	\$ 3,587,030

Supplementary Information
Combining Balance Sheet
Nonmajor Governmental Funds

November 30, 2025

Special Revenue Funds						Debt Service Funds			Capital Projects Funds
Adjudicated Forfeitures	Community Transit	Designated Purpose	Historical Commission	Arts Commission	Opioid Settlement	2015 MBA Refunding	2016 MBA Refunding	2017 MBA Refunding	Golf Course Capital Improvement
\$ 3,161,511	\$ 840,908	\$ 973,824	\$ 617,779	\$ 78,165	\$ 815,378	\$ -	\$ -	\$ -	\$ 1,001,881
-	4,933	-	-	-	-	-	-	-	-
-	107,354	-	-	-	-	-	-	-	-
6,325	155,416	-	-	-	1,360,020	-	-	-	-
-	-	-	-	-	-	-	-	-	-
\$ 3,167,836	\$ 1,108,611	\$ 973,824	\$ 617,779	\$ 78,165	\$ 2,175,398	\$ -	\$ -	\$ -	\$ 1,001,881
\$ 7,084	\$ 2,102	\$ 7,302	\$ 889	\$ 1,766	\$ 9,046	\$ -	\$ -	\$ -	\$ 143,035
-	24,299	354,699	35,953	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
7,084	26,401	362,001	36,842	1,766	9,046	-	-	-	143,035
-	167,681	-	-	-	1,360,019	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	167,681	-	-	-	1,360,019	-	-	-	-
7,084	194,082	362,001	36,842	1,766	1,369,065	-	-	-	143,035
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
3,160,752	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	914,529	-	-	-	-	-	-	-	-
-	-	611,823	-	-	-	-	-	-	-
-	-	-	-	-	806,333	-	-	-	-
-	-	-	-	76,399	-	-	-	-	-
-	-	-	580,937	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	858,846
-	-	-	-	-	-	-	-	-	-
3,160,752	914,529	611,823	580,937	76,399	806,333	-	-	-	858,846
\$ 3,167,836	\$ 1,108,611	\$ 973,824	\$ 617,779	\$ 78,165	\$ 2,175,398	\$ -	\$ -	\$ -	\$ 1,001,881

Supplementary Information
Combining Balance Sheet
Nonmajor Governmental Funds

November 30, 2025

Capital Projects Funds						
Capital Improvement	Special Assessments	Court Building Improvements	Building Improvement	Formerly Nonmajor - Senior Center Construction Fund	Parks Capital Projects	Total Nonmajor Governmental Funds
\$ 9,048,082	\$ 1,537,000	\$ 322,941	\$ 10,787,705	\$ -	\$ 106,461	\$ 50,722,831
-	-	-	-	-	-	20,667
-	255,973	-	-	-	-	255,973
-	-	-	-	-	-	2,637,330
-	-	-	-	-	-	1,968,941
-	-	-	-	-	-	35,942
-	-	-	-	-	-	1,260
\$ 9,048,082	\$ 1,792,973	\$ 322,941	\$ 10,787,705	\$ -	\$ 106,461	\$ 55,642,944
\$ 249,766	\$ 154,251	\$ -	\$ 57,534	\$ -	\$ -	\$ 1,251,820
-	-	-	-	-	-	35,422
-	-	-	-	-	-	698,240
-	-	-	-	-	-	669,624
-	-	-	-	-	-	7,517
249,766	154,251	-	57,534	-	-	2,662,623
-	225,229	-	-	-	-	2,560,494
-	-	-	-	-	-	29,602
-	225,229	-	-	-	-	2,590,096
249,766	379,480	-	57,534	-	-	5,252,719
-	-	-	-	-	-	1,260
-	-	-	-	-	-	4,998,904
-	-	-	-	-	-	3,160,752
-	-	-	-	-	106,461	106,461
-	-	-	-	-	-	294,688
8,798,316	1,413,493	-	-	-	-	10,211,809
-	-	-	-	-	-	4,354,019
-	-	-	-	-	-	940,827
-	-	-	-	-	-	7,973,550
-	-	-	-	-	-	3,375,758
-	-	-	-	-	-	914,529
-	-	-	-	-	-	611,823
-	-	-	-	-	-	806,333
-	-	-	-	-	-	70,218
-	-	-	-	-	-	76,399
-	-	-	-	-	-	580,937
-	-	-	-	-	-	858,846
-	-	-	10,730,171	-	-	10,730,171
-	-	322,941	-	-	-	322,941
8,798,316	1,413,493	322,941	10,730,171	-	106,461	50,390,225
\$ 9,048,082	\$ 1,792,973	\$ 322,941	\$ 10,787,705	\$ -	\$ 106,461	\$ 55,642,944

City of Livonia, Michigan

Special Revenue Funds

	Major Streets	Local Streets	Community Recreation	Grants	SAD Street Lighting	Cable Television	Library	Public Safety Communication
Revenue								
Property taxes	\$ -	\$ -	\$ 4,113,722	\$ -	\$ -	\$ -	\$ 4,235,482	\$ -
Special assessments	-	-	-	-	1,110,826	-	-	-
Intergovernmental:								
Federal revenue	209,285	-	-	883,214	-	-	-	-
State and local revenue	9,597,845	3,650,038	498,901	654,901	-	-	596,917	-
Charges for services	-	-	4,680,893	-	-	-	19,617	436,197
Fines and forfeitures	-	-	-	-	-	-	8,003	-
Investment income	93,915	70,353	343,425	-	45,603	6,505	373,238	128,448
Other revenue	-	-	205,299	3,143	-	305,261	105,600	-
Total revenue	9,901,045	3,720,391	9,842,240	1,541,258	1,156,429	311,766	5,338,857	564,645
Expenditures								
Current services:								
Public safety	-	-	-	1,106,925	-	-	-	144,642
Public works	2,449,456	3,053,397	-	-	1,067,226	-	-	-
Community and economic development	-	-	-	838,060	-	-	-	-
Recreation and culture	-	-	7,410,449	-	-	509,284	4,452,403	-
Capital outlay	-	-	1,526,000	-	-	-	-	-
Debt service:								
Principal retirement	-	-	-	-	-	-	-	-
Interest and other	-	-	-	-	-	-	-	-
Total expenditures	2,449,456	3,053,397	8,936,449	1,944,985	1,067,226	509,284	4,452,403	144,642
Excess of Revenue Over (Under) Expenditures	7,451,589	666,994	905,791	(403,727)	89,203	(197,518)	886,454	420,003
Other Financing Sources (Uses)								
Transfers in	-	7,200,000	-	181,305	-	-	-	-
Transfers out	(7,200,000)	(7,500,000)	(2,171,336)	-	-	-	-	-
Leases entered into	-	-	-	121,740	-	-	-	-
Total other financing (uses) sources	(7,200,000)	(300,000)	(2,171,336)	303,045	-	-	-	-
Net Change in Fund Balances	251,589	366,994	(1,265,545)	(100,682)	89,203	(197,518)	886,454	420,003
Fund Balances - Beginning of year, as previously reported	2,653,763	1,726,558	5,619,564	396,630	851,624	267,736	7,087,096	2,955,755
Change within Financial Reporting Entity	-	-	-	-	-	-	-	-
Fund Balances - Beginning of year, as adjusted	2,653,763	1,726,558	5,619,564	396,630	851,624	267,736	7,087,096	2,955,755
Fund Balances - End of year	\$ 2,905,352	\$ 2,093,552	\$ 4,354,019	\$ 295,948	\$ 940,827	\$ 70,218	\$ 7,973,550	\$ 3,375,758

Supplementary Information
 Combining Statement of Revenue, Expenditures, and Changes in Fund Balances
 (Continued)

Year Ended November 30, 2025

Special Revenue Funds						Debt Service Funds			Capital Projects Funds
Adjudicated Forfeitures	Community Transit	Designated Purpose	Historical Commission	Arts Commission	Opioid Settlement	2015 MBA Refunding	2016 MBA Refunding	2017 MBA Refunding	Golf Course Capital Improvement
\$ -	\$ 192,412	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-	-
45,146	-	-	-	-	-	-	-	-	-
-	553,930	-	-	-	-	-	-	-	-
-	67,688	-	27,013	-	-	-	-	-	294,715
89,488	-	-	-	-	-	-	-	-	-
130,722	44,618	-	24,658	3,263	30,814	-	-	-	39,063
15,075	-	176,989	136,290	13,785	168,023	-	-	-	-
280,431	858,648	176,989	187,961	17,048	198,837	-	-	-	333,778
142,839	-	-	-	-	129,310	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	902,815	127,361	131,026	14,272	-	-	-	-	-
-	-	-	-	-	-	-	-	-	428,894
-	-	-	-	-	-	175,000	390,000	1,545,000	-
-	-	-	-	-	-	2,161	158,300	449,175	-
142,839	902,815	127,361	131,026	14,272	129,310	177,161	548,300	1,994,175	428,894
137,592	(44,167)	49,628	56,935	2,776	69,527	(177,161)	(548,300)	(1,994,175)	(95,116)
-	-	-	-	-	-	177,161	548,300	1,994,175	150,000
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	177,161	548,300	1,994,175	150,000
137,592	(44,167)	49,628	56,935	2,776	69,527	-	-	-	54,884
3,023,160	958,696	562,195	524,002	73,623	736,806	-	-	-	803,962
-	-	-	-	-	-	-	-	-	-
3,023,160	958,696	562,195	524,002	73,623	736,806	-	-	-	803,962
\$ 3,160,752	\$ 914,529	\$ 611,823	\$ 580,937	\$ 76,399	\$ 806,333	\$ -	\$ -	\$ -	\$ 858,846

Supplementary Information
Combining Statement of Revenue, Expenditures, and Changes in Fund Balances
(Continued)

Year Ended November 30, 2025

Capital Projects Funds						
Capital Improvement	Special Assessments	Court Building Improvements	Building Improvement	Formerly Nonmajor - Senior Center Construction Fund	Parks Capital Projects	Total Nonmajor Governmental Funds
\$ 2,428,263	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,969,879
-	284,405	-	-	-	-	1,395,231
-	-	-	-	-	-	1,137,645
-	-	-	-	-	-	15,552,532
-	-	-	-	-	-	5,526,123
-	-	480,074	-	-	-	577,565
433,142	76,869	11,702	508,828	-	961	2,366,127
-	-	-	-	-	105,500	1,234,965
<u>2,861,405</u>	<u>361,274</u>	<u>491,776</u>	<u>508,828</u>	<u>-</u>	<u>106,461</u>	<u>38,760,067</u>
-	-	-	-	-	-	1,523,716
-	-	-	-	-	-	6,570,079
-	-	-	-	-	-	838,060
-	-	-	-	-	-	13,547,610
3,932,387	164,140	-	2,191,523	-	-	8,242,944
-	-	-	-	-	-	2,110,000
-	-	-	-	-	-	609,636
<u>3,932,387</u>	<u>164,140</u>	<u>-</u>	<u>2,191,523</u>	<u>-</u>	<u>-</u>	<u>33,442,045</u>
(1,070,982)	197,134	491,776	(1,682,695)	-	106,461	5,318,022
118,846	-	150,000	2,400,000	-	-	12,919,787
-	-	(548,300)	(2,000,000)	-	-	(19,419,636)
-	-	-	-	-	-	121,740
<u>118,846</u>	<u>-</u>	<u>(398,300)</u>	<u>400,000</u>	<u>-</u>	<u>-</u>	<u>(6,378,109)</u>
(952,136)	197,134	93,476	(1,282,695)	-	106,461	(1,060,087)
9,750,452	1,216,359	229,465	12,012,866	292,490	-	51,742,802
-	-	-	-	(292,490)	-	(292,490)
<u>9,750,452</u>	<u>1,216,359</u>	<u>229,465</u>	<u>12,012,866</u>	<u>-</u>	<u>-</u>	<u>51,450,312</u>
<u>\$ 8,798,316</u>	<u>\$ 1,413,493</u>	<u>\$ 322,941</u>	<u>\$ 10,730,171</u>	<u>\$ -</u>	<u>\$ 106,461</u>	<u>\$ 50,390,225</u>

Supplementary Information
 Combining Statement of Fiduciary Net Position
 Fiduciary Funds

November 30, 2025

	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	\$ 858,400	\$ 13,122	\$ 394,593	\$ 1,266,115	\$ 456,292	\$ 7,013,190	\$ 86,555	\$ 80,465	\$ 661,999	\$ 8,298,501
Investments:										
U.S. government securities	11,790,362	-	12,670,662	24,461,024	-	-	-	-	-	-
Collateralized mortgage obligations	1,217,436	-	1,178,674	2,396,110	-	-	-	-	-	-
Common stocks	109,871,442	399,609	72,225,295	182,496,346	-	-	-	-	-	-
Corporate bonds	9,366,584	-	4,936,869	14,303,453	-	-	-	-	-	-
Real estate investment trust	1,050,729	-	445,811	1,496,540	-	-	-	-	-	-
Foreign bonds	640,959	-	741,739	1,382,698	-	-	-	-	-	-
Mutual funds	81,285,451	17,573,114	60,399,372	159,257,937	-	-	-	-	-	-
Accounts receivable	97,164	-	-	97,164	-	-	-	-	-	-
Due from primary government	267,550	307,443	16,278	591,271	-	-	-	-	-	-
Total assets	216,446,077	18,293,288	153,009,293	387,748,658	456,292	7,013,190	86,555	80,465	661,999	8,298,501
Liabilities										
Accounts payable	183,185	35,654	114,068	332,907	1,965	-	-	-	95,029	96,994
Due to other governmental units	32,566	-	-	32,566	-	7,013,190	1,485	-	66,074	7,080,749
Due to primary government	-	-	1,020,637	1,020,637	-	-	-	-	-	-
Bonds and other deposits	-	-	-	-	454,327	-	-	-	137,379	591,706
Total liabilities	215,751	35,654	1,134,705	1,386,110	456,292	7,013,190	1,485	-	298,482	7,769,449
Net Position										
Restricted:										
Pension	216,230,326	18,257,634	-	234,487,960	-	-	-	-	-	-
Postemployment benefits other than pension	-	-	151,874,588	151,874,588	-	-	-	-	-	-
Individuals, organizations, and other governments	-	-	-	-	-	-	85,070	80,465	363,517	529,052
Total net position	\$ 216,230,326	\$ 18,257,634	\$ 151,874,588	\$ 386,362,548	\$ -	\$ -	\$ 85,070	\$ 80,465	\$ 363,517	\$ 529,052

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

Year Ended November 30, 2025

	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	\$ 4,245,467	\$ 325,201	\$ 2,767,789	\$ 7,338,457	\$ -	\$ 162,154	\$ 4,165	\$ 3,164	\$ 8,319	\$ 177,802
Net increase in fair value of investments	12,041,364	889,006	9,238,619	22,168,989	-	-	-	-	-	-
Investment costs	(700,725)	(18,211)	(484,163)	(1,203,099)	-	-	-	-	-	-
Net investment income	15,586,106	1,195,996	11,522,245	28,304,347	-	162,154	4,165	3,164	8,319	177,802
Contributions:										
Employer	3,182,220	2,669,665	2,236,253	8,088,138	-	-	-	-	-	-
Employee	32,439	1,214,437	261,987	1,508,863	-	-	-	-	-	-
Total contributions	3,214,659	3,884,102	2,498,240	9,597,001	-	-	-	-	-	-
Collections for other governments	-	-	-	-	488,219	173,302,892	134,236	22,000	-	173,947,347
Fines and fees	-	-	-	-	-	-	-	-	1,451,764	1,451,764
Bond receipts	-	-	-	-	-	-	-	-	1,002,590	1,002,590
Restitutions, judgments, and other	-	-	-	-	-	-	-	-	70,937	70,937
Total additions	18,800,765	5,080,098	14,020,485	37,901,348	488,219	173,465,046	138,401	25,164	2,533,610	176,650,440
Deductions										
Pension benefit payments	20,382,035	121,039	-	20,503,074	-	-	-	-	-	-
Medical benefit payments	-	-	9,385,873	9,385,873	-	-	-	-	-	-
Disability benefit payments	-	-	215,259	215,259	-	-	-	-	-	-
Refunds of contributions	250,634	172,654	-	423,288	-	-	-	-	-	-
Administrative expenses	244,522	56,107	41,548	342,177	-	-	-	-	-	-
Disbursements to other governments	-	-	-	-	488,219	173,465,046	94,614	13,926	1,156,079	175,217,884
Bond disbursements	-	-	-	-	-	-	-	-	1,002,590	1,002,590
Restitutions, judgments, and other refunds	-	-	-	-	-	-	-	-	171,379	171,379
Volunteer work program and civil drug fund	-	-	-	-	-	-	-	-	268,832	268,832
Total deductions	20,877,191	349,800	9,642,680	30,869,671	488,219	173,465,046	94,614	13,926	2,598,880	176,660,685
Net (Decrease) Increase in Fiduciary Net Position	(2,076,426)	4,730,298	4,377,805	7,031,677	-	-	43,787	11,238	(65,270)	(10,245)
Net Position - Beginning of year	218,306,752	13,527,336	147,496,783	379,330,871	-	-	41,283	69,227	428,787	539,297
Net Position - End of year	\$ 216,230,326	\$ 18,257,634	\$ 151,874,588	\$ 386,362,548	\$ -	\$ -	\$ 85,070	\$ 80,465	\$ 363,517	\$ 529,052

City of Livonia, Michigan

**Financial Report
with Supplementary Information
November 30, 2025**

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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, 2025 and the related notes to the financial statements, which collectively comprise the City's basic financial statements, as listed in the table of contents.

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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 20, 2026 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 20, 2026

Overview of the Financial Statements

The City of Livonia, Michigan's (the "City") 2025 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.

City of Livonia, Michigan

Management's Discussion and Analysis (Continued)

- 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, 2025 to the prior year:

The City's Net Position

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Assets						
Current and other assets	\$ 113,923,395	\$ 122,639,973	\$ 52,908,029	\$ 49,395,148	\$ 166,831,424	\$ 172,035,121
Capital assets	284,841,577	258,420,001	123,980,111	120,776,202	408,821,688	379,196,203
Total assets	398,764,972	381,059,974	176,888,140	170,171,350	575,653,112	551,231,324
Deferred Outflows of Resources	16,373,804	13,538,838	-	619,915	16,373,804	14,158,753
Liabilities	51,329,910	56,092,147	31,514,033	32,709,048	82,843,943	88,801,195
Deferred Inflows of Resources	21,337,437	22,967,587	1,385,991	2,136,396	22,723,428	25,103,983
Net Position						
Net investment in capital assets	267,966,740	241,743,133	100,104,425	96,365,790	368,071,165	338,108,923
Restricted	48,668,930	56,341,550	2,390,702	2,665,402	51,059,632	59,006,952
Unrestricted	25,835,759	17,454,395	41,492,989	36,914,629	67,328,748	54,369,024
Total net position	\$ 342,471,429	\$ 315,539,078	\$ 143,988,116	\$ 135,945,821	\$ 486,459,545	\$ 451,484,899

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 \$486.5 million (net position). However, a major portion (75.7 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 \$17.5 million at November 30, 2024 to \$25.8 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.

City of Livonia, Michigan

Management's Discussion and Analysis (Continued)

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	
	2025	2024	2025	2024	2025	2024
Revenue						
Program revenue:						
Charges for services	\$ 20,033,523	\$ 19,252,874	\$ 54,642,966	\$ 51,143,290	\$ 74,676,489	\$ 70,396,164
Operating grants and contributions	15,830,740	15,893,931	-	-	15,830,740	15,893,931
Capital grants and contributions	12,990,385	5,499,255	1,188,106	436,165	14,178,491	5,935,420
General revenue:						
Property taxes	70,705,155	66,249,322	-	-	70,705,155	66,249,322
State-shared revenue	17,489,867	16,770,909	-	-	17,489,867	16,770,909
Investment income	4,758,970	6,164,947	1,279,575	1,733,638	6,038,545	7,898,585
Other revenue	3,501,326	3,982,285	34,850	22,246	3,536,176	4,004,531
Total revenue	145,309,966	133,813,523	57,145,497	53,335,339	202,455,463	187,148,862
Expenses						
General government	14,665,596	15,314,578	-	-	14,665,596	15,314,578
Public safety	49,801,514	43,957,856	-	-	49,801,514	43,957,856
Public works	36,196,856	28,968,502	-	-	36,196,856	28,968,502
Community and economic development	1,469,503	1,361,627	-	-	1,469,503	1,361,627
Recreation and culture	16,084,248	16,514,012	-	-	16,084,248	16,514,012
Interest on long-term debt	309,898	554,841	-	-	309,898	554,841
Water and Sewer	-	-	44,668,788	42,864,475	44,668,788	42,864,475
Golf Course	-	-	2,484,169	2,337,729	2,484,169	2,337,729
Housing	-	-	1,800,245	1,613,524	1,800,245	1,613,524
Total expenses	118,527,615	106,671,416	48,953,202	46,815,728	167,480,817	153,487,144
Transfers	150,000	323,439	(150,000)	(323,439)	-	-
Change in Net Position	26,932,351	27,465,546	8,042,295	6,196,172	34,974,646	33,661,718
Net Position - Beginning of year	315,539,078	288,073,532	135,945,821	129,749,649	451,484,899	417,823,181
Net Position - End of year	\$ 342,471,429	\$ 315,539,078	\$ 143,988,116	\$ 135,945,821	\$ 486,459,545	\$ 451,484,899

Governmental Activities

In reviewing governmental activities in the above table, it can be noted that revenue increased by \$11.5 million and expenses increased by \$11.9 million. The most significant factors impacting revenue were the one-time grants from the U.S. Department of Housing and Urban Development and Wayne County totaling \$12.3 million for the completion of the senior center, increases to property tax revenue due to increases in taxable value, increases in charges of services and state-shared revenue. These items more than offset decreased investment income and other income. The most significant factors increasing expenses were actuarial adjustments to pension and OPEB liabilities, a voluntary contribution to the VEBA trust, and increased costs for the public works and road maintenance.

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, Newburgh Village, and Golden Oaks.

City of Livonia, Michigan

Management's Discussion and Analysis (Continued)

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	
	2025	2024	2025	2024	2025	2024
Operating revenue	\$ 50,351,889	\$ 47,102,939	\$ 2,669,781	\$ 2,430,322	\$ 1,506,225	\$ 1,495,720
Operating expenses	(43,983,337)	(42,112,529)	(2,484,169)	(2,337,729)	(1,800,245)	(1,613,202)
Operating income (loss)	\$ 6,368,552	\$ 4,990,410	\$ 185,612	\$ 92,593	\$ (294,020)	\$ (117,482)

The operating income of the Housing Fund decreased between 2024 and 2025 primarily due to modest increases in rental revenue being more than offset by higher operating costs. Operating income for the Golf Course Fund increased as higher revenue more than offset increased labor costs. Net income for the Water and Sewer Fund increased year over year as fixed costs were lower than projected.

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 2025 include the General Fund, Refuse Disposal System Fund, Roads and Sidewalks Fund, and Senior Center Construction Fund.

The City's governmental funds reported a combined fund balance of \$76.5 million. This is a decrease of approximately \$2.8 million for the year and is attributable budgeted reductions in fund balance by additional projects in the Refuse Disposal System and Roads and Sidewalks funds and other nonmajor funds exceeding a \$2.0 million favorable variable in the General Fund.

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. Budget amendments were done for this purpose to allocate additional funds for the completion of the senior center and to cover increased personnel costs in the fire department. A budget amendment was also used to contribute additional funds to the VEBA to provide additional funding for postretirement medical benefits. Overall, 2025 General Fund expenditures were lower than budget due to personnel vacancies, primarily in the police department.

Actual General Fund revenue was approximately \$236,000 above the final budget in 2025. Actual General Fund expenditures were approximately \$1.7 million below the original budget and approximately \$3.0 million below the final budget. All departments held expenditures below the final budget.

Capital Assets and Debt Administration

At the end of fiscal year 2025, the City has \$746.7 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 \$14.5 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 \$24.0 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 2025 include \$13.5 million invested in the construction of infrastructure and improvements to roads, \$8.2 million invested in equipment and vehicles, and \$13.4 million invested in water and sewer system infrastructure. Significant disposals of capital assets during fiscal year 2025 included the disposal of governmental activities vehicles and equipment with a total cost of \$1.9 million. At year end, over \$25.7 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. The City does face revenue and expense risk. 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 66.4 percent of the City's total governmental activities revenue. Revenue has been slowly increasing after many years of reductions. The City also faces risks with rising costs, particularly personnel and material costs.

In the coming years, the City plans a renewed focus on maintaining, updating, and replacing its aging infrastructure, including buildings and other fixed assets needed to deliver services. The focus on infrastructure will require appropriate budgeting and rate setting.

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, Michigan, 33000 Civic Center Drive, Livonia, MI 48154.

November 30, 2025

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash and cash equivalents	\$ 88,607,114	\$ 32,159,663	\$ 120,766,777	\$ 2,049,287
Accounts receivable:				
Property taxes	132,481	-	132,481	105,354
Special assessments	255,973	59,669	315,642	-
Customers	-	16,524,622	16,524,622	-
Workers compensation	35,370	-	35,370	-
Due from other governmental units	8,822,531	-	8,822,531	-
Due from fiduciary funds	1,020,637	-	1,020,637	-
Other	6,088,920	188,194	6,277,114	-
Lease receivable	3,183,674	936,438	4,120,112	-
Inventory, prepaid expenses, and deposits	3,279,364	534,814	3,814,178	-
Restricted assets (Note 8)	-	2,504,629	2,504,629	-
Net pension asset (Note 11)	68,687	-	68,687	-
Net OPEB asset (Note 13)	2,428,644	-	2,428,644	-
Capital assets: (Note 5)				
Assets not subject to depreciation	59,137,091	6,988,118	66,125,209	795,191
Assets subject to depreciation - Net	225,704,486	116,991,993	342,696,479	86,511
Total assets	398,764,972	176,888,140	575,653,112	3,036,343
Deferred Outflows of Resources				
Deferred charges on bond refunding	225,176	-	225,176	-
Deferred pension costs (Note 11)	1,729,523	-	1,729,523	-
Deferred OPEB costs (Note 13)	14,419,105	-	14,419,105	-
Total deferred outflows of resources	16,373,804	-	16,373,804	-
Liabilities				
Accounts payable	10,990,945	3,383,045	14,373,990	221,350
Due to other governmental units	-	2,473,316	2,473,316	30,100
Accrued and other liabilities	3,371,807	303,394	3,675,201	-
Unearned revenue	682,829	2,071	684,900	-
Due to fiduciary funds	582,250	9,021	591,271	-
Bonds and deposits	1,704,082	377,897	2,081,979	-
Noncurrent liabilities: (Note 7)				
Due within one year:				
Compensated absences	957,609	59,233	1,016,842	-
Current portion of long-term debt	2,407,204	1,460,500	3,867,704	-
Due in more than one year:				
Compensated absences and insurance claims	11,013,824	481,844	11,495,668	-
Landfill closure and postclosure	754,587	-	754,587	-
Net pension liability (Note 11)	6,731,780	434,599	7,166,379	-
Long-term debt - Net of current portion	12,132,993	22,529,113	34,662,106	-
Total liabilities	51,329,910	31,514,033	82,843,943	251,450

Statement of Net Position (Continued)

November 30, 2025

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Deferred Inflows of Resource				
Deferred pension cost reductions (Note 11)	\$ 8,253,026	\$ 473,903	\$ 8,726,929	\$ -
Deferred OPEB cost reductions (Note 13)	10,104,962	-	10,104,962	-
Leases	2,979,449	912,088	3,891,537	-
Total deferred inflows of resource	21,337,437	1,385,991	22,723,428	-
Net Position				
Net investment in capital assets	267,966,740	100,104,425	368,071,165	881,702
Restricted:				
Community recreation	4,630,350	-	4,630,350	-
Municipal refuse	4,092,404	-	4,092,404	-
Streets, roads, and sidewalks	6,766,892	-	6,766,892	-
Library	8,154,657	-	8,154,657	-
Public safety communication	3,559,822	-	3,559,822	-
Grants	462,011	-	462,011	-
Ordinance requirements	-	2,390,702	2,390,702	-
Street lighting	940,827	-	940,827	-
Adjudicated forfeitures	3,160,752	-	3,160,752	-
Community transit	1,082,210	-	1,082,210	-
Capital improvements	10,437,038	-	10,437,038	-
Pension and other postemployment benefits	2,497,331	-	2,497,331	-
Parks capital projects	106,461	-	106,461	-
Designated purpose	611,823	-	611,823	-
Health care	2,166,352	-	2,166,352	-
Unrestricted	25,835,759	41,492,989	67,328,748	1,903,191
Total net position	\$ 342,471,429	\$ 143,988,116	\$ 486,459,545	\$ 2,784,893

City of Livonia, Michigan

Functions/Programs	Program Revenue			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 14,665,596	\$ 2,831,575	\$ -	\$ -
Public safety	49,801,514	9,561,395	1,084,498	-
Public works	36,196,856	1,718,866	13,737,743	1,698,525
Community and economic development	1,469,503	620,963	779,207	-
Recreation and culture	16,084,248	5,300,724	229,292	11,291,860
Interest on long-term debt	309,898	-	-	-
Total governmental activities	<u>118,527,615</u>	<u>20,033,523</u>	<u>15,830,740</u>	<u>12,990,385</u>
Business-type activities:				
Water and Sewer	44,668,788	50,351,889	-	1,188,106
Housing	1,800,245	1,506,225	-	-
Golf Course	2,484,169	2,784,852	-	-
Total business-type activities	<u>48,953,202</u>	<u>54,642,966</u>	<u>-</u>	<u>1,188,106</u>
Total primary government	<u>\$ 167,480,817</u>	<u>\$ 74,676,489</u>	<u>\$ 15,830,740</u>	<u>\$ 14,178,491</u>
Component units:				
Economic Development Corporation	\$ -	\$ -	\$ -	\$ -
Plymouth Road Development Authority	1,322,247	-	-	-
Brownfield Redevelopment Authority	1,250,121	-	-	-
Total component units	<u>\$ 2,572,368</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
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				

Statement of Activities

Year Ended November 30, 2025

Net (Expense) Revenue and Changes in Net Position			
Primary Government			
Governmental Activities	Business-type Activities	Total	Component Units
\$ (11,834,021)	\$ -	\$ (11,834,021)	\$ -
(39,155,621)	-	(39,155,621)	-
(19,041,722)	-	(19,041,722)	-
(69,333)	-	(69,333)	-
737,628	-	737,628	-
(309,898)	-	(309,898)	-
(69,672,967)	-	(69,672,967)	-
-	6,871,207	6,871,207	-
-	(294,020)	(294,020)	-
-	300,683	300,683	-
-	6,877,870	6,877,870	-
(69,672,967)	6,877,870	(62,795,097)	-
-	-	-	-
-	-	-	(1,322,247)
-	-	-	(1,250,121)
-	-	-	(2,572,368)
70,705,155	-	70,705,155	2,316,386
17,489,867	-	17,489,867	-
4,758,970	1,279,575	6,038,545	33,872
1,376,669	-	1,376,669	-
-	34,850	34,850	-
2,124,657	-	2,124,657	2,344
96,455,318	1,314,425	97,769,743	2,352,602
150,000	(150,000)	-	-
26,932,351	8,042,295	34,974,646	(219,766)
315,539,078	135,945,821	451,484,899	3,004,659
\$ 342,471,429	\$ 143,988,116	\$ 486,459,545	\$ 2,784,893

Governmental Funds
Balance Sheet

November 30, 2025

	Major Special Revenue Funds			Major Capital Projects Fund	Nonmajor Funds	Total Governmental Funds
	General Fund	Refuse Disposal System Fund	Roads and Sidewalks Fund	Senior Center Construction Fund		
Assets						
Cash and investments	\$ 22,035,375	\$ 6,869,976	\$ 2,270,183	\$ 3,531,368	\$ 50,722,831	\$ 85,429,733
Accounts receivable:						
Property taxes	79,219	23,819	8,776	-	20,667	132,481
Special assessments	-	-	-	-	255,973	255,973
Workers compensation	35,370	-	-	-	-	35,370
Due from other governmental units	4,566,111	558,631	190,990	869,469	2,637,330	8,822,531
Due from fiduciary funds	1,020,637	-	-	-	-	1,020,637
Other	3,784,130	28,153	20,400	-	1,968,941	5,801,624
Due from other funds (Note 6)	35,422	-	-	-	-	35,422
Lease receivable	3,147,732	-	-	-	35,942	3,183,674
Inventory, prepaid expenses, and deposits	247,746	-	-	-	1,260	249,006
Total assets	\$ 34,951,742	\$ 7,480,579	\$ 2,490,349	\$ 4,400,837	\$ 55,642,944	\$ 104,966,451
Liabilities						
Accounts payable	\$ 2,329,728	\$ 2,596,434	\$ 722,361	\$ 4,090,602	\$ 1,251,820	\$ 10,990,945
Due to other funds (Note 6)	-	-	-	-	35,422	35,422
Accrued and other liabilities	2,584,179	37,154	-	-	698,240	3,319,573
Unearned revenue	13,205	-	-	-	669,624	682,829
Due to fiduciary funds	574,733	-	-	-	7,517	582,250
Bonds and deposits	1,704,082	-	-	-	-	1,704,082
Total liabilities	7,205,927	2,633,588	722,361	4,090,602	2,662,623	17,315,101
Deferred Inflows of Resources						
Unavailable revenue	4,594,303	540,337	199,147	310,135	2,560,494	8,204,416
Leases	2,949,847	-	-	-	29,602	2,979,449
Total deferred inflows of resources	7,544,150	540,337	199,147	310,135	2,590,096	11,183,865

Governmental Funds
Balance Sheet (Continued)

November 30, 2025

	Major Special Revenue Funds			Major Capital Projects Fund	Nonmajor Funds	Total Governmental Funds
	General Fund	Refuse Disposal System Fund	Roads and Sidewalks Fund	Senior Center Construction Fund		
Fund Balances						
Nonspendable - Inventory and prepaid assets	\$ 247,746	\$ -	\$ -	\$ -	\$ 1,260	\$ 249,006
Restricted:						
Streets, roads, and sidewalks	-	-	1,568,841	-	4,998,904	6,567,745
Adjudicated forfeitures	-	-	-	-	3,160,752	3,160,752
Parks capital projects	-	-	-	-	106,461	106,461
Grants	-	-	-	-	294,688	294,688
Capital improvements	-	-	-	-	10,211,809	10,211,809
Community recreation	-	-	-	-	4,354,019	4,354,019
Municipal refuse	-	4,306,654	-	-	-	4,306,654
Street lighting	-	-	-	-	940,827	940,827
Library	-	-	-	-	7,973,550	7,973,550
Public safety communication	-	-	-	-	3,375,758	3,375,758
Community transit	-	-	-	-	914,529	914,529
Designated purpose	-	-	-	-	611,823	611,823
Health care	-	-	-	-	806,333	806,333
Committed:						
Cable access television	-	-	-	-	70,218	70,218
Arts Commission	-	-	-	-	76,399	76,399
Historical Commission	-	-	-	-	580,937	580,937
Assigned:						
Golf course capital improvements	-	-	-	-	858,846	858,846
Building improvements	-	-	-	-	10,730,171	10,730,171
Court building improvements	-	-	-	-	322,941	322,941
Senior center construction	-	-	-	100	-	100
Unassigned	19,953,919	-	-	-	-	19,953,919
Total fund balances	20,201,665	4,306,654	1,568,841	100	50,390,225	76,467,485
Total liabilities, deferred inflows of resources, and fund balances	\$ 34,951,742	\$ 7,480,579	\$ 2,490,349	\$ 4,400,837	\$ 55,642,944	\$ 104,966,451

Governmental Funds

Reconciliation of the Balance Sheet to the Statement of Net Position

November 30, 2025

Fund Balances Reported in Governmental Funds	\$ 76,467,485
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	284,841,577
Certain receivables are expected to be collected over several years and are not reported in the funds	287,296
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	8,204,416
Landfill closure and postclosure liability is not due and payable in the current period and is not reported in the funds	(754,587)
Long-term liabilities are not due and payable in the current period and are not reported in the funds	(14,540,197)
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	225,176
Accrued interest is not due and payable in the current period and is not reported in the funds	(52,234)
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	(9,831,999)
Pension benefits	(13,186,596)
Retiree health care benefits	6,742,787
The Internal Service Fund (self-insurance) is included as part of governmental activities	<u>4,068,305</u>
Net Position of Governmental Activities	<u><u>\$ 342,471,429</u></u>

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

Year Ended November 30, 2025

	Major Special Revenue Funds			Major Capital Projects Fund	Nonmajor Funds	Total Governmental Funds
	General Fund	Refuse Disposal System Fund	Roads and Sidewalks Fund	Senior Center Construction Fund		
Revenue						
Property taxes	\$ 42,354,489	\$ 12,632,657	\$ 4,657,350	\$ -	\$ 10,969,879	\$ 70,614,375
Special assessments	-	-	-	-	1,395,231	1,395,231
Intergovernmental:						
Federal revenue	-	-	-	6,469,612	1,137,645	7,607,257
State and local revenue	14,588,530	1,489,993	546,195	8,000,000	15,552,532	40,177,250
Charges for services	5,952,843	116,499	-	-	5,526,123	11,595,465
Fines and forfeitures	3,589,553	-	-	-	577,565	4,167,118
Licenses and permits	3,522,694	-	-	-	-	3,522,694
Investment income	1,875,846	452,702	214,951	20,444	2,366,127	4,930,070
Other revenue:						
Local donations	-	-	-	-	105,500	105,500
Miscellaneous revenue	2,826,781	-	-	-	1,070,066	3,896,847
Lease revenue	492,632	-	-	-	59,399	552,031
Total revenue	75,203,368	14,691,851	5,418,496	14,490,056	38,760,067	148,563,838
Expenditures						
Current services:						
General government	11,526,205	-	-	-	-	11,526,205
Employee benefits, insurance, and other	3,907,374	-	-	-	-	3,907,374
Public safety	47,531,076	-	-	-	1,523,716	49,054,792
Public works	4,529,067	17,647,210	13,472,454	-	6,570,079	42,218,810
Community and economic development	631,443	-	-	-	838,060	1,469,503
Recreation and culture	2,174,045	-	-	-	13,547,610	15,721,655
Capital outlay	-	-	-	16,782,446	8,242,944	25,025,390
Debt service:						
Principal retirement	-	-	-	-	2,110,000	2,110,000
Interest and other	-	-	-	-	609,636	609,636
Total expenditures	\$ 70,299,210	\$ 17,647,210	\$ 13,472,454	\$ 16,782,446	\$ 33,442,045	\$ 151,643,365

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

Year Ended November 30, 2025

	Major Special Revenue Funds			Major Capital Projects Fund	Nonmajor Funds	Total Governmental Funds
	General Fund	Refuse Disposal System Fund	Roads and Sidewalks Fund	Senior Center Construction Fund		
Excess of Revenue Over (Under) Expenditures	\$ 4,904,158	\$ (2,955,359)	\$ (8,053,958)	\$ (2,292,390)	\$ 5,318,022	\$ (3,079,527)
Other Financing Sources (Uses)						
Transfers in (Note 6)	-	-	7,500,000	2,000,000	12,919,787	22,419,787
Transfers out (Note 6)	(2,850,151)	-	-	-	(19,419,636)	(22,269,787)
Leases entered into	-	-	-	-	121,740	121,740
Total other financing (uses) sources	(2,850,151)	-	7,500,000	2,000,000	(6,378,109)	271,740
Net Change in Fund Balances	2,054,007	(2,955,359)	(553,958)	(292,390)	(1,060,087)	(2,807,787)
Fund Balances - Beginning of year, as previously reported	18,147,658	7,262,013	2,122,799	-	51,742,802	79,275,272
Change within Financial Reporting Entity (Note 1)	-	-	-	292,490	(292,490)	-
Fund Balances - Beginning of year, as adjusted	18,147,658	7,262,013	2,122,799	292,490	51,450,312	79,275,272
Fund Balances - End of year	\$ 20,201,665	\$ 4,306,654	\$ 1,568,841	\$ 100	\$ 50,390,225	\$ 76,467,485

Governmental Funds

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

Year Ended November 30, 2025

Net Change in Fund Balances Reported in Governmental Funds	\$ (2,807,787)
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	39,776,879
Depreciation expense	(13,008,637)
Net book value of assets disposed of	(346,666)
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	(3,147,623)
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)	200,718
Issuing debt and entering into leases provide current financial resources to governmental funds, but increase long-term liabilities in the statement of net position	(121,740)
Repayment of bond principal is an expenditure in the governmental funds but not in the statement of activities (where it reduces long-term debt)	2,110,000
Interest expense is recognized in the government-wide statements as it accrues	180,049
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	4,163,463
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	(902,146)
Net change in accumulated employee sick and vacation pay is recorded when incurred in the statement of activities	1,269,723
Increase in landfill liability is recorded when incurred in the statement of activities	(17,096)
Internal service funds are included as part of governmental activities	(416,786)
Change in Net Position of Governmental Activities	\$ 26,932,351

Proprietary Funds
Statement of Net Position

November 30, 2025

	Major	Nonmajor Enterprise Funds		Total Enterprise Funds	Governmental
	Enterprise Fund	Housing	Golf Course		Activities
	Water and Sewer				Internal Service Fund
Assets					
Current assets:					
Cash and investments	\$ 26,435,862	\$ 3,452,370	\$ 2,271,431	\$ 32,159,663	\$ 3,177,381
Accounts receivable:					
Customers	16,524,622	-	-	16,524,622	-
Other	177,689	-	10,505	188,194	-
Lease receivable	-	-	110,301	110,301	-
Inventory, prepaid expenses, and deposits	534,814	-	-	534,814	3,030,358
Total current assets	43,672,987	3,452,370	2,392,237	49,517,594	6,207,739
Noncurrent assets:					
Restricted assets (Note 8)	2,504,629	-	-	2,504,629	-
Special assessment receivables	59,669	-	-	59,669	-
Lease receivable	-	-	826,137	826,137	-
Capital assets: (Note 5)					
Assets not subject to depreciation	1,823,682	1,581,948	3,582,488	6,988,118	-
Assets subject to depreciation - Net	112,903,156	3,646,074	442,763	116,991,993	-
Total noncurrent assets	117,291,136	5,228,022	4,851,388	127,370,546	-
Total assets	160,964,123	8,680,392	7,243,625	176,888,140	6,207,739
Liabilities					
Current liabilities:					
Accounts payable	3,133,113	128,612	121,320	3,383,045	-
Due to other governmental units	2,473,316	-	-	2,473,316	-
Accrued and other liabilities	277,411	20,032	5,951	303,394	-
Unearned revenue	2,071	-	-	2,071	-
Due to fiduciary funds	9,021	-	-	9,021	-
Bonds and deposits	191,790	186,107	-	377,897	-
Compensated absences (Note 7)	48,634	7,120	3,479	59,233	-
Current portion of long-term debt (Note 7)	1,460,500	-	-	1,460,500	-
Total current liabilities	7,595,856	341,871	130,750	8,068,477	-
Noncurrent liabilities:					
Compensated absences and insurance claims (Note 7)	395,627	57,913	28,304	481,844	2,139,434
Net pension liability (Note 11)	420,359	-	14,240	434,599	-
Long-term debt - Net of current portion (Note 7)	22,529,113	-	-	22,529,113	-
Total noncurrent liabilities	23,345,099	57,913	42,544	23,445,556	2,139,434
Total liabilities	30,940,955	399,784	173,294	31,514,033	2,139,434

Proprietary Funds
Statement of Net Position (Continued)

November 30, 2025

	Major Enterprise Fund	Nonmajor Enterprise Funds		Total Enterprise Funds	Governmental Activities
	Water and Sewer	Housing	Golf Course		Internal Service Fund
Deferred Inflows of Resources					
Deferred pension cost reductions (Note 11)	\$ 458,376	\$ -	\$ 15,527	\$ 473,903	\$ -
Leases	-	-	912,088	912,088	-
Total deferred inflows of resources	<u>458,376</u>	<u>-</u>	<u>927,615</u>	<u>1,385,991</u>	<u>-</u>
Net Position					
Net investment in capital assets	90,851,152	5,228,022	4,025,251	100,104,425	-
Restricted - Ordinance requirements	2,390,702	-	-	2,390,702	-
Unrestricted	<u>36,322,938</u>	<u>3,052,586</u>	<u>2,117,465</u>	<u>41,492,989</u>	<u>4,068,305</u>
Total net position	<u>\$ 129,564,792</u>	<u>\$ 8,280,608</u>	<u>\$ 6,142,716</u>	<u>\$ 143,988,116</u>	<u>\$ 4,068,305</u>

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

Year Ended November 30, 2025

	Major	Nonmajor Enterprise Funds		Total Enterprise Funds	Governmental
	Enterprise Fund	Housing	Golf Course		Activities
	Water and Sewer				Internal Service Fund
Operating Revenue					
Customer billings	\$ 48,025,953	\$ -	\$ -	\$ 48,025,953	\$ -
Fines and forfeitures	2,200,384	-	-	2,200,384	-
Service connections	66,349	-	-	66,349	-
Greens fees	-	-	2,444,180	2,444,180	-
Golf cart fees	-	-	118,000	118,000	-
City contributions	-	-	-	-	14,619,875
Rental income	-	1,504,025	-	1,504,025	-
Other revenue	59,203	2,200	107,601	169,004	-
Total operating revenue	50,351,889	1,506,225	2,669,781	54,527,895	14,619,875
Operating Expenses					
Cost of water	13,851,688	-	-	13,851,688	-
Cost of sewage disposal	14,969,932	-	-	14,969,932	-
System maintenance and operation	9,716,179	-	-	9,716,179	-
General and administration	1,328,916	1,740	-	1,330,656	-
Reinsurance charges and claims	-	-	-	-	15,239,250
Salaries and wages	-	534,919	162,378	697,297	-
Supplies	-	11,648	292,261	303,909	-
Other services and charges	-	984,183	2,000,700	2,984,883	-
Depreciation	4,116,622	267,755	28,830	4,413,207	-
Total operating expenses	43,983,337	1,800,245	2,484,169	48,267,751	15,239,250
Operating Income (Loss)	6,368,552	(294,020)	185,612	6,260,144	(619,375)
Nonoperating Revenue (Expense)					
Investment income	1,054,381	138,469	86,725	1,279,575	202,589
Interest expense	(685,451)	-	-	(685,451)	-
Gain on sale of assets	34,850	-	-	34,850	-
Lease revenue	-	-	115,071	115,071	-
Total nonoperating revenue	403,780	138,469	201,796	744,045	202,589
Income (Loss) - Before contributions and transfers	6,772,332	(155,551)	387,408	7,004,189	(416,786)
Capital Contributions - Lines donated by developers	1,188,106	-	-	1,188,106	-
Transfers Out	-	-	(150,000)	(150,000)	-
Change in Net Position	7,960,438	(155,551)	237,408	8,042,295	(416,786)
Net Position - Beginning of year	121,604,354	8,436,159	5,905,308	135,945,821	4,485,091
Net Position - End of year	\$ 129,564,792	\$ 8,280,608	\$ 6,142,716	\$ 143,988,116	\$ 4,068,305

Proprietary Funds
Statement of Cash Flows

Year Ended November 30, 2025

	Major Enterprise Fund	Nonmajor Enterprise Funds		Total Enterprise Funds	Governmental Activities
	Water and Sewer	Housing	Golf Course		Internal Service Fund
Cash Flows from Operating Activities					
Receipts from customers	\$ 49,665,500	\$ 1,506,225	\$ 2,664,849	\$ 53,836,574	\$ 14,619,875
Payments to suppliers	(33,317,844)	(1,038,545)	(2,309,088)	(36,665,477)	(15,858,874)
Payments to employees	(5,329,547)	(557,143)	(167,900)	(6,054,590)	-
Net cash and cash equivalents provided by (used in) operating activities	11,018,109	(89,463)	187,861	11,116,507	(1,238,999)
Cash Flows Used in Noncapital Financing Activities - Transfers out	-	-	(150,000)	(150,000)	-
Cash Flows from Capital and Related Financing Activities					
Special assessment collections	12,921	-	-	12,921	-
Proceeds from sale of capital assets	44,692	-	-	44,692	-
Net purchases of capital assets	(6,438,852)	-	-	(6,438,852)	-
Principal and interest paid on long-term debt	(2,111,927)	-	-	(2,111,927)	-
Lease receipts	-	-	110,813	110,813	-
Net cash and cash equivalents (used in) provided by capital and related financing activities	(8,493,166)	-	110,813	(8,382,353)	-
Cash Flows from Investing Activities					
Interest received on investments	1,054,381	138,470	86,725	1,279,576	202,589
Purchases of investment securities	(1,747,484)	(24,504)	(117,699)	(1,889,687)	-
Proceeds from sale and maturities of investment securities	-	-	-	-	518,205
Net cash and cash equivalents (used in) provided by investing activities	(693,103)	113,966	(30,974)	(610,111)	720,794
Net Increase (Decrease) in Cash and Cash Equivalents	1,831,840	24,503	117,700	1,974,043	(518,205)
Cash and Cash Equivalents - Beginning of year	13,834,006	1,701,782	1,018,016	16,553,804	2,106,896
Cash and Cash Equivalents - End of year	\$ 15,665,846	\$ 1,726,285	\$ 1,135,716	\$ 18,527,847	\$ 1,588,691
Classification of Cash and Cash Equivalents					
Cash and investments	\$ 26,435,862	\$ 3,452,370	\$ 2,271,431	\$ 32,159,663	\$ 3,177,381
Restricted cash (Note 8)	2,504,629	-	-	2,504,629	-
Less investments	(13,274,645)	(1,726,085)	(1,135,715)	(16,136,445)	(1,588,690)
Total cash and cash equivalents	\$ 15,665,846	\$ 1,726,285	\$ 1,135,716	\$ 18,527,847	\$ 1,588,691

Proprietary Funds
Statement of Cash Flows (Continued)

Year Ended November 30, 2025

	Major Enterprise Fund	Nonmajor Enterprise Funds		Total Enterprise Funds	Governmental Activities
	Water and Sewer	Housing	Golf Course		Internal Service Fund
Reconciliation of Operating Income (Loss) to Net Cash and Cash Equivalents from Operating Activities					
Operating income (loss)	\$ 6,368,552	\$ (294,020)	\$ 185,612	\$ 6,260,144	\$ (619,375)
Adjustments to reconcile operating income (loss) to net cash and cash equivalents from operating activities:					
Depreciation	4,116,622	267,755	28,830	4,413,207	-
Changes in assets and liabilities:					
Receivables	(686,389)	-	(4,932)	(691,321)	-
Inventories	560,345	-	-	560,345	-
Prepaid and other assets	(1,876)	-	-	(1,876)	(187,108)
Net pension and OPEB liabilities	152,613	168	5,455	158,236	-
Accounts payable	551,431	(40,974)	(16,127)	494,330	-
Estimated claims liability	-	-	-	-	(432,516)
Accrued and other liabilities	(43,189)	(22,392)	(10,977)	(76,558)	-
Net cash and cash equivalents provided by (used in) operating activities	<u>\$ 11,018,109</u>	<u>\$ (89,463)</u>	<u>\$ 187,861</u>	<u>\$ 11,116,507</u>	<u>\$ (1,238,999)</u>

Noncash Transactions - During the year ended November 30, 2025, the City received \$1,188,106 of donated lines reported as capital assets in the Water and Sewer Fund.

Fiduciary Funds
Statement of Fiduciary Net Position

November 30, 2025

	Pension and Other Employee Benefits	Custodial Funds	Total Fiduciary Funds
Assets			
Cash and cash equivalents (Note 3)	\$ 1,266,115	\$ 8,298,501	\$ 9,564,616
Investments: (Note 3)			
U.S. government securities	24,461,024	-	24,461,024
Collateralized mortgage obligations	2,396,110	-	2,396,110
Common stocks	182,496,346	-	182,496,346
Corporate bonds	14,303,453	-	14,303,453
Real estate investment trust	1,496,540	-	1,496,540
Foreign bonds	1,382,698	-	1,382,698
Mutual funds	159,257,937	-	159,257,937
Accounts receivable	97,164	-	97,164
Due from primary government	591,271	-	591,271
	387,748,658	8,298,501	396,047,159
Liabilities			
Accounts payable	332,907	96,994	429,901
Due to other governmental units	32,566	7,080,749	7,113,315
Due to primary government	1,020,637	-	1,020,637
Bonds and other deposits	-	591,706	591,706
	1,386,110	7,769,449	9,155,559
Net Position			
Restricted:			
Pension	234,487,960	-	234,487,960
Postemployment benefits other than pension	151,874,588	-	151,874,588
Individuals, organizations, and other governments	-	529,052	529,052
	\$ 386,362,548	\$ 529,052	\$ 386,891,600

Fiduciary Funds
Statement of Changes in Fiduciary Net Position

Year Ended November 30, 2025

	Pension and Other Employee Benefits	Custodial Funds	Total Fiduciary Funds
Additions			
Investment income (loss):			
Interest and dividends	\$ 7,338,457	\$ 177,802	\$ 7,516,259
Net increase in fair value of investments	22,168,989	-	22,168,989
Investment costs	(1,203,099)	-	(1,203,099)
Net investment income	28,304,347	177,802	28,482,149
Contributions:			
Employer	8,088,138	-	8,088,138
Employee	1,508,863	-	1,508,863
Total contributions	9,597,001	-	9,597,001
Collections for other governments	-	173,947,347	173,947,347
Fines and fees	-	1,451,764	1,451,764
Bond receipts	-	1,002,590	1,002,590
Restitutions, judgments, and other	-	70,937	70,937
Total additions	37,901,348	176,650,440	214,551,788
Deductions			
Pension benefit payments	20,503,074	-	20,503,074
Medical benefit payments	9,385,873	-	9,385,873
Disability benefit payments	215,259	-	215,259
Refunds of contributions	423,288	-	423,288
Administrative expenses	342,177	-	342,177
Disbursements to other governments	-	175,217,884	175,217,884
Bond disbursements	-	1,002,590	1,002,590
Restitutions, judgments, and other refunds	-	171,379	171,379
Volunteer work program and civil drug fund	-	268,832	268,832
Total deductions	30,869,671	176,660,685	207,530,356
Net Increase (Decrease) in Net Position	7,031,677	(10,245)	7,021,432
Net Position - Beginning of year	379,330,871	539,297	379,870,168
Net Position - End of year	\$ 386,362,548	\$ 529,052	\$ 386,891,600

**Component Units
Statement of Net Position**

November 30, 2025

	Economic Development Corporation	Plymouth Road Development Authority	Brownfield Redevelopment Authority	Total
Assets				
Cash and cash equivalents	\$ 28,481	\$ 1,137,661	\$ 883,145	\$ 2,049,287
Accounts receivable	-	105,354	-	105,354
Capital assets: (Note 5)				
Assets not subject to depreciation	-	795,191	-	795,191
Assets subject to depreciation - Net	-	86,511	-	86,511
Total assets	28,481	2,124,717	883,145	3,036,343
Liabilities				
Accounts payable	-	221,350	-	221,350
Due to other governmental units	-	-	30,100	30,100
Total liabilities	-	221,350	30,100	251,450
Net Position				
Net investment in capital assets	-	881,702	-	881,702
Unrestricted	28,481	1,021,665	853,045	1,903,191
Total net position	<u>\$ 28,481</u>	<u>\$ 1,903,367</u>	<u>\$ 853,045</u>	<u>\$ 2,784,893</u>

City of Livonia, Michigan

	Program Revenue			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Functions/Programs				
Economic Development Corporation	\$ -	\$ -	\$ -	\$ -
Plymouth Road Development Authority	1,322,247	-	-	-
Brownfield Redevelopment Authority	1,250,121	-	-	-
Total component units	<u>\$ 2,572,368</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

General revenue:

Property taxes

Investment income

Other miscellaneous income

Total general revenue

Change in Net Position

Net Position - Beginning of year

Net Position - End of year

Component Units
Statement of Activities

Year Ended November 30, 2025

Net (Expense) Revenue and Changes in Net Position			
Economic Development Corporation	Plymouth Road Development Authority	Brownfield Redevelopment Authority	Total
\$ -	\$ -	\$ -	\$ -
-	(1,322,247)	-	(1,322,247)
-	-	(1,250,121)	(1,250,121)
-	(1,322,247)	(1,250,121)	(2,572,368)
-	903,281	1,413,105	2,316,386
1,139	3,482	29,251	33,872
-	2,344	-	2,344
1,139	909,107	1,442,356	2,352,602
1,139	(413,140)	192,235	(219,766)
27,342	2,316,507	660,810	3,004,659
\$ 28,481	\$ 1,903,367	\$ 853,045	\$ 2,784,893

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.

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.

Note 1 - Significant Accounting Policies (Continued)

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.
- The Senior Center Construction Fund accounts for the funding and construction of the senior center. Funding is primarily through federal and state grants.

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 2024 property tax revenue was levied and collectible on December 31, 2024 and is recognized as revenue in the year ended November 30, 2025 when the proceeds of the levy are budgeted and available for the financing of operations.

November 30, 2025

Note 1 - Significant Accounting Policies (Continued)

The 2024 taxable valuation of the City totaled \$5.35 billion. Properties in the Plymouth Road Development Authority (PRDA) are assessed a millage of 2.0000 on July 1. The 2025 taxable valuation of PRDA totaled \$444 million. The millages levied by the City and the resulting revenue are as follows:

Purpose	Millage Rate	Approximate Revenue (in 000s)
Operating purposes	3.9673 \$	21,185
Police and fire	0.7931	4,235
Police and fire and snow	1.1900	6,355
Library	0.7931	4,235
Refuse and recycling	2.3662	12,633
Industrial development	0.0093	50
Roads, sidewalks, and trees	0.8721	4,657
Recreation	0.7703	4,114
Public safety	1.6673	8,903
Culture and senior services	0.2449	1,308
Transit and capital improvement	0.4902	2,618
Plymouth Road Development Authority	2.0000	893
Total		<u>\$ 71,186</u>

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 2025. 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. The net pension liability will be liquidated from the funds from which an individual employee's salary is paid, primarily the General Fund.

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. The net OPEB liability will be liquidated from the funds from which an individual employee's salary is paid, primarily the General Fund.

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. The compensated absence liabilities are reported in the government-wide and proprietary fund financial statements. A leave liability is recognized due to the leave attributable to services already rendered, leave that accumulates, and leave that is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.

Proprietary Funds Operating Classification

Proprietary funds distinguish operating revenue and expenses from nonoperating items. Operating revenue and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of 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.

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.

Note 1 - Significant Accounting Policies (Continued)

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 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.

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.

In December 2025, the GASB issued Statement No. 105, *Subsequent Events*, which defines subsequent events as transactions that occur after the date of the financial statements but before the financial statements are available to be issued. This statement clarifies the subsequent events that constitute recognized and unrecognized events and establishes specific note disclosure requirements for nonrecognized events. The provisions of this statement are effective for the City's financial statements for the year ending November 30, 2027.

Accounting Changes and Error Corrections

Changes to or within the Financial Reporting Entity

Change in Major Funds

The Senior Center Construction Fund was previously reported as a nonmajor fund but is now reported as a major fund for fiscal year 2025. The effects of this change in major funds are shown in the table below.

November 30, 2025

Note 1 - Significant Accounting Policies (Continued)

Adjustments to and Restatements of Beginning Balances

During fiscal year 2025, the changes noted above resulted in adjustments to and restatements of beginning fund balance as follows:

	November 30, 2024	Change to or within the Financial Reporting Entity	November 30, 2024
	As Previously Reported		As Restated
Governmental funds:			
Major funds:			
General Fund	\$ 18,147,658	\$ -	\$ 18,147,658
Refuse Disposal System Fund	7,262,013	-	7,262,013
Roads and Sidewalks Fund	2,122,799	-	2,122,799
Senior Center Construction Fund	-	292,490	292,490
Nonmajor funds	51,742,802	(292,490)	51,450,312
Total governmental funds	<u>\$ 79,275,272</u>	<u>\$ -</u>	<u>\$ 79,275,272</u>

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, 2024		\$ (5,658,664)
Current year building permit revenue		3,148,683
Related expenses:		
Direct costs	\$ 2,630,266	
Estimated indirect costs	645,638	3,275,904
Current year net revenue		<u>(127,221)</u>
Cumulative shortfall at November 30, 2025		<u>\$ (5,785,885)</u>

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.

November 30, 2025

Note 3 - Deposits and Investments (Continued)

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

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

Custodial Credit Risk of Bank Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk. At year end, the City had bank deposits of \$45,107,331 (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 \$389,710 (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	\$ 13,522,496	\$ 13,522,496	\$ -	\$ -
Municipal bonds	1,076,565	1,076,565	-	-
U.S. Treasury securities	17,193,913	17,193,913	-	-
Bank investment pools	36,764,133	36,764,133	-	-
Total	\$ 68,557,107	\$ 68,557,107	\$ -	\$ -

City of Livonia Employees' Retirement System	Fair Value	0-5 Years	6-10 Years	More Than 10 Years
Corporate bonds	\$ 9,366,584	\$ 6,043,515	\$ 2,021,299	\$ 1,301,770
Foreign bonds	640,959	472,216	168,743	-
U.S. agency securities	4,332,688	118,841	65,488	4,148,359
U.S. Treasury securities	7,457,674	2,150,491	1,594,504	3,712,679
Collateralized mortgage obligations	1,217,436	130,682	-	1,086,754
Total	\$ 23,015,341	\$ 8,915,745	\$ 3,850,034	\$ 10,249,562

November 30, 2025

Note 3 - Deposits and Investments (Continued)

City of Livonia Retiree Health and Disability Benefits Plan	Fair Value	0-5 Years	6-10 Years	More Than 10 Years
Corporate bonds	\$ 4,936,869	\$ 3,071,221	\$ 1,164,830	\$ 700,818
Foreign bonds	741,739	572,026	169,713	-
U.S. agency securities	3,756,574	184,106	24,367	3,548,101
U.S. Treasury securities	8,914,088	5,006,464	737,939	3,169,685
Collateralized mortgage obligations	1,178,674	60,956	49,295	1,068,423
Total	\$ 19,527,944	\$ 8,894,773	\$ 2,146,144	\$ 8,487,027

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

Investment	Fair Value	Rating	Rating Organization
Primary Government			
Bank investment pools	\$ 36,764,133	Baa1/P2	Moody's
Municipal bonds	1,076,565	AA	S&P
U.S. agency securities	13,522,496	AA+	S&P
Total	\$ 51,363,194		

Investment	Fair Value	Rating	Rating Organization
Fiduciary Funds			
Corporate bond	\$ 221,087	Aaa	Moody's
Corporate bond	28,028	Aa1	Moody's
Corporate bond	245,049	A1	Moody's
Corporate bond	148,157	A3	Moody's
Corporate bond	1,141,644	Baa1 and below	Moody's
Corporate bond	12,519,488	NR	N/A
Foreign bonds	41,320	Baa1 and below	Moody's
Foreign bonds	1,341,378	NR	N/A
U.S. agency securities	8,089,262	Aaa	Moody's
Collateralized mortgage obligations	533,554	Aaa	Moody's
Collateralized mortgage obligations	1,862,556	NR	N/A
Total	\$ 26,171,523		

There are no limitations or restrictions on participant withdrawals for the \$36,764,133 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 \$216,081,363 at November 30, 2025. Of this total, \$16,852,998, or 7.80 percent, is invested in Loomis Senior Fund. Investments in the VEBA Fund total \$152,993,015 at November 30, 2025. Of this total, \$12,979,291, or 8.48 percent, is invested in Loomis Senior Fund.

November 30, 2025

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, 2025:

	Assets Measured at Fair Value on a Recurring Basis at November 30, 2025			
	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, 2025
Investments by Fair Value Level				
Debt securities:				
U.S. Treasury securities	\$ 33,565,675	\$ -	\$ -	\$ 33,565,675
Collateralized mortgage obligations	-	2,396,110	-	2,396,110
Corporate bonds	-	14,303,453	-	14,303,453
Foreign bonds and notes	-	1,382,698	-	1,382,698
Government agencies	-	21,611,758	-	21,611,758
Asset-backed securities	-	1,076,565	-	1,076,565
Total debt securities	33,565,675	40,770,584	-	74,336,259
Equity securities:				
Common stock	137,204,381	-	-	137,204,381
Foreign stock	6,144,589	-	-	6,144,589
Mutual funds	115,797,643	-	-	115,797,643
ADR	7,080,630	-	-	7,080,630
REIT	1,496,540	-	-	1,496,540
Short-term investments	-	3,592,666	-	3,592,666
Total equity securities	267,723,783	3,592,666	-	271,316,449
Total investments by fair value level	\$ 301,289,458	\$ 44,363,250	\$ -	345,652,708
Investments measured at NAV:				
Real estate funds				28,474,080
CIF - Fixed income				30,182,007
CIF - Equity				13,278,287
Total investments measured at NAV				71,934,374
Total investments				\$ 417,587,082

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, 2025 was determined primarily based on Level 2 inputs. The City's foreign investments are not subject to foreign currency risk, as they are not denominated in foreign currencies. 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, 2025, 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	\$ 28,474,080	\$ -	Unlimited	12 months
CIF - Fixed income	30,182,007	-	Unlimited	15 business days
CIF - Equity	13,278,287	-	Unlimited	None
Total investments measured at NAV	<u>\$ 71,934,374</u>	<u>\$ -</u>		

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.

November 30, 2025

Note 5 - Capital Assets

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

Governmental Activities

	Balance December 1, 2024	Reclassifications	Additions	Disposals and Adjustments	Balance November 30, 2025
Capital assets not being depreciated:					
Land	\$ 35,278,628	\$ -	\$ -	\$ -	\$ 35,278,628
Construction in progress	5,806,081	(1,875,500)	19,927,882	-	23,858,463
Subtotal	41,084,709	(1,875,500)	19,927,882	-	59,137,091
Capital assets being depreciated:					
Infrastructure	244,302,036	-	13,490,018	-	257,792,054
Buildings and improvements	121,723,412	1,875,500	317,267	-	123,916,179
Equipment and vehicles	59,049,766	-	6,041,712	(1,867,184)	63,224,294
Lease assets - Equipment and vehicles	672,502	-	-	-	672,502
Subtotal	425,747,716	1,875,500	19,848,997	(1,867,184)	445,605,029
Accumulated depreciation:					
Infrastructure	105,579,227	-	6,144,146	-	111,723,373
Buildings and improvements	67,287,608	-	2,588,170	-	69,875,778
Equipment and vehicles	35,439,110	-	4,209,071	(1,520,518)	38,127,663
Lease assets - Equipment and vehicles	106,479	-	67,250	-	173,729
Subtotal	208,412,424	-	13,008,637	(1,520,518)	219,900,543
Net capital assets being depreciated	217,335,292	1,875,500	6,840,360	(346,666)	225,704,486
Net governmental activities capital assets	\$ 258,420,001	\$ -	\$ 26,768,242	\$ (346,666)	\$ 284,841,577

November 30, 2025

Note 5 - Capital Assets (Continued)

Business-type Activities

	Balance December 1, 2024	Reclassifications	Additions	Disposals and Adjustments	Balance November 30, 2025
Capital assets not being depreciated:					
Land	\$ 5,164,436	\$ -	\$ -	\$ -	\$ 5,164,436
Construction in progress	9,706,484	(14,116,180)	6,233,378	-	1,823,682
Subtotal	14,870,920	(14,116,180)	6,233,378	-	6,988,118
Capital assets being depreciated:					
Water and sewer distribution Buildings and building improvements	187,819,433	12,462,035	920,679	-	201,202,147
Machinery and equipment	21,918,794	-	-	-	21,918,794
Vehicles	2,168,633	1,654,145	128,560	(159,429)	3,791,909
Land improvements	4,685,343	-	344,341	(86,490)	4,943,194
Subtotal	3,069,555	-	-	-	3,069,555
Subtotal	219,661,758	14,116,180	1,393,580	(245,919)	234,925,599
Accumulated depreciation:					
Water and sewer distribution Buildings and building improvements	98,433,393	-	3,426,116	-	101,859,509
Machinery and equipment	7,665,634	-	481,410	-	8,147,044
Vehicles	1,686,679	-	56,520	(143,942)	1,599,257
Land improvements	3,026,455	-	435,362	(92,135)	3,369,682
Subtotal	2,944,315	-	13,799	-	2,958,114
Subtotal	113,756,476	-	4,413,207	(236,077)	117,933,606
Net capital assets being depreciated	105,905,282	14,116,180	(3,019,627)	(9,842)	116,991,993
Net business-type activities capital assets	\$ 120,776,202	\$ -	\$ 3,213,751	\$ (9,842)	\$ 123,980,111

Capital asset activity for the City's component unit for the year ended November 30, 2025 was as follows:

Component Unit - Plymouth Road Development Authority

	Balance December 1, 2024	Reclassifications	Additions	Disposals and Adjustments	Balance November 30, 2025
Capital assets not being depreciated - Land	\$ 474,048	\$ -	\$ 321,143	\$ -	\$ 795,191
Capital assets being depreciated - Land improvements	12,195,788	-	-	-	12,195,788
Accumulated depreciation - Land improvements	12,078,553	-	30,724	-	12,109,277
Net capital assets being depreciated	117,235	-	(30,724)	-	86,511
Net capital assets	\$ 591,283	\$ -	\$ 290,419	\$ -	\$ 881,702

November 30, 2025

Note 5 - Capital Assets (Continued)

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

Governmental activities:		
General government	\$	653,828
Public safety		2,041,123
Public works		7,899,693
Recreation and culture		<u>2,413,993</u>
Total governmental activities	\$	<u><u>13,008,637</u></u>
Business-type activities:		
Water and Sewer	\$	4,116,622
Golf Course		28,830
Housing		<u>267,755</u>
Total business-type activities	\$	<u><u>4,413,207</u></u>

Construction Commitments

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

	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Street and sidewalk projects	\$ 16,976,643	\$ 1,257,618
Water, drain, and sewer projects	16,104,704	981,087
Senior center	21,238,093	4,267,517
Fire station improvements	<u>283,445</u>	<u>706,147</u>
Total	<u><u>\$ 54,602,885</u></u>	<u><u>\$ 7,212,369</u></u>

Note 6 - Interfund Receivables, Payables, and Transfers

The composition of interfund balances is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	VEBA	\$ 1,020,637
	Nonmajor governmental funds	<u>35,422</u>
	Total General Fund	1,056,059
Employees' Retirement System	General Fund	267,290
	Nonmajor governmental funds	118
	Water and Sewer Fund	<u>142</u>
	Total Employees' Retirement System	267,550
VEBA	Water and Sewer Fund	8,879
	Nonmajor governmental funds	<u>7,399</u>
	Total VEBA	16,278
Police and Fire Revised Retirement Plan	General Fund	<u>307,443</u>
	Total	<u><u>\$ 1,647,330</u></u>

November 30, 2025

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

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.

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	\$ 2,850,151
Nonmajor governmental funds	Nonmajor governmental funds	9,919,636
	Roads and Sidewalks Fund	7,500,000
	Senior Center Construction Fund	<u>2,000,000</u>
	Total nonmajor governmental funds	19,419,636
Golf Course Fund	Nonmajor governmental funds	<u>150,000</u>
	Total	<u>\$ 22,419,787</u>

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 transfer from the nonmajor governmental funds to the Senior Center Construction Fund was for capital improvements.

The transfer from 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.

November 30, 2025

Note 7 - Long-term Debt (Continued)

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

Governmental Activities

	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
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	\$ 175,000	\$ -	\$ (175,000)	\$ -	\$ -
2016 MBA Refunding Bonds:							
Amount of issue -							
\$6,180,000 Maturing through 2033	4.00%	\$305,000 - \$540,000	4,140,000	-	(390,000)	3,750,000	405,000
2017 MBA Refunding Bonds:							
Amount of issue -							
\$19,980,000 Maturing through 2030	3.00% - 5.00%	\$1,250,000 - \$1,945,000	10,375,000	-	(1,545,000)	8,830,000	1,600,000
Installment purchases			363,729	121,740	(139,080)	346,389	138,745
Unamortized bond premiums			1,338,229	-	(200,312)	1,137,917	200,310
Total bonds and contracts payable			16,391,958	121,740	(2,449,392)	14,064,306	2,344,055
Leases			537,529	-	(61,638)	475,891	63,149
General liability claims, workers' compensation, and health insurance claims (Note 9)			2,571,950	-	(432,516)	2,139,434	-
Compensated absences			11,101,722	-	(1,269,723)	9,831,999	957,609
Landfill closure and postclosure			737,491	17,096	-	754,587	-
Total governmental activities long-term debt			\$ 31,340,650	\$ 138,836	\$ (4,213,269)	\$ 27,266,217	\$ 3,364,813

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.

November 30, 2025

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		\$125,000 -					
Maturing through 2034	2.00%	\$220,000	\$ 1,870,730	\$ -	\$ (170,000)	\$ 1,700,730	\$ 175,000
2014 State of Michigan Drinking Water Program Revolving Loan:							
Amount of issue - \$3,552,013		\$145,000 -					
Maturing through 2036	2.00%	\$235,000	1,987,013	-	(180,000)	1,807,013	185,000
2015 State of Michigan Drinking Water Program Revolving Loan:							
Amount of issue - \$7,104,415		\$274,415 -					
Maturing through 2040	2.50%	\$570,000	3,877,894	-	(280,000)	3,597,894	290,000
2020 State of Michigan Drinking Water Program Revolving Loan:							
Amount of issue - \$9,160,000		\$375,000 -					
Maturing through 2040	2.00%	\$550,000	7,141,630	-	(380,500)	6,761,130	385,500
2021 State of Michigan Drinking Water Program Revolving Loan:							
Amount of issue - \$5,337,668		\$222,668 -					
Maturing through 2041	1.875%	\$315,000	4,176,889	-	(210,000)	3,966,889	215,000
2023 Water Supply and Wastewater System Revenue Bonds:							
Amount of issue - \$6,295,000		\$200,000 -					
Maturing through 2043	5.00% - 5.25%	\$480,000	6,095,000	-	(200,000)	5,895,000	210,000
Unamortized bond premiums			275,454	-	(14,497)	260,957	-
Total direct borrowings and direct placements principal outstanding			25,424,610	-	(1,434,997)	23,989,613	1,460,500
Compensated absences			636,702	-	(95,625)	541,077	59,233
Total business-type activities long-term debt			<u>\$ 26,061,312</u>	<u>\$ -</u>	<u>\$ (1,530,622)</u>	<u>\$ 24,530,690</u>	<u>\$ 1,519,733</u>

The changes in the compensated absences liabilities presented in the tables above reflect the net additions and reductions during the reporting period.

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 \$29.7 million. During the current year, net revenue of the system was \$12 million, compared to annual debt requirements of approximately \$2.1 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, 2025, approximately \$15,790,000 remains outstanding.

Debt Service Requirements to Maturity

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

Years Ending November 30	Governmental Activities			Business-type Activities		
	Other Debt			Direct Borrowings and Direct Placements		
	Principal	Interest	Total	Principal	Interest	Total
2026	\$ 2,143,745	\$ 535,400	\$ 2,679,145	\$ 1,460,500	\$ 669,239	\$ 2,129,739
2027	2,243,020	459,743	2,702,763	1,490,500	631,510	2,122,010
2028	2,233,485	346,751	2,580,236	1,530,500	592,782	2,123,282
2029	2,336,139	235,788	2,571,927	1,560,500	552,897	2,113,397
2030	2,420,000	120,125	2,540,125	1,615,500	511,999	2,127,499
2031-2035	1,550,000	94,800	1,644,800	8,292,744	1,903,123	10,195,867
2036-2040	-	-	-	6,111,524	915,233	7,026,757
2041-2043	-	-	-	1,666,888	152,210	1,819,098
Total	\$ 12,926,389	\$ 1,792,607	\$ 14,718,996	\$ 23,728,656	\$ 5,928,993	\$ 29,657,649

Bond Refunding

In previous years, the City defeased certain bonds by completing an advance refunding. As of November 30, 2025, there is still \$7,985,000 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, 2025, the City set aside \$2,390,702 of cash and cash equivalents to comply with these requirements. Additionally, the Water and Sewer Fund held \$113,927 of unspent bond proceeds as of November 30, 2025 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	
	2025	2024	2025	2024	2025	2024
Estimated liability - Beginning of year	\$ 794,869	\$ 1,126,328	\$ 1,012,703	\$ 844,192	\$ 764,378	\$ 638,690
Estimated claims incurred, including changes in estimates	1,481,470	877,342	284,363	823,841	12,993,585	11,749,907
Claim payments	(1,391,752)	(1,208,801)	(532,342)	(655,330)	(13,267,840)	(11,624,219)
Estimated liability - End of year	<u>\$ 884,587</u>	<u>\$ 794,869</u>	<u>\$ 764,724</u>	<u>\$ 1,012,703</u>	<u>\$ 490,123</u>	<u>\$ 764,378</u>

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 \$3,371,349 during the current year, and employees contributed \$1,310,026.

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.

November 30, 2025

Note 11 - Pension Plans (Continued)

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

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

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, 2025	November 30, 2025
Inactive plan members or beneficiaries currently receiving benefits	524	4
Inactive plan members entitled to but not yet receiving benefits	2	36
Active plan members	3	167
Total employees covered by the plan	<u>529</u>	<u>207</u>

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, 2025, 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.

November 30, 2025

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.

	<u>City of Livonia Employees' Retirement System</u>	<u>City of Livonia Police and Fire Revised Retirement Plan</u>
Measurement date used for the City NPL	November 30, 2025	November 30, 2025
Based on a comprehensive actuarial valuation as of	November 30, 2025	November 30, 2025

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

City of Livonia Employees' Retirement System

<u>Changes in Net Pension Liability</u>	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability</u>	<u>Plan Net Position</u>	<u>Net Pension Liability</u>
Balance at November 30, 2024	\$ 228,455,535	\$ 218,306,752	\$ 10,148,783
Changes for the year:			
Service cost	88,468	-	88,468
Interest	15,275,937	-	15,275,937
Differences between expected and actual experience	209,434	-	209,434
Contributions - Employer	-	3,182,220	(3,182,220)
Contributions - Employee	-	32,439	(32,439)
Net investment income	-	15,586,106	(15,586,106)
Benefit payments, including refunds	(20,632,669)	(20,632,669)	-
Administrative expenses	-	(244,522)	244,522
Net changes	<u>(5,058,830)</u>	<u>(2,076,426)</u>	<u>(2,982,404)</u>
Balance at November 30, 2025	<u>\$ 223,396,705</u>	<u>\$ 216,230,326</u>	<u>\$ 7,166,379</u>

The plan's fiduciary net position represents 96.79 percent of the total pension liability.

November 30, 2025

Note 11 - Pension Plans (Continued)

City of Livonia Police and Fire Revised Retirement Plan

Changes in Net Pension Liability (Asset)	Increase (Decrease)		
	Total Pension Liability	Plan Net Position	Net Pension Liability (Asset)
Balance at November 30, 2024	\$ 14,051,064	\$ 13,527,336	\$ 523,728
Changes for the year:			
Service cost	3,408,747	-	3,408,747
Interest	1,211,908	-	1,211,908
Differences between expected and actual experience	(189,079)	-	(189,079)
Contributions - Employer	-	2,669,665	(2,669,665)
Contributions - Employee	-	1,214,437	(1,214,437)
Net investment income	-	1,195,996	(1,195,996)
Benefit payments, including refunds	(293,693)	(293,693)	-
Administrative expenses	-	(56,107)	56,107
Net changes	4,137,883	4,730,298	(592,415)
Balance at November 30, 2025	<u>\$ 18,188,947</u>	<u>\$ 18,257,634</u>	<u>\$ (68,687)</u>

The plan's fiduciary net position represents 100.38 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, 2025, the City recognized pension cost recovery of \$953,637 for the System and pension expense of \$2,383,818 for the Police and Fire Revised Retirement Plan.

At November 30, 2025, 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	\$ 1,729,523	\$ 171,890
Net difference between projected and actual earnings on pension plan investments	-	8,555,039
Total	<u>\$ 1,729,523</u>	<u>\$ 8,726,929</u>

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

Years Ending November 30	Amount
2026	\$ 2,286,456
2027	(5,194,010)
2028	(4,984,079)
2029	(40,357)
2030	155,763
Thereafter	778,821
Total	<u>\$ (6,997,406)</u>

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, 2025 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	5.80 %	5.80 %
Domestic large-cap growth stocks	6.10	6.10
Domestic small-cap value/core stocks	5.90	5.90
International stocks	4.90	4.90
U.S. core fixed income	1.30	1.30
Global fixed income	1.20	-
High-yield fixed income	3.00	3.00
Bank loans	3.00	-
Real estate (direct)	4.20	-
Real estate investment trusts	3.50	-
Global balanced strategy	-	5.13

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

The following presents the net pension liabilities (assets) 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	\$ 28,349,595	\$ 7,166,379	\$ (10,841,117)
Net pension liability (asset) of the City of Livonia Police and Fire Revised Retirement Plan	3,128,358	(68,687)	(2,646,762)

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.

November 30, 2025

Note 11 - Pension Plans (Continued)

The following was the adopted asset allocation policy of both pension plans as of November 30, 2025:

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, 2025, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 7.64 percent for the Employees' Retirement System and 8.10 percent for the Police and Fire Revised Retirement Plan. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Note 12 - Pension Plan Reserves

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

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

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

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

The balances of the reserve accounts at November 30, 2025 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	\$ 193,526,659	\$ 193,526,659	\$ 1,439,518	\$ 1,439,518
Pension savings fund	451,300	451,300	4,715,756	4,715,756
Pension accumulation fund	-	22,252,367	-	12,102,360

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, 2025
Inactive plan members or beneficiaries currently receiving benefits	678
Inactive plan members entitled to but not yet receiving benefits	33
Active plan members	<u>464</u>
Total plan members	<u><u>1,175</u></u>

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, 2025, the City's average contribution rate was 6.5 percent of covered-employee payroll. Plan members were required to make a contribution of 2 percent beginning on December 1, 2006.

November 30, 2025

Note 13 - Other Postemployment Benefit Plan (Continued)

Net OPEB Asset

The City has chosen to use the November 30 measurement date as its measurement date for the net OPEB asset. The November 30, 2025 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, 2025 measurement date. The November 30, 2025 measurement date total OPEB liability was determined by an actuarial valuation performed as of that date.

Changes in the City's share of the net OPEB asset during the measurement year were as follows:

Changes in Net OPEB Asset	Increase (Decrease)		
	Total OPEB Liability	Plan Net Position	Net OPEB Asset
Balance at November 30, 2024	\$ 140,544,177	\$ 147,496,783	\$ (6,952,606)
Changes for the year:			
Service cost	956,647	-	956,647
Interest	9,574,702	-	9,574,702
Changes in benefits	1,235,714	-	1,235,714
Differences between expected and actual experience	(4,058,372)	-	(4,058,372)
Changes in assumptions	10,794,208	-	10,794,208
Contributions - Employer	-	2,236,253	(2,236,253)
Contributions - Employee	-	261,987	(261,987)
Net investment income	-	11,522,245	(11,522,245)
Benefit payments, including refunds	(9,601,132)	(9,601,132)	-
Administrative expenses	-	(41,548)	41,548
Net changes	8,901,767	4,377,805	4,523,962
Balance at November 30, 2025	<u>\$ 149,445,944</u>	<u>\$ 151,874,588</u>	<u>\$ (2,428,644)</u>

The plan's fiduciary net position represents 101.6 percent of the total OPEB liability.

At November 30, 2025, the City reported an asset of \$2,428,644 for its proportionate share of the net OPEB asset.

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

For the year ended November 30, 2025, the City recognized OPEB expense of \$3,554,713.

At November 30, 2025, 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	\$ 6,703,075	\$ 2,705,581
Changes in assumptions	7,716,030	1,538
Net difference between projected and actual earnings on OPEB plan investments	-	7,397,843
Total	<u>\$ 14,419,105</u>	<u>\$ 10,104,962</u>

Note 13 - Other Postemployment Benefit Plan (Continued)

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

Years Ending November 30	Amount
2026	\$ 7,301,204
2027	739,335
2028	(3,439,258)
2029	(287,138)
Total	<u>\$ 4,314,143</u>

Actuarial Assumptions

The total OPEB liability in the November 30, 2025 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 8.50 percent for pre-65 ages and 7.00 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, 2025 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.

Investment Rate of Return

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

Asset Class	Long-term Expected Real Rate of Return
Domestic large-cap value stocks	5.80 %
Domestic large-cap growth stocks	6.10
Domestic small-cap value/core	5.90
International stocks	4.90
U.S. core fixed income	1.30
Global fixed income	1.20
High-yield fixed income	3.00
Real estate (direct)	4.20
Real estate investment trusts	3.50

Note 13 - Other Postemployment Benefit Plan (Continued)

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)	\$ 13,438,631	\$ (2,428,644)	\$ (15,787,469)

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 8.5 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 (7.5% Pre-65 and 6.0% Post- 65, Decreasing to 3.5%)	Current Health Care Cost Trend Rate (8.5% Pre- 65 and 7.0% Post-65, Decreasing to 4.5%)	1 Percentage Point Increase (9.5% Pre-65 and 8.0% Post- 65, Decreasing to 5.5%)
Net OPEB (asset) liability	\$ (16,071,263)	\$ (2,428,644)	\$ 13,711,629

Assumption Changes

Health care trend rates for pre-65 ages have been reset to an initial rate of 8.5 percent decreasing by 0.25 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 7.00 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 7.5 percent decreasing by 0.5 percent annually to an ultimate rate of 4.5 percent for pre-65 ages and an initial rate of 6.5 percent decreasing by 0.25 percent annually to an ultimate rate of 4.5 percent for post-65 ages in 2024.

Benefit Changes

Retiree life insurance was added for some groups which resulted in a slight increase in liabilities.

November 30, 2025

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, 2025:

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, 2025, the annual money-weighted rate of return on OPEB plan investments, net of OPEB plan investment expense, was 8.08 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	\$ 216,081,363	\$ 17,985,845	\$ 152,993,015
Other assets	364,714	307,443	16,278
Liabilities	215,751	35,654	1,134,705
Net position	<u>\$ 216,230,326</u>	<u>\$ 18,257,634</u>	<u>\$ 151,874,588</u>
Statement of Changes in Net Position			
Investment income	\$ 15,586,106	\$ 1,195,996	\$ 11,522,245
Contributions	3,214,659	3,884,102	2,498,240
Benefit payments	(20,632,669)	(293,693)	(9,601,132)
Other decreases	(244,522)	(56,107)	(41,548)
Net change in net position	<u>\$ (2,076,426)</u>	<u>\$ 4,730,298</u>	<u>\$ 4,377,805</u>

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, 2025, the City abated \$500,265 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, 2025, the City abated \$90,902 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, 2025, the Brownfield Redevelopment Authority abated \$411,741 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	\$ 3,629,826
State sources - Unavailable	856,558
911 surcharge revenue - Unavailable	184,064
Local Community Stabilization Authority - Unavailable	2,943,732
Grant revenue - Unavailable	590,236
Leases	<u>2,979,449</u>
Total deferred inflows	<u><u>\$ 11,183,865</u></u>

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, 2025 are as follows:

Years Ending	Principal	Interest	Total
2026	\$ 63,149	\$ 11,659	\$ 74,808
2027	64,696	10,112	74,808
2028	66,281	8,527	74,808
2029	67,905	6,903	74,808
2030	69,568	5,240	74,808
2031-2032	<u>144,292</u>	<u>5,324</u>	<u>149,616</u>
Total	<u><u>\$ 475,891</u></u>	<u><u>\$ 47,765</u></u>	<u><u>\$ 523,656</u></u>

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, 2025, the City recognized the following related to its lessor agreements:

Lease revenue	\$	570,658
Interest income related to its leases		73,795

Required Supplementary Information

Required Supplementary Information
Budgetary Comparison Schedule – General Fund

Year Ended November 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenue				
Property Taxes	\$ 42,479,021	\$ 42,479,021	\$ 42,354,489	\$ (124,532)
Licenses and Permits				
Business	188,800	188,800	192,950	4,150
Nonbusiness	3,038,500	3,038,500	3,329,744	291,244
Total licenses and permits	3,227,300	3,227,300	3,522,694	295,394
Intergovernmental Revenue				
State and local	14,032,749	14,032,749	14,236,973	204,224
Grants	170,430	170,430	351,557	181,127
Total intergovernmental revenue	14,203,179	14,203,179	14,588,530	385,351
Charges for Services	5,681,294	5,681,294	5,952,843	271,549
Interest and Rents	3,749,574	3,749,574	3,882,262	132,688
Fines and Forfeitures	3,517,386	3,517,386	3,589,553	72,167
Miscellaneous Revenue				
Sale of fixed assets	100,000	100,000	146,501	46,501
Other miscellaneous	2,009,198	2,009,198	1,166,496	(842,702)
Total miscellaneous revenue	2,109,198	2,109,198	1,312,997	(796,201)
Total revenue	\$ 74,966,952	\$ 74,966,952	\$ 75,203,368	\$ 236,416
Expenditures				
General Government				
Legislative:				
City Council	\$ 309,289	\$ 309,289	\$ 298,065	\$ 11,224
City Clerk	647,053	647,053	551,415	95,638
Elections	528,734	528,734	462,443	66,291
Total legislative	1,485,076	1,485,076	1,311,923	173,153
Judicial	3,401,357	3,401,357	3,355,513	45,844
Executive - Mayor's office	606,896	606,896	558,890	48,006
Human resources:				
Labor relations	82,500	82,500	38,841	43,659
Civil service	995,360	995,360	849,129	146,231
Total human resources	1,077,860	1,077,860	887,970	189,890

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

Year Ended November 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget
Expenditures (Continued)				
General Government (Continued)				
Financial administration:				
Accounting	\$ 314,671	\$ 359,671	\$ 318,551	\$ 41,120
Assessing	735,315	735,315	719,500	15,815
Finance	552,058	552,058	570,881	(18,823)
Independent audit	60,239	60,239	74,755	(14,516)
Board of review	3,545	3,545	2,993	552
Treasurer	687,898	687,898	631,079	56,819
Information systems	<u>1,459,651</u>	<u>1,384,843</u>	<u>1,370,806</u>	<u>14,037</u>
Total financial administration	3,813,377	3,783,569	3,688,565	95,004
Other activities:				
Legal	926,919	926,919	907,919	19,000
Communications	434,555	434,555	446,795	(12,240)
Government affairs	131,958	131,958	127,291	4,667
Utilities and supplies	565,859	565,859	516,532	49,327
Dues and subscriptions	<u>58,000</u>	<u>58,000</u>	<u>56,112</u>	<u>1,888</u>
Total other activities	<u>2,117,291</u>	<u>2,117,291</u>	<u>2,054,649</u>	<u>62,642</u>
Total general government	12,501,857	12,472,049	11,857,510	614,539
Public Safety				
Police:				
Traffic bureau	1,345,440	1,336,968	1,246,816	90,152
Administration	3,050,501	3,100,610	2,960,339	140,271
Data processing	1,036,393	1,029,579	948,483	81,096
Detective bureau	3,595,720	3,595,720	3,655,504	(59,784)
Automotive service	621,150	624,150	700,913	(76,763)
Communications/Records bureau	1,022,504	1,022,504	825,313	197,191
Crossing guards	81,488	81,488	67,950	13,538
School liaison	614,391	614,391	607,945	6,446
Office of emergency preparedness	184,426	184,426	170,793	13,633
Reserve police	414,841	414,841	478,061	(63,220)
Patrol bureau	15,880,439	15,883,637	14,574,050	1,309,587
Intelligence bureau	<u>2,959,418</u>	<u>2,918,397</u>	<u>2,725,401</u>	<u>192,996</u>
Total police	30,806,711	30,806,711	28,961,568	1,845,143
Fire:				
Administration	1,492,377	1,497,877	1,473,321	24,556
Firefighting	14,343,701	14,620,149	14,521,293	98,856
Fire prevention	<u>841,227</u>	<u>841,227</u>	<u>890,757</u>	<u>(49,530)</u>
Total fire	16,677,305	16,959,253	16,885,371	73,882

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

Year Ended November 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget
Expenditures (Continued)				
Public Safety (Continued)				
Protective inspection:				
Building Code Board of Appeals	\$ 3,361	\$ 3,361	\$ 535	\$ 2,826
Inspection	1,866,838	1,866,838	1,682,003	184,835
Total protective inspection	1,870,199	1,870,199	1,682,538	187,661
Other protective - Traffic commission	2,353	2,353	1,599	754
Total public safety	49,356,568	49,638,516	47,531,076	2,107,440
Public Works				
Public services - Highways, streets, and maintenance:				
Engineering	828	828	31,868	(31,040)
Parks maintenance	1,908,406	1,908,406	1,154,048	754,358
Administration	58,700	64,700	8,722	55,978
Equipment maintenance	165,687	165,687	51,680	114,007
Building maintenance	1,915,979	1,915,979	2,451,565	(535,586)
Street lighting	280,467	280,467	271,933	8,534
Maintenance - Streets	199,566	193,566	559,251	(365,685)
Total public works	4,529,633	4,529,633	4,529,067	566
Parks and Recreation and Cultural				
Parks and recreation:				
Administration	345,656	340,656	312,250	28,406
Recreation facilities	55,700	81,812	77,607	4,205
Recreation athletics	212,592	212,992	198,451	14,541
Total parks and recreation	613,948	635,460	588,308	47,152
Cultural:				
Senior services	590,713	590,213	605,406	(15,193)
Greenmead and cultural	1,145,144	1,145,644	980,331	165,313
Total cultural	1,735,857	1,735,857	1,585,737	150,120
Total parks and recreation and cultural	2,349,805	2,371,317	2,174,045	197,272
Community and Economic Development				
City Planning Commission	672,512	672,512	587,134	85,378
Zoning Board of Appeals	46,972	46,972	44,309	2,663
Total community and economic development	719,484	719,484	631,443	88,041
Employee Benefits, Insurance, and Other				
Total expenditures	\$ 74,883,776	\$ 76,157,428	\$ 73,149,361	\$ 3,008,067

City of Livonia, Michigan

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

Year Ended November 30, 2025

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance with Amended Budget</u>
Revenue				
Property taxes	\$ 12,656,820	\$ 12,656,820	\$ 12,632,657	\$ (24,163)
State and local revenue	1,500,000	1,500,000	1,489,993	(10,007)
Charges for services	195,000	195,000	116,499	(78,501)
Investment income	675,000	675,000	452,702	(222,298)
Total revenue	15,026,820	15,026,820	14,691,851	(334,969)
Expenditures - Current services - Public works	17,478,150	18,810,449	17,647,210	1,163,239
Net Change in Fund Balance	(2,451,330)	(3,783,629)	(2,955,359)	828,270
Fund Balance - Beginning of year	7,262,013	7,262,013	7,262,013	-
Fund Balance - End of year	<u><u>\$ 4,810,683</u></u>	<u><u>\$ 3,478,384</u></u>	<u><u>\$ 4,306,654</u></u>	<u><u>\$ 828,270</u></u>

City of Livonia, Michigan

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

Year Ended November 30, 2025

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance with Amended Budget</u>
Revenue				
Property taxes	\$ 4,665,083	\$ 4,665,083	\$ 4,657,350	\$ (7,733)
State and local revenue	545,000	545,000	546,195	1,195
Investment income	300,000	300,000	214,951	(85,049)
Other revenue - Transfers in	7,500,000	7,500,000	7,500,000	-
Total revenue	13,010,083	13,010,083	12,918,496	(91,587)
Expenditures - Current services - Public works	13,535,392	14,045,742	13,472,454	573,288
Net Change in Fund Balance	(525,309)	(1,035,659)	(553,958)	481,701
Fund Balance - Beginning of year	2,122,799	2,122,799	2,122,799	-
Fund Balance - End of year	<u>\$ 1,597,490</u>	<u>\$ 1,087,140</u>	<u>\$ 1,568,841</u>	<u>\$ 481,701</u>

City of Livonia, Michigan

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

**Last Ten Fiscal Years
Years Ended November 30**

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Annual money-weighted rate of return - Net of investment expense	7.64 %	18.09 %	10.02 %	(9.16)%	17.81 %	10.27 %	(12.45)%	(1.66)%	17.45 %	6.50 %

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

Last Ten Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total Pension Liability										
Service cost	\$ 88,468	\$ 191,077	\$ 399,577	\$ 588,570	\$ 997,853	\$ 908,315	\$ 1,645,242	\$ 1,655,509	\$ 1,721,106	\$ 1,644,915
Interest	15,275,937	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
Changes in benefit terms	-	-	-	-	-	-	-	110,794	-	526,875
Differences between expected and actual experience	209,434	136,452	2,026,080	1,511,595	1,562,337	2,210,334	(11,621,805)	990,792	(235,377)	3,014,188
Changes in assumptions	-	-	2,060,266	2,070,007	1,371,992	2,035,532	8,335,763	14,813,206	9,009,758	-
Benefit payments, including refunds	(20,632,669)	(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)
Net Change in Total Pension Liability	(5,058,830)	(4,726,178)	(340,938)	177,736	530,882	2,106,886	(4,261,333)	15,532,990	8,656,343	3,341,131
Total Pension Liability - Beginning 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
Total Pension Liability - End of year	\$ 223,396,705	\$ 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
Plan Fiduciary Net Position										
Contributions - Employer	\$ 3,182,220	\$ 2,641,687	\$ 1,786,885	\$ 2,393,141	\$ 1,948,485	\$ 1,019,900	\$ 432,885	\$ 558,568	\$ 336,320	\$ 815,291
Contributions - Member	32,439	53,577	98,073	142,482	175,358	212,251	273,901	308,076	345,164	380,988
Net investment income (loss)	15,586,106	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
Administrative expenses	(244,522)	(227,657)	(245,479)	(282,819)	(255,672)	(232,019)	(247,666)	(230,600)	(210,695)	(216,924)
Benefit payments, including refunds	(20,632,669)	(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)
Net Change in Plan Fiduciary Net Position	(2,076,426)	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)
Plan Fiduciary Net Position - Beginning 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
Plan Fiduciary Net Position - End of year	\$ 216,230,326	\$ 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
City's Net Pension Liability (Asset) - Ending	\$ 7,166,379	\$ 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)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	96.79 %	95.56 %	85.64 %	87.32 %	103.64 %	95.62 %	94.88 %	90.30 %	105.30 %	101.40 %
Covered Payroll	\$ 374,357	\$ 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
City's Net Pension Liability (Asset) as a Percentage of Covered Payroll	1,914.32 %	1,273.35 %	2,738.33 %	1,173.84 %	(257.17)%	255.29 %	257.79 %	353.66 %	(173.89)%	(38.63)%

See notes to required supplementary information.

Required Supplementary Information
 Schedule of Pension Contributions
 Employees' Retirement System

Last Ten Fiscal Years
 Years Ended November 30

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially determined contribution	\$ 3,182,220	\$ 2,641,687	\$ 1,786,885	\$ 2,393,141	\$ 1,948,485	\$ 1,019,901	\$ 432,885	\$ -	\$ 336,320	\$ 815,291
Contributions in relation to the actuarially determined contribution	3,182,220	2,641,687	1,786,885	2,393,141	1,948,485	1,019,901	432,885	558,568	336,320	815,291
Contribution Excess	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 558,568	\$ -	\$ -
Covered Payroll	\$ 374,357	\$ 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
Contributions as a Percentage of Covered Payroll	850.05 %	331.45 %	146.14 %	94.86 %	58.99 %	25.51 %	9.45 %	8.66 %	5.03 %	10.69 %

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	12 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-2021

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

**Last Five Fiscal Years
Years Ended November 30**

	2025	2024	2023	2022	2021
Annual money-weighted rate of return - Net of investment expense	8.10 %	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-weighted rate of return, as the plan was funded days before the end of the fiscal year.

City of Livonia, Michigan

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

	Last Five Fiscal Years				
	2025	2024	2023	2022	2021
Total Pension Liability					
Service cost	\$ 3,408,747	\$ 3,131,602	\$ 3,011,099	\$ 2,565,868	\$ 1,698,114
Interest	1,211,908	850,758	546,096	298,171	-
Differences between expected and actual experience	(189,079)	1,127,231	782,190	263,871	-
Benefit payments, including refunds	(293,693)	(161,213)	(53,933)	(8,790)	-
Net Change in Total Pension Liability	4,137,883	4,948,378	4,285,452	3,119,120	1,698,114
Total Pension Liability - Beginning of year	14,051,064	9,102,686	4,817,234	1,698,114	-
Total Pension Liability - End of year	<u>\$ 18,188,947</u>	<u>\$ 14,051,064</u>	<u>\$ 9,102,686</u>	<u>\$ 4,817,234</u>	<u>\$ 1,698,114</u>
Plan Fiduciary Net Position					
Contributions - Employer	\$ 2,669,665	\$ 2,456,356	\$ 2,585,480	\$ 1,756,383	\$ 1,037,028
Contributions - Member	1,214,437	1,117,292	1,019,243	935,795	936,427
Net investment income (loss)	1,195,996	1,947,611	420,908	(329,449)	-
Administrative expenses	(56,107)	(43,949)	(53,933)	(27,554)	(7,300)
Benefit payments, including refunds	(293,693)	(161,213)	(52,999)	(8,790)	-
Net Change in Plan Fiduciary Net Position	4,730,298	5,316,097	3,918,699	2,326,385	1,966,155
Plan Fiduciary Net Position - Beginning of year	13,527,336	8,211,239	4,292,540	1,966,155	-
Plan Fiduciary Net Position - End of year	<u>\$ 18,257,634</u>	<u>\$ 13,527,336</u>	<u>\$ 8,211,239</u>	<u>\$ 4,292,540</u>	<u>\$ 1,966,155</u>
City's Net Pension (Asset) Liability - Ending	<u>\$ (68,687)</u>	<u>\$ 523,728</u>	<u>\$ 891,447</u>	<u>\$ 524,694</u>	<u>\$ (268,041)</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	100.38 %	96.27 %	90.21 %	89.11 %	115.78 %
Covered Payroll	\$ 15,101,354	\$ 14,293,161	\$ 12,988,303	\$ 12,593,492	\$ 6,715,276
City's Net Pension (Asset) Liability as a Percentage of Covered Payroll	(0.45)%	3.66 %	6.86 %	4.17 %	(3.99)%

*Schedule is built prospectively upon creation of the plan.

Required Supplementary Information
Schedule of OPEB Investment Returns

**Last Nine Fiscal Years
Years Ended November 30**

	2025	2024	2023	2022	2021	2020	2019	2018	2017
Annual money-weighted rate of return - Net of investment expense	8.08 %	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.

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

Last Nine Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability									
Service cost	\$ 956,647	\$ 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	9,574,702	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	1,235,714	-	-	(106,680,323)	5,428,511	-	-	-	-
Differences between expected and actual experience	(4,058,372)	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	10,794,208	(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	(9,601,132)	(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	8,901,767	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	140,544,177	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	\$ 149,445,944	\$ 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	\$ 2,236,253	\$ 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	261,987	290,663	312,925	347,962	375,139	389,287	426,231	473,346	484,737
Net investment income (loss)	11,522,245	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	(41,548)	(47,539)	(43,325)	(51,099)	(53,730)	(49,673)	(48,875)	(58,229)	(35,971)
Benefit payments, including refunds	(9,601,132)	(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	4,377,805	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	147,496,783	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	\$ 151,874,588	\$ 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	\$ (2,428,644)	\$ (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	101.63 %	104.95 %	98.27 %	101.27 %	67.67 %	59.15 %	54.71 %	36.74 %	45.75 %
Covered Payroll	\$ 34,517,814	\$ 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	(7.04)%	(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.

Required Supplementary Information
Schedule of OPEB Contributions

Last Ten Fiscal Years
Years Ended November 30

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially determined contribution	\$ 1,267,459	\$ 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
Contributions in relation to the actuarially determined contribution	2,236,253	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
Contribution Excess (Deficiency)	\$ 968,794	\$ 2,857,130	\$ (2,085,172)	\$ 395,117	\$ 2,278,093	\$ 2,079,345	\$ 870,375	\$ 481,017	\$ 570,448	\$ (442,376)
Covered Payroll	\$ 34,517,814	\$ 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
Contributions as a Percentage of Covered Payroll	6.48 %	11.87 %	11.47 %	9.96 %	14.31 %	14.51 %	13.77 %	12.20 %	14.65 %	14.86 %

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	22 years
Asset valuation method	Market value
Inflation	3.0 percent
Health care cost trend rates	8.5 percent, decreasing to 4.5 percent
Salary increase	3.65 percent
Investment rate of return	7.00 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	\$ 75,203,368	\$ 70,299,210
Operating transfers budgeted as expenditures	-	2,850,151
	\$ 75,203,368	\$ 73,149,361

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 balances:

	Total Revenue	Total Expenditures
Amounts per operating statement	\$ 5,418,496	\$ 13,472,454
Operating transfers budgeted as revenue	7,500,000	-
	\$ 12,918,496	\$ 13,472,454

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 2025, health care trend rates for pre-65 ages have been reset to an initial rate of 8.5 percent decreasing by 0.25 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 7.00 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 7.5 percent decreasing by 0.5 percent annually to an ultimate rate of 4.5 percent for pre-65 ages and an initial rate of 6.5 percent decreasing by 0.25 percent annually to an ultimate rate of 4.5 percent for post-65 ages in 2024.

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.

November 30, 2025

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

City of Livonia, Michigan

Special Revenue Funds

	Major Streets	Local Streets	Community Recreation	Grants	SAD Street Lighting	Cable Television	Library	Public Safety Communication
Assets								
Cash and investments	\$ 1,672,091	\$ 1,627,568	\$ 5,460,483	\$ -	\$ 940,827	\$ 88,243	\$ 8,239,018	\$ 3,402,966
Accounts receivable:								
Property taxes	-	-	7,752	-	-	-	7,982	-
Special assessments	-	-	-	-	-	-	-	-
Due from other governmental units	1,246,628	465,984	192,008	451,667	-	-	173,689	-
Other	6,994	-	111,755	142,072	-	-	2,295	184,064
Lease receivable	-	-	35,942	-	-	-	-	-
Prepaid expenses	-	-	-	1,260	-	-	-	-
Total assets	\$ 2,925,713	\$ 2,093,552	\$ 5,807,940	\$ 594,999	\$ 940,827	\$ 88,243	\$ 8,422,984	\$ 3,587,030
Liabilities								
Accounts payable	\$ 20,361	\$ -	\$ 390,849	\$ 74,557	\$ -	\$ 3,024	\$ 130,243	\$ 11
Due to other funds	-	-	-	35,422	-	-	-	-
Accrued and other liabilities	-	-	93,537	16,987	-	15,001	130,567	27,197
Unearned revenue	-	-	663,602	6,022	-	-	-	-
Due to fiduciary funds	-	-	-	-	-	-	7,517	-
Total liabilities	20,361	-	1,147,988	132,988	-	18,025	268,327	27,208
Deferred Inflows of Resources								
Unavailable revenue	-	-	276,331	166,063	-	-	181,107	184,064
Leases	-	-	29,602	-	-	-	-	-
Total deferred inflows of resources	-	-	305,933	166,063	-	-	181,107	184,064
Total liabilities and deferred inflows of resources	20,361	-	1,453,921	299,051	-	18,025	449,434	211,272
Fund Balances								
Nonspendable	-	-	-	1,260	-	-	-	-
Restricted:								
Streets, roads, and sidewalks	2,905,352	2,093,552	-	-	-	-	-	-
Adjudicated forfeitures	-	-	-	-	-	-	-	-
Parks capital projects	-	-	-	-	-	-	-	-
Grants	-	-	-	294,688	-	-	-	-
Capital improvements	-	-	-	-	-	-	-	-
Community recreation	-	-	4,354,019	-	-	-	-	-
Street lighting	-	-	-	-	940,827	-	-	-
Library	-	-	-	-	-	-	7,973,550	-
Public safety communication	-	-	-	-	-	-	-	3,375,758
Community transit	-	-	-	-	-	-	-	-
Designated purpose	-	-	-	-	-	-	-	-
Health care	-	-	-	-	-	-	-	-
Committed:								
Cable access television	-	-	-	-	-	70,218	-	-
Arts Commission	-	-	-	-	-	-	-	-
Historical Commission	-	-	-	-	-	-	-	-
Assigned:								
Golf course capital improvements	-	-	-	-	-	-	-	-
Building improvements	-	-	-	-	-	-	-	-
Court building improvements	-	-	-	-	-	-	-	-
Total fund balances	2,905,352	2,093,552	4,354,019	295,948	940,827	70,218	7,973,550	3,375,758
Total liabilities, deferred inflows of resources, and fund balances	\$ 2,925,713	\$ 2,093,552	\$ 5,807,940	\$ 594,999	\$ 940,827	\$ 88,243	\$ 8,422,984	\$ 3,587,030

Supplementary Information
Combining Balance Sheet
Nonmajor Governmental Funds

November 30, 2025

Special Revenue Funds						Debt Service Funds			Capital Projects Funds
Adjudicated Forfeitures	Community Transit	Designated Purpose	Historical Commission	Arts Commission	Opioid Settlement	2015 MBA Refunding	2016 MBA Refunding	2017 MBA Refunding	Golf Course Capital Improvement
\$ 3,161,511	\$ 840,908	\$ 973,824	\$ 617,779	\$ 78,165	\$ 815,378	\$ -	\$ -	\$ -	\$ 1,001,881
-	4,933	-	-	-	-	-	-	-	-
-	107,354	-	-	-	-	-	-	-	-
6,325	155,416	-	-	-	1,360,020	-	-	-	-
-	-	-	-	-	-	-	-	-	-
\$ 3,167,836	\$ 1,108,611	\$ 973,824	\$ 617,779	\$ 78,165	\$ 2,175,398	\$ -	\$ -	\$ -	\$ 1,001,881
\$ 7,084	\$ 2,102	\$ 7,302	\$ 889	\$ 1,766	\$ 9,046	\$ -	\$ -	\$ -	\$ 143,035
-	24,299	354,699	35,953	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
7,084	26,401	362,001	36,842	1,766	9,046	-	-	-	143,035
-	167,681	-	-	-	1,360,019	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	167,681	-	-	-	1,360,019	-	-	-	-
7,084	194,082	362,001	36,842	1,766	1,369,065	-	-	-	143,035
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
3,160,752	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	914,529	-	-	-	-	-	-	-	-
-	-	611,823	-	-	-	-	-	-	-
-	-	-	-	-	806,333	-	-	-	-
-	-	-	-	76,399	-	-	-	-	-
-	-	-	580,937	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	858,846
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
3,160,752	914,529	611,823	580,937	76,399	806,333	-	-	-	858,846
\$ 3,167,836	\$ 1,108,611	\$ 973,824	\$ 617,779	\$ 78,165	\$ 2,175,398	\$ -	\$ -	\$ -	\$ 1,001,881

Supplementary Information
Combining Balance Sheet
Nonmajor Governmental Funds

November 30, 2025

Capital Projects Funds						
Capital Improvement	Special Assessments	Court Building Improvements	Building Improvement	Formerly Nonmajor - Senior Center Construction Fund	Parks Capital Projects	Total Nonmajor Governmental Funds
\$ 9,048,082	\$ 1,537,000	\$ 322,941	\$ 10,787,705	\$ -	\$ 106,461	\$ 50,722,831
-	-	-	-	-	-	20,667
-	255,973	-	-	-	-	255,973
-	-	-	-	-	-	2,637,330
-	-	-	-	-	-	1,968,941
-	-	-	-	-	-	35,942
-	-	-	-	-	-	1,260
\$ 9,048,082	\$ 1,792,973	\$ 322,941	\$ 10,787,705	\$ -	\$ 106,461	\$ 55,642,944
\$ 249,766	\$ 154,251	\$ -	\$ 57,534	\$ -	\$ -	\$ 1,251,820
-	-	-	-	-	-	35,422
-	-	-	-	-	-	698,240
-	-	-	-	-	-	669,624
-	-	-	-	-	-	7,517
249,766	154,251	-	57,534	-	-	2,662,623
-	225,229	-	-	-	-	2,560,494
-	-	-	-	-	-	29,602
-	225,229	-	-	-	-	2,590,096
249,766	379,480	-	57,534	-	-	5,252,719
-	-	-	-	-	-	1,260
-	-	-	-	-	-	4,998,904
-	-	-	-	-	-	3,160,752
-	-	-	-	-	106,461	106,461
-	-	-	-	-	-	294,688
8,798,316	1,413,493	-	-	-	-	10,211,809
-	-	-	-	-	-	4,354,019
-	-	-	-	-	-	940,827
-	-	-	-	-	-	7,973,550
-	-	-	-	-	-	3,375,758
-	-	-	-	-	-	914,529
-	-	-	-	-	-	611,823
-	-	-	-	-	-	806,333
-	-	-	-	-	-	70,218
-	-	-	-	-	-	76,399
-	-	-	-	-	-	580,937
-	-	-	-	-	-	858,846
-	-	-	10,730,171	-	-	10,730,171
-	-	322,941	-	-	-	322,941
8,798,316	1,413,493	322,941	10,730,171	-	106,461	50,390,225
\$ 9,048,082	\$ 1,792,973	\$ 322,941	\$ 10,787,705	\$ -	\$ 106,461	\$ 55,642,944

City of Livonia, Michigan

Special Revenue Funds

	Major Streets	Local Streets	Community Recreation	Grants	SAD Street Lighting	Cable Television	Library	Public Safety Communication
Revenue								
Property taxes	\$ -	\$ -	\$ 4,113,722	\$ -	\$ -	\$ -	\$ 4,235,482	\$ -
Special assessments	-	-	-	-	1,110,826	-	-	-
Intergovernmental:								
Federal revenue	209,285	-	-	883,214	-	-	-	-
State and local revenue	9,597,845	3,650,038	498,901	654,901	-	-	596,917	-
Charges for services	-	-	4,680,893	-	-	-	19,617	436,197
Fines and forfeitures	-	-	-	-	-	-	8,003	-
Investment income	93,915	70,353	343,425	-	45,603	6,505	373,238	128,448
Other revenue	-	-	205,299	3,143	-	305,261	105,600	-
Total revenue	9,901,045	3,720,391	9,842,240	1,541,258	1,156,429	311,766	5,338,857	564,645
Expenditures								
Current services:								
Public safety	-	-	-	1,106,925	-	-	-	144,642
Public works	2,449,456	3,053,397	-	-	1,067,226	-	-	-
Community and economic development	-	-	-	838,060	-	-	-	-
Recreation and culture	-	-	7,410,449	-	-	509,284	4,452,403	-
Capital outlay	-	-	1,526,000	-	-	-	-	-
Debt service:								
Principal retirement	-	-	-	-	-	-	-	-
Interest and other	-	-	-	-	-	-	-	-
Total expenditures	2,449,456	3,053,397	8,936,449	1,944,985	1,067,226	509,284	4,452,403	144,642
Excess of Revenue Over (Under) Expenditures	7,451,589	666,994	905,791	(403,727)	89,203	(197,518)	886,454	420,003
Other Financing Sources (Uses)								
Transfers in	-	7,200,000	-	181,305	-	-	-	-
Transfers out	(7,200,000)	(7,500,000)	(2,171,336)	-	-	-	-	-
Leases entered into	-	-	-	121,740	-	-	-	-
Total other financing (uses) sources	(7,200,000)	(300,000)	(2,171,336)	303,045	-	-	-	-
Net Change in Fund Balances	251,589	366,994	(1,265,545)	(100,682)	89,203	(197,518)	886,454	420,003
Fund Balances - Beginning of year, as previously reported	2,653,763	1,726,558	5,619,564	396,630	851,624	267,736	7,087,096	2,955,755
Change within Financial Reporting Entity	-	-	-	-	-	-	-	-
Fund Balances - Beginning of year, as adjusted	2,653,763	1,726,558	5,619,564	396,630	851,624	267,736	7,087,096	2,955,755
Fund Balances - End of year	\$ 2,905,352	\$ 2,093,552	\$ 4,354,019	\$ 295,948	\$ 940,827	\$ 70,218	\$ 7,973,550	\$ 3,375,758

Supplementary Information
 Combining Statement of Revenue, Expenditures, and Changes in Fund Balances
 (Continued)

Year Ended November 30, 2025

Special Revenue Funds						Debt Service Funds			Capital Projects Funds
Adjudicated Forfeitures	Community Transit	Designated Purpose	Historical Commission	Arts Commission	Opioid Settlement	2015 MBA Refunding	2016 MBA Refunding	2017 MBA Refunding	Golf Course Capital Improvement
\$ -	\$ 192,412	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-	-
45,146	-	-	-	-	-	-	-	-	-
-	553,930	-	-	-	-	-	-	-	-
-	67,688	-	27,013	-	-	-	-	-	294,715
89,488	-	-	-	-	-	-	-	-	-
130,722	44,618	-	24,658	3,263	30,814	-	-	-	39,063
15,075	-	176,989	136,290	13,785	168,023	-	-	-	-
280,431	858,648	176,989	187,961	17,048	198,837	-	-	-	333,778
142,839	-	-	-	-	129,310	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	902,815	127,361	131,026	14,272	-	-	-	-	-
-	-	-	-	-	-	-	-	-	428,894
-	-	-	-	-	-	175,000	390,000	1,545,000	-
-	-	-	-	-	-	2,161	158,300	449,175	-
142,839	902,815	127,361	131,026	14,272	129,310	177,161	548,300	1,994,175	428,894
137,592	(44,167)	49,628	56,935	2,776	69,527	(177,161)	(548,300)	(1,994,175)	(95,116)
-	-	-	-	-	-	177,161	548,300	1,994,175	150,000
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	177,161	548,300	1,994,175	150,000
137,592	(44,167)	49,628	56,935	2,776	69,527	-	-	-	54,884
3,023,160	958,696	562,195	524,002	73,623	736,806	-	-	-	803,962
-	-	-	-	-	-	-	-	-	-
3,023,160	958,696	562,195	524,002	73,623	736,806	-	-	-	803,962
\$ 3,160,752	\$ 914,529	\$ 611,823	\$ 580,937	\$ 76,399	\$ 806,333	\$ -	\$ -	\$ -	\$ 858,846

Supplementary Information
Combining Statement of Revenue, Expenditures, and Changes in Fund Balances
(Continued)

Year Ended November 30, 2025

Capital Projects Funds						
Capital Improvement	Special Assessments	Court Building Improvements	Building Improvement	Formerly Nonmajor - Senior Center Construction Fund	Parks Capital Projects	Total Nonmajor Governmental Funds
\$ 2,428,263	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,969,879
-	284,405	-	-	-	-	1,395,231
-	-	-	-	-	-	1,137,645
-	-	-	-	-	-	15,552,532
-	-	-	-	-	-	5,526,123
-	-	480,074	-	-	-	577,565
433,142	76,869	11,702	508,828	-	961	2,366,127
-	-	-	-	-	105,500	1,234,965
<u>2,861,405</u>	<u>361,274</u>	<u>491,776</u>	<u>508,828</u>	<u>-</u>	<u>106,461</u>	<u>38,760,067</u>
-	-	-	-	-	-	1,523,716
-	-	-	-	-	-	6,570,079
-	-	-	-	-	-	838,060
-	-	-	-	-	-	13,547,610
3,932,387	164,140	-	2,191,523	-	-	8,242,944
-	-	-	-	-	-	2,110,000
-	-	-	-	-	-	609,636
<u>3,932,387</u>	<u>164,140</u>	<u>-</u>	<u>2,191,523</u>	<u>-</u>	<u>-</u>	<u>33,442,045</u>
(1,070,982)	197,134	491,776	(1,682,695)	-	106,461	5,318,022
118,846	-	150,000	2,400,000	-	-	12,919,787
-	-	(548,300)	(2,000,000)	-	-	(19,419,636)
-	-	-	-	-	-	121,740
<u>118,846</u>	<u>-</u>	<u>(398,300)</u>	<u>400,000</u>	<u>-</u>	<u>-</u>	<u>(6,378,109)</u>
(952,136)	197,134	93,476	(1,282,695)	-	106,461	(1,060,087)
9,750,452	1,216,359	229,465	12,012,866	292,490	-	51,742,802
-	-	-	-	(292,490)	-	(292,490)
<u>9,750,452</u>	<u>1,216,359</u>	<u>229,465</u>	<u>12,012,866</u>	<u>-</u>	<u>-</u>	<u>51,450,312</u>
<u>\$ 8,798,316</u>	<u>\$ 1,413,493</u>	<u>\$ 322,941</u>	<u>\$ 10,730,171</u>	<u>\$ -</u>	<u>\$ 106,461</u>	<u>\$ 50,390,225</u>

Supplementary Information
Combining Statement of Fiduciary Net Position
Fiduciary Funds

November 30, 2025

	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	\$ 858,400	\$ 13,122	\$ 394,593	\$ 1,266,115	\$ 456,292	\$ 7,013,190	\$ 86,555	\$ 80,465	\$ 661,999	\$ 8,298,501
Investments:										
U.S. government securities	11,790,362	-	12,670,662	24,461,024	-	-	-	-	-	-
Collateralized mortgage obligations	1,217,436	-	1,178,674	2,396,110	-	-	-	-	-	-
Common stocks	109,871,442	399,609	72,225,295	182,496,346	-	-	-	-	-	-
Corporate bonds	9,366,584	-	4,936,869	14,303,453	-	-	-	-	-	-
Real estate investment trust	1,050,729	-	445,811	1,496,540	-	-	-	-	-	-
Foreign bonds	640,959	-	741,739	1,382,698	-	-	-	-	-	-
Mutual funds	81,285,451	17,573,114	60,399,372	159,257,937	-	-	-	-	-	-
Accounts receivable	97,164	-	-	97,164	-	-	-	-	-	-
Due from primary government	267,550	307,443	16,278	591,271	-	-	-	-	-	-
Total assets	<u>216,446,077</u>	<u>18,293,288</u>	<u>153,009,293</u>	<u>387,748,658</u>	<u>456,292</u>	<u>7,013,190</u>	<u>86,555</u>	<u>80,465</u>	<u>661,999</u>	<u>8,298,501</u>
Liabilities										
Accounts payable	183,185	35,654	114,068	332,907	1,965	-	-	-	95,029	96,994
Due to other governmental units	32,566	-	-	32,566	-	7,013,190	1,485	-	66,074	7,080,749
Due to primary government	-	-	1,020,637	1,020,637	-	-	-	-	-	-
Bonds and other deposits	-	-	-	-	454,327	-	-	-	137,379	591,706
Total liabilities	<u>215,751</u>	<u>35,654</u>	<u>1,134,705</u>	<u>1,386,110</u>	<u>456,292</u>	<u>7,013,190</u>	<u>1,485</u>	<u>-</u>	<u>298,482</u>	<u>7,769,449</u>
Net Position										
Restricted:										
Pension	216,230,326	18,257,634	-	234,487,960	-	-	-	-	-	-
Postemployment benefits other than pension	-	-	151,874,588	151,874,588	-	-	-	-	-	-
Individuals, organizations, and other governments	-	-	-	-	-	-	85,070	80,465	363,517	529,052
Total net position	<u>\$ 216,230,326</u>	<u>\$ 18,257,634</u>	<u>\$ 151,874,588</u>	<u>\$ 386,362,548</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 85,070</u>	<u>\$ 80,465</u>	<u>\$ 363,517</u>	<u>\$ 529,052</u>

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

Year Ended November 30, 2025

	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	\$ 4,245,467	\$ 325,201	\$ 2,767,789	\$ 7,338,457	\$ -	\$ 162,154	\$ 4,165	\$ 3,164	\$ 8,319	\$ 177,802
Net increase in fair value of investments	12,041,364	889,006	9,238,619	22,168,989	-	-	-	-	-	-
Investment costs	(700,725)	(18,211)	(484,163)	(1,203,099)	-	-	-	-	-	-
Net investment income	15,586,106	1,195,996	11,522,245	28,304,347	-	162,154	4,165	3,164	8,319	177,802
Contributions:										
Employer	3,182,220	2,669,665	2,236,253	8,088,138	-	-	-	-	-	-
Employee	32,439	1,214,437	261,987	1,508,863	-	-	-	-	-	-
Total contributions	3,214,659	3,884,102	2,498,240	9,597,001	-	-	-	-	-	-
Collections for other governments	-	-	-	-	488,219	173,302,892	134,236	22,000	-	173,947,347
Fines and fees	-	-	-	-	-	-	-	-	1,451,764	1,451,764
Bond receipts	-	-	-	-	-	-	-	-	1,002,590	1,002,590
Restitutions, judgments, and other	-	-	-	-	-	-	-	-	70,937	70,937
Total additions	18,800,765	5,080,098	14,020,485	37,901,348	488,219	173,465,046	138,401	25,164	2,533,610	176,650,440
Deductions										
Pension benefit payments	20,382,035	121,039	-	20,503,074	-	-	-	-	-	-
Medical benefit payments	-	-	9,385,873	9,385,873	-	-	-	-	-	-
Disability benefit payments	-	-	215,259	215,259	-	-	-	-	-	-
Refunds of contributions	250,634	172,654	-	423,288	-	-	-	-	-	-
Administrative expenses	244,522	56,107	41,548	342,177	-	-	-	-	-	-
Disbursements to other governments	-	-	-	-	488,219	173,465,046	94,614	13,926	1,156,079	175,217,884
Bond disbursements	-	-	-	-	-	-	-	-	1,002,590	1,002,590
Restitutions, judgments, and other refunds	-	-	-	-	-	-	-	-	171,379	171,379
Volunteer work program and civil drug fund	-	-	-	-	-	-	-	-	268,832	268,832
Total deductions	20,877,191	349,800	9,642,680	30,869,671	488,219	173,465,046	94,614	13,926	2,598,880	176,660,685
Net (Decrease) Increase in Fiduciary Net Position	(2,076,426)	4,730,298	4,377,805	7,031,677	-	-	43,787	11,238	(65,270)	(10,245)
Net Position - Beginning of year	218,306,752	13,527,336	147,496,783	379,330,871	-	-	41,283	69,227	428,787	539,297
Net Position - End of year	\$ 216,230,326	\$ 18,257,634	\$ 151,874,588	\$ 386,362,548	\$ -	\$ -	\$ 85,070	\$ 80,465	\$ 363,517	\$ 529,052



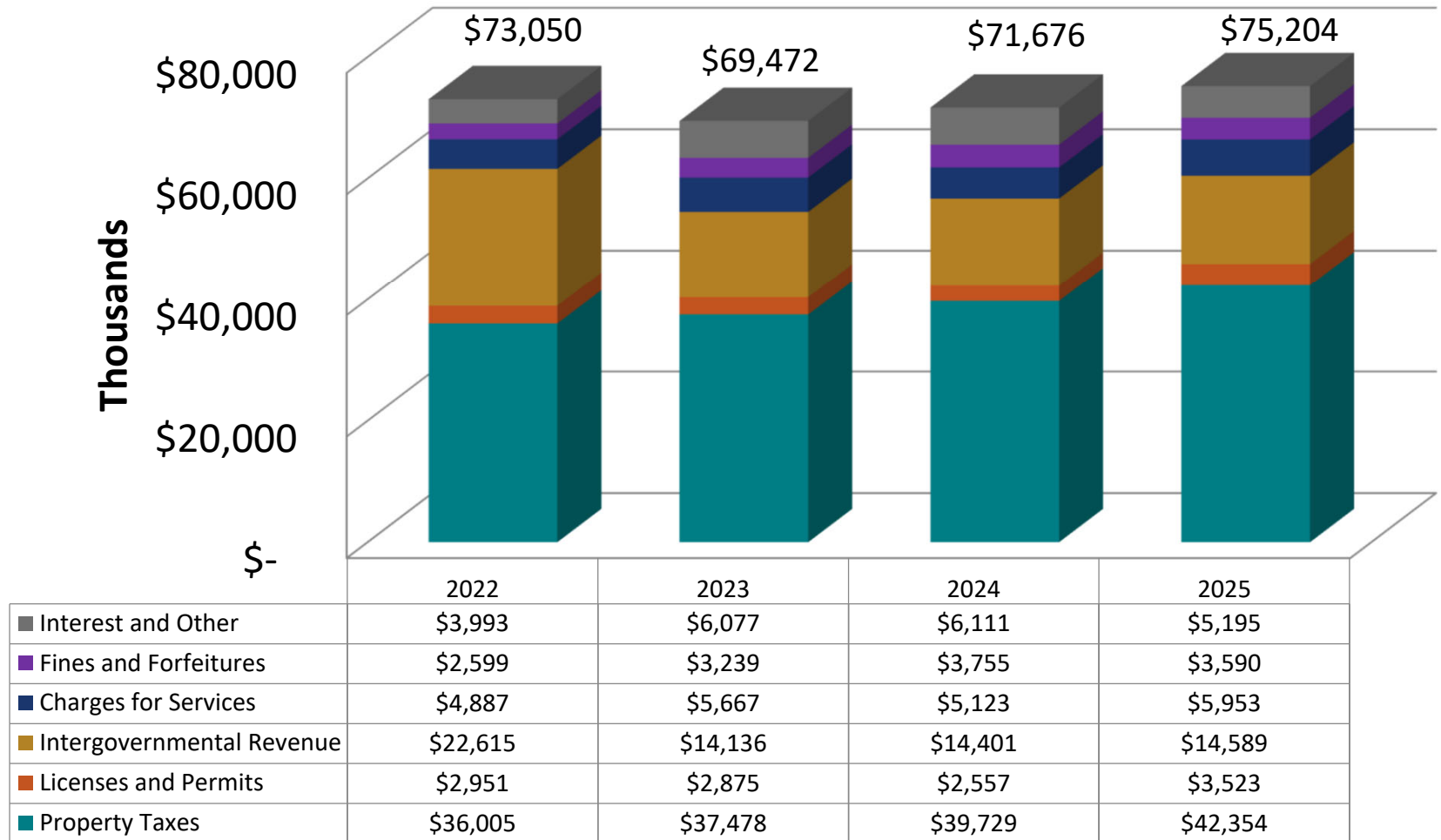
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Wealth Management.

City of Livonia Audit Presentation

For Year Ended November 30, 2025

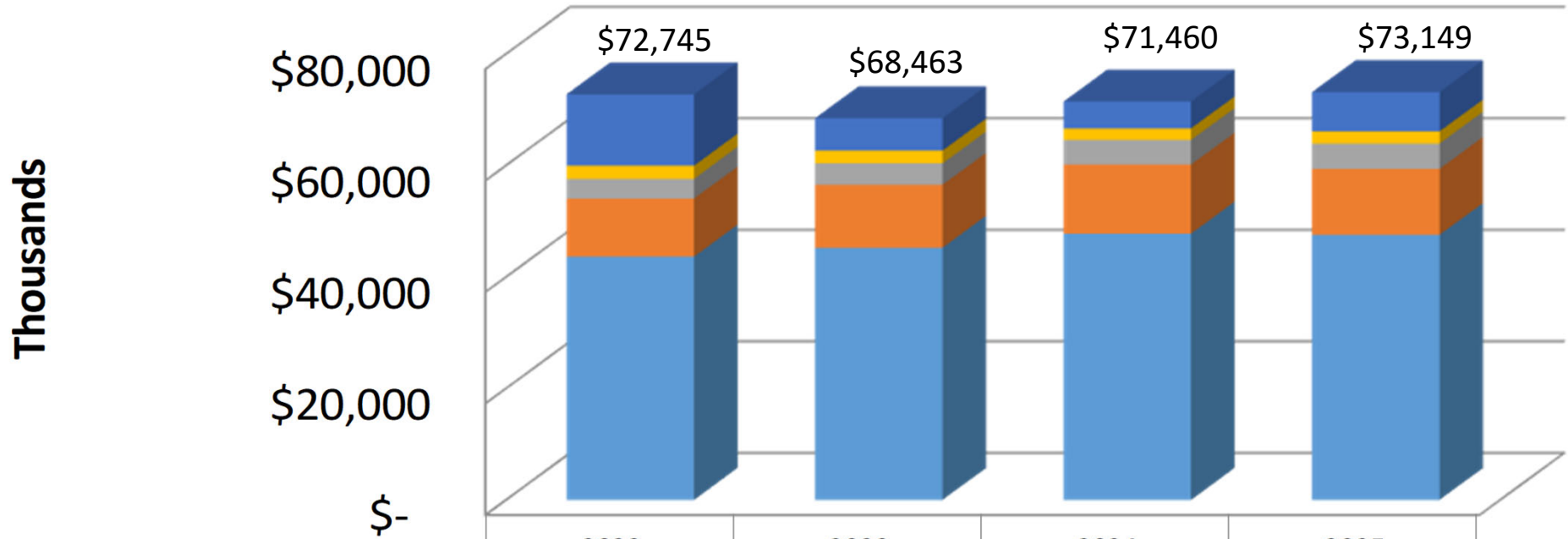


City of Livonia General Fund Revenue Years Ended November 30





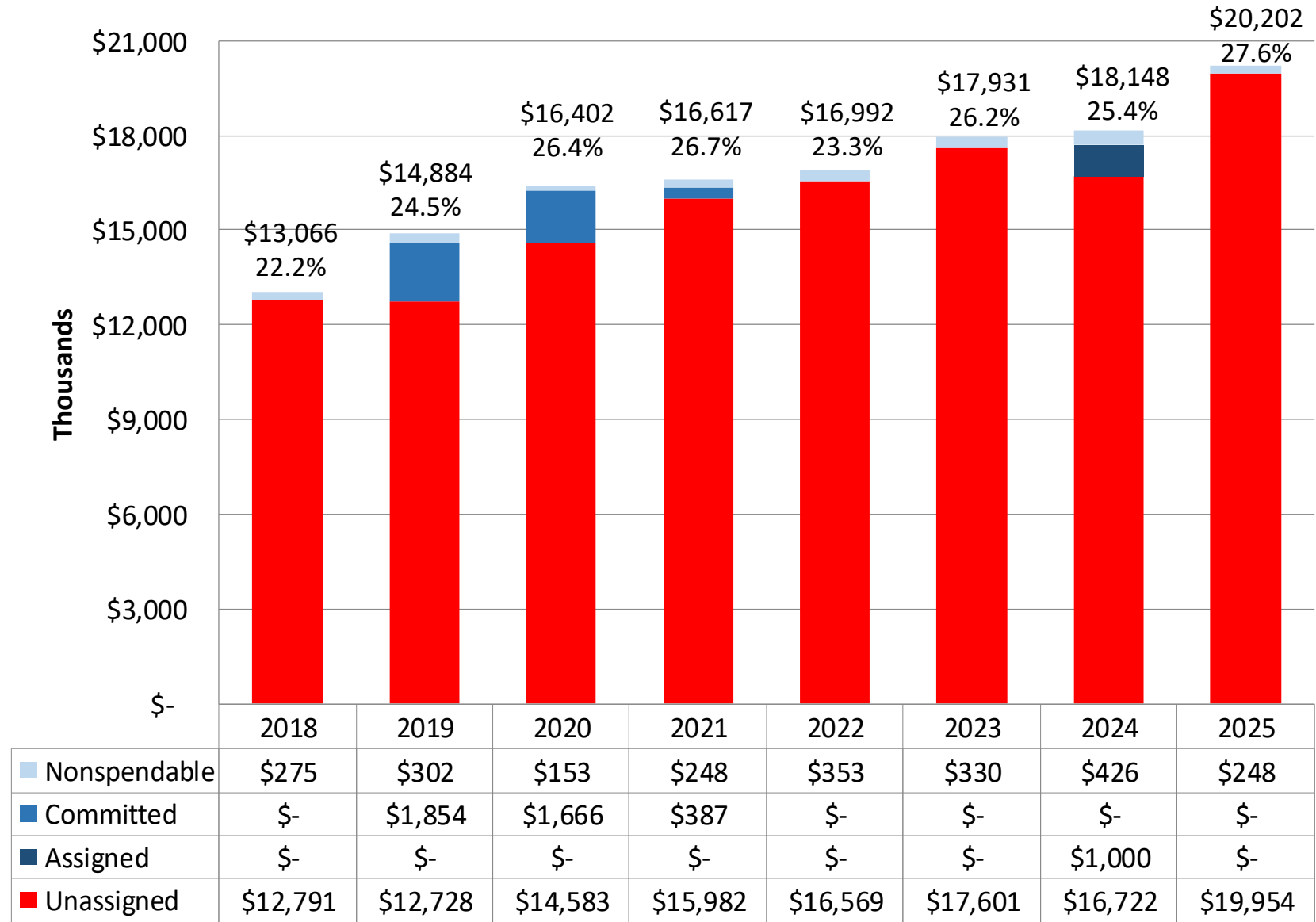
City of Livonia General Fund Expenditures Year Ended November 30



	2022	2023	2024	2025
Employee Benefits, Transfers, and Other	\$12,809	\$5,812	\$4,835	\$7,057
Parks & Recreation and Cultural	\$2,338	\$2,286	\$2,072	\$2,174
Public Works	\$3,538	\$3,832	\$4,407	\$4,529
General Government	\$10,437	\$11,295	\$12,378	\$11,858
Public Safety	\$43,624	\$45,238	\$47,768	\$47,531



City of Livonia General Fund - Comparison of Fund Balance As a Percentage of Expenditures Year Ended November 30





City of Livonia

Comparison of Unrestricted Net Position (excluding impact of net pension and OPEB liabilities) Governmental Activities





**Thank You for the opportunity
to serve as auditors for the City
of Livonia**