
City of Wixom, Michigan

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

Independent Auditor's Report	1-3
Management's Discussion and Analysis	4-10
Basic Financial Statements	
Government-wide Financial Statements:	
Statement of Net Position	11
Statement of Activities	12
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet	13
Reconciliation of the Balance Sheet to the Statement of Net Position	14
Statement of Revenue, Expenditures, and Changes in Fund Balances	15
Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balances to the Statement of Activities	16
Proprietary Funds:	
Statement of Net Position	17
Statement of Revenue, Expenses, and Changes in Net Position	18
Statement of Cash Flows	19
Fiduciary Funds:	
Statement of Fiduciary Net Position	20
Statement of Changes in Fiduciary Net Position	21
Component Units:	
Statement of Net Position	22
Statement of Activities	23
Notes to Financial Statements	24-50
Required Supplementary Information	51
Budgetary Comparison Schedule - General Fund	52
Budgetary Comparison Schedule - Major Special Revenue Funds	53-55
Schedule of the City's Proportionate Share of the Net Pension Liability (Asset)	56
Schedule of Pension Contributions	57
Schedule of the City's Proportionate Share of the Net OPEB Asset	58
Schedule of OPEB Contributions	59
Schedule of OPEB Investment Returns	60
Note to Required Supplementary Information	61
Supplementary Information	62
Nonmajor Governmental Funds:	
Combining Balance Sheet	63-64
Combining Statement of Revenue, Expenditures, and Changes in Fund Balances	65-66

Independent Auditor's Report

To the City Council
City of Wixom, Michigan

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 Wixom, Michigan (the "City") as of and for the year ended June 30, 2025 and the related notes to the financial statements, which collectively comprise the City's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City as of June 30, 2025 and the respective changes in its financial position and its cash flows 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). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the City and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the City adopted new accounting guidance Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*, as of July 1, 2024. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

To the City Council
City of Wixom, Michigan

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, 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.

To the City Council
City of Wixom, Michigan

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The 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, as identified in the table of contents, is fairly stated in all material respects in relation to the basic financial statements as a whole.

Plante & Moran, PLLC

December 3, 2025

As management of the City of Wixom, Michigan (the "City"), we offer readers this narrative overview and analysis of the financial activities for the year ended June 30, 2025. Readers are advised to read this management's discussion and analysis in conjunction with the City's financial statements. These statements can be found in subsequent sections of this financial report.

Financial Highlights

The following represents the most significant financial highlights for the year ended June 30, 2025:

- The City's governmental net position increased by approximately \$3.18 million. This change is composed of the following: increases were recorded to net investment in capital assets by \$431,235, land acquisition by \$148,632, solid waste by \$6,758, building and development by \$30,727, special assessment maintenance by \$25,628, police forfeitures by \$71,076, roads and bike paths by \$2,021,836, and unrestricted by \$1.2 million. Decreases were recorded to opioid settlement by \$514 and debt service by \$226,244.
- Total assets related to the City's governmental activities exceeded liabilities at June 30, 2025 by approximately \$51.9 million.
- Property tax revenue increased by \$702,196 for governmental activities, resulting from a taxable value increase of \$77.8 million, of which approximately \$22.19 million is attributable to the Downtown Development Authority (DDA) and Brownfield Redevelopment Authority districts.
- The City decreased its Combined General Fund fund balance by \$305,652 this year. This decrease can be attributed to a planned and budgeted capital fund contribution of over \$3 million that was partially offset by fluctuations in both revenue and expenditures, especially interest earnings, Local Community Stabilization Authority revenue, service revenue, and penalties on delinquent tax collections.
 - Revenue exceeded original budget expectations due to the following factors:
 - \$58,056 in interest and penalty on delinquent tax collection over the budgeted amount
 - \$439,809 in General Fund local community stabilization revenue over the estimate
 - \$285,365 in investment interest earnings over the budgeted amount
 - \$57,620 in additional compost site fees
 - \$118,875 in overall property tax collections (excluding interest and penalty on delinquent taxes)
 - \$99,546 decrease over estimate in all other revenue items
 - Lower expenditures from original budgeted amounts were due to the following factors:
 - \$4,644 remaining between the City Council, city manager, and economic development/assessing departments due to fluctuation in various accounts
 - \$8,878 in lower than estimated expenses in the senior center
 - \$57,958 increase in the police department due to staff changes during the year and other fluctuations
 - \$12,813 in increased expenditures in the fire department due to fluctuation in wages and other line items
 - \$52,919 in higher than estimated expenditures in the department of public works
 - \$27,679 less than budgeted in building maintenance
 - \$148,197 in lower than budgeted expenditures in construction and development services due mainly to the building official expense, which ties directly to higher permit fee revenue/activity
 - \$331,444 in various reduction in expenditures across all other departments

Using This Annual Report

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

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

The City's Net Position

Governmental activities include all activity other than the Water and Sewer funds, which are considered business-type activities because they involve exchanges and are intended to be self-supporting activities.

	Governmental Activities		
	2024	2025	Change
Assets			
Current and other assets:			
Cash and investments	\$ 26,683,319	\$ 29,104,711	\$ 2,421,392
Receivables	4,330,375	3,848,330	(482,045)
Other assets	7,187,974	6,757,234	(430,740)
Capital assets	40,291,261	40,061,402	(229,859)
Total assets	78,492,929	79,771,677	1,278,748
Deferred Outflows of Resources	2,318,449	2,189,878	(128,571)
Liabilities			
Current liabilities	4,359,528	2,957,402	(1,402,126)
Noncurrent liabilities	26,918,426	26,047,481	(870,945)
Total liabilities	31,277,954	29,004,883	(2,273,071)
Deferred Inflows of Resources	752,316	991,631	239,315
Net Position			
Net investment in capital assets	38,750,167	39,181,402	431,235
Restricted	20,516,203	22,085,400	1,569,197
Unrestricted	(10,485,262)	(9,301,761)	1,183,501
Total net position	\$ 48,781,108	\$ 51,965,041	\$ 3,183,933

Management's Discussion and Analysis (Continued)

	Business-type Activities		
	2024	2025	Change
Assets			
Current and other assets:			
Cash and investments	\$ 16,482,162	\$ 18,425,135	\$ 1,942,973
Receivables	2,285,461	2,511,946	226,485
Other assets	210,554	173,768	(36,786)
Capital assets	59,915,039	58,153,327	(1,761,712)
Total assets	78,893,216	79,264,176	370,960
Liabilities			
Current liabilities	704,799	923,288	218,489
Noncurrent liabilities	4,615,404	4,372,825	(242,579)
Total liabilities	5,320,203	5,296,113	(24,090)
Net Position			
Net investment in capital assets	55,431,351	53,912,218	(1,519,133)
Unrestricted	18,141,662	20,055,845	1,914,183
Total net position	<u>\$ 73,573,013</u>	<u>\$ 73,968,063</u>	<u>\$ 395,050</u>

The governmental net position increased by approximately 6.53 percent from a year ago from approximately \$48.8 million to \$51.9 million. The unrestricted net position deficit, the part of net position that can be used to finance day-to-day operations, improved during the year by approximately \$1.2 million.

The City's business-type activities consist of the water and sewer activities. The City provides water to residents through the wholesale purchase of water from the Great Lakes Water Authority and provides sewage treatment through a city-owned wastewater treatment plant. The Water and Sewer funds are healthy, with a change in net position of approximately \$0.4 million.

Management's Discussion and Analysis (Continued)

The City's Changes in Net Position

The following tables show the current year's changes in net position compared to the prior year:

	Governmental Activities		
	2024	2025	Change
Revenue			
Program revenue:			
Charges for services	\$ 3,140,692	\$ 3,009,812	\$ (130,880)
Operating grants	2,411,810	2,421,641	9,831
Capital grants	571,636	386,973	(184,663)
General revenue:			
Property taxes	11,122,987	11,825,183	702,196
Intergovernmental	2,770,567	2,850,476	79,909
Investment earnings	1,397,506	1,349,453	(48,053)
Other revenue - Other miscellaneous income	924,178	1,221,285	297,107
Total revenue	22,339,376	23,064,823	725,447
Expenses			
General government	3,256,892	3,880,067	623,175
Public safety	5,897,453	7,181,680	1,284,227
Public works	4,878,811	5,581,831	703,020
Community and economic development	1,491,612	1,220,483	(271,129)
Recreation and culture	925,757	1,116,352	190,595
Debt service	750,529	695,823	(54,706)
Total expenses	17,201,054	19,676,236	2,475,182
Transfers	-	(59,494)	(59,494)
Change in Net Position	5,138,322	3,329,093	(1,809,229)
Net Position - Beginning of year, as previously reported	43,642,786	48,781,108	5,138,322
Change within Financial Reporting Entity	-	(145,160)	(145,160)
Net Position - Beginning of year	43,642,786	48,635,948	4,993,162
Net Position - End of year	\$ 48,781,108	\$ 51,965,041	\$ 3,183,933
	Business-type Activities		
	2024	2025	Change
Revenue			
Program revenue:			
Charges for services	\$ 9,317,141	\$ 7,626,322	\$ (1,690,819)
Capital grants	1,162,669	571,404	(591,265)
General revenue:			
Taxes	880	2,395	1,515
Investment earnings	535,663	558,775	23,112
Other revenue	57,336	54,286	(3,050)
Total revenue	11,073,689	8,813,182	(2,260,507)
Expenses	8,178,326	8,418,132	239,806
Change in Net Position	2,895,363	395,050	(2,500,313)
Net Position - Beginning of year	70,677,650	73,573,013	2,895,363
Net Position - End of year	\$ 73,573,013	\$ 73,968,063	\$ 395,050

The City's property tax revenue increased primarily due to new development and inflation on existing properties. Local Community Stabilization Authority General Fund revenue increased by \$93,745 related to distributions of fees paid on personal property to the State. The City again reduced its usage of the special general operating millage by 0.5 mills. This millage collection was separately approved by voters in November 2012 and renewed in November 2016, November 2020, and August 2024. Additionally, when it occurs, revenue collected over expenditures is allocated to budget stabilization to be utilized for future unforeseen expenses or to make needed capital improvements. The City continues to evaluate and implement cost-cutting measures and develop and implement a citywide 10-year capital improvement plan.

Over several years, the City set its sewer rates lower than its cost to provide services. This was primarily due to the strong financial position of the Sewer Fund. During 2025, the City entered its 12th year of implementation of a financial master plan for the water and sewer system. This plan allows the City to evaluate and set future rates in line with its cost to provide services.

The fund financial statements provide detailed information about the most significant funds of the City. The City Council creates funds to help manage money for specific purposes and to show accountability for certain activities, such as special property tax millages. The City's major funds for 2025 include the General Fund, the Special Holding Agency Fund, the Capital Improvement Fund, the Major Road Capital Improvement Fund, and the Local Road Capital Improvement Fund. The General Fund pays for most of the City's governmental services. The most significant are public safety and general government. The General Fund ended the year with \$1.43 million of committed/nonspendable fund balance, \$6.28 million of unassigned fund balance, and \$2 million of assigned fund balance. The fiscal year 2025/2026 budget has assigned \$2 million to capital projects.

The Special Assessment Fund accounts for the Tribute drain improvements in the Village Center area completed in 2006 and the related special assessment on property owners that is intended to fund a portion of those improvements. Fiscal year 2025 was the 12th year the City has been billing the annual assessments since the reinstatement of charges to properties and also reflects the final year of assessment. For fiscal year 2008 through fiscal year 2012, the City utilized unspent bond proceeds to make the annual bond payments.

General Fund Budgetary Highlights

Over the course of the year, the City amended the budget to address actual results during the year. The most significant changes were revenue increases for state revenue/local community stabilization revenue due to revised figures; an increase to interest earnings; and an increase in the contribution to capital improvements.

Capital Assets and Debt Administration

At the end of 2025, the City had over \$98 million (net of depreciation) invested in a broad range of capital assets, including buildings, police equipment, fire equipment, and water and sewer lines. Major purchases included computer equipment, HVAC improvements, generator, police vehicles, police equipment, police facility improvements, security system, DPW vehicles and equipment, dump truck, park improvements, fire gear, fire vehicles, building improvements, safety paths, and utility improvements. In addition, investments were allocated to roads within the City. In July 2019, wastewater capital improvement bonds were issued to cover costs of wastewater plant improvements, ending the year with a debt balance of approximately \$4 million. The remaining debt balance consists of approximately \$12.35 million for pension bonds, approximately \$4.44 million for health care bonds, and approximately \$0.88 million for DDA/VCA bonds. Additional information regarding capital assets and related debt is available in the notes to the financial statements.

Economic Factors and Next Year's Budgets and Rates

The City is home to a strong mix of residential, manufacturing, office, service, technology, and retail/recreational centers. This rich, diverse tax base allows the City to provide an attractive, stable environment for new investment and also reduces the impact of adverse economic cycles. A total of 43 percent of the 2025 tax roll is residential, including single-family and multifamily homes. The remaining 57 percent is nonresidential, composed of 46 percent commercial and industrial and 11 percent personal property.

The region, which includes the City and the surrounding area of Oakland County, has more than 1.2 million residents and 42,000 businesses. More than 690,000 people work in Oakland County business establishments and government agencies, with 57 percent of global Fortune 500 companies having at least one business location in Oakland County. The county is home to more than 1,000 foreign-owned firms from some 40 countries, many located in the City of Wixom, Michigan. The City continues to attract businesses of national and international importance.

It is anticipated that future taxable values will continue to rise as new developments are constructed. The five-year budget plan is continually updated to reflect the most accurate projections and facilitate effective planning for future needs.

During fiscal year 2025, new construction, commercial and residential developments, build-outs, and full-scale commercial remodeling continued at a consistent pace. This demonstrates that businesses and developers continue to have a high level of confidence in the City. Notable new construction projects during the fiscal year include the following:

- 257,307-square-foot new industrial building D - Wixom Logistics Park (Phase II) - 29753 S. Wixom Rd. - Shell construction is complete; Amazon has started operation. They have added pharmacy and grocery warehouse areas, currently under construction.
- 25,651-square-foot and 8,111-square-foot buildings - Leonardo's Marble & Granite - 29148 and 29172 S. Wixom Rd. - Two new buildings with construction underway.
- 3,526-square-foot building - Leonardo's Marble & Granite - 29100 S. Wixom Rd. - Existing building is being renovated.
- 33,280-square-foot new warehouse building - Safe-T Storage - 47020 West Rd. - Construction completed during this fiscal year.
- 27,232-square-foot new industrial building - People Driven Technology - 49103 Alpha Dr. - Construction completed during this fiscal year.
- 10,080-square-foot new commercial building - The Learning Center day care - 1725 Wixom Rd. - Construction completed during this fiscal year.
- 34,409-square-foot new industrial building shell - West Rd. - Shell construction is complete; building was sold and exterior site work and interior tenant build-out is underway.
- 5,000-square-foot new metal storage building - First Baptist Church of Wixom - 620 Wixom Rd. - Construction completed during this fiscal year.
- Detroit Public TV (PBS) former building on 1 Clover Ct. is undergoing a major interior renovation to accommodate TYC Americas, which will be occupying the entire building.
- dSpace business completed an interior renovation on its building located at 50131 Pontiac Trail.
- The building located at 31155 Old Wixom Rd. completed a major new tenant build-out (interior and exterior).
- Apartment complexes have been undergoing unit renovations (interior and exterior, such as balconies and stairways).
- Five single-family residential developments - Construction complete for Stonegate Village (60 homes) and Maple Glen (15 homes); construction continues for Milana Estates, Cambridge Lane, and Roma Ct.

In addition, the following construction projects are in the site plan submittal and review process:

- McDonald's Grand River - The owner will replace the existing McDonald's structure with a new building with modified dual drive-through lanes and parking layout and landscaping modifications. The site is located at the northwest corner of the Wixom Road and Grand River Avenue intersection, and the existing building has been razed.
- Timberside Reserve - This development will raze the existing single-family residence and accessory structures on the 13.46-acre site and construct 43 detached single-family homes on 5,500-square-foot lots as site condominiums.
- Signarama received a one-year site plan approval for an extension to construct an 18,144-square-foot structure with two tenant spaces that received site plan approval on September 6, 2023. The site is located at the southeast quadrant of Alpha Drive and Alpha Court, north of I-96 and east of Wixom Rd.
- Leonardo's Marble & Granite received approval to amend a site plan that was previously approved by the City Planning Commission for the rehabilitation of the existing 3,525-square-foot building and the construction on two new buildings. Building 2 is proposed to be over 25,000 square feet. Building 3 was originally approved to be less than 10,000 square feet but is now proposed to be 13,907 square feet.
- Remora - The site was updated with a rail spur from the adjacent Lake State Railway Company (LSRC) to the existing 6.2-acre industrial property at 29838 Beck Road. This amendment created a more intensive use of the property and included a substantial change to parking and traffic flow and an alteration of an important physical aspect of the site.

Many jobs were created and filled in the City as a result of the facilitated negotiations of several leases and property purchases within the City.

Requests for Further Information

This financial report is intended to provide a general overview of the City's finances and demonstrate the City's accountability for the money it receives. If you have questions about this report or need additional information, please contact the finance department office at 49045 Pontiac Trail, Wixom, MI 48393. This report, city budgets, and other financial information are available on the City's website at www.wixomgov.org.

June 30, 2025

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash and investments (Note 3)	\$ 29,104,711	\$ 18,425,135	\$ 47,529,846	\$ 1,067,958
Receivables - Net:				
Customer receivables	-	2,427,864	2,427,864	-
Leases receivable	681,244	-	681,244	-
Other receivables	2,883,692	53,448	2,937,140	-
Due from other governments	314,028	-	314,028	-
Due from primary government (Note 5)	-	-	-	13,027
Internal balances (Note 5)	(30,634)	30,634	-	-
Inventory	205,169	173,768	378,937	-
Prepaid expenses and other assets	295,433	-	295,433	-
Net OPEB asset (Note 10)	6,256,632	-	6,256,632	-
Capital assets: (Note 4)				
Assets not subject to depreciation	5,542,067	-	5,542,067	154,296
Assets subject to depreciation - Net	34,519,335	58,153,327	92,672,662	43,192
Total assets	79,771,677	79,264,176	159,035,853	1,278,473
Deferred Outflows of Resources				
Deferred pension costs (Note 9)	1,868,799	-	1,868,799	-
Deferred OPEB costs (Note 10)	321,079	-	321,079	-
Total deferred outflows of resources	2,189,878	-	2,189,878	-
Liabilities				
Accounts payable	1,190,185	902,963	2,093,148	39,635
Due to other governmental units	24,133	-	24,133	-
Due to component units (Note 5)	13,027	-	13,027	-
Due to others	81,989	-	81,989	-
Accrued liabilities and other	272,546	20,325	292,871	-
Unearned revenue	745,812	-	745,812	-
Refundable deposits	629,710	-	629,710	-
Noncurrent liabilities:				
Due within one year:				
Compensated absences (Note 6)	131,075	-	131,075	-
Current portion of bonds and contracts payable (Note 6)	1,505,000	252,579	1,757,579	-
Due in more than one year:				
Compensated absences (Note 6)	1,165,410	-	1,165,410	-
Other noncurrent liabilities	-	131,716	131,716	-
Net pension liability (Note 9)	7,080,996	-	7,080,996	-
Bonds and contracts payable - Net of current portion (Note 6)	16,165,000	3,988,530	20,153,530	-
Total liabilities	29,004,883	5,296,113	34,300,996	39,635
Deferred Inflows of Resources				
Deferred OPEB cost reductions (Note 10)	393,530	-	393,530	-
Deferred inflows from leases	598,101	-	598,101	-
Total deferred inflows of resources	991,631	-	991,631	-
Net Position				
Net investment in capital assets	39,181,402	53,912,218	93,093,620	197,488
Restricted:				
Roads and bike paths	12,337,774	-	12,337,774	-
Debt service	23,810	-	23,810	-
Land acquisition	1,979,476	-	1,979,476	-
Police forfeitures	232,014	-	232,014	-
Solid waste	122,469	-	122,469	-
Building and development	855,270	-	855,270	-
Special assessment maintenance	150,228	-	150,228	-
Opioid settlement	127,727	-	127,727	-
Retiree health care	6,256,632	-	6,256,632	-
Unrestricted	(9,301,761)	20,055,845	10,754,084	1,041,350
Total net position	\$ 51,965,041	\$ 73,968,063	\$ 125,933,104	\$ 1,238,838

Year Ended June 30, 2025

Functions/Programs	Net (Expense) Revenue and Changes in Net Position							
	Expenses	Program Revenue			Primary Government		Component Units	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities		Total
Primary government:								
Governmental activities:								
General government	\$ 3,880,067	\$ 626,892	\$ 306,992	\$ -	\$ (2,946,183)	\$ -	\$ (2,946,183)	\$ -
Public safety	7,181,680	95,030	1,520	-	(7,085,130)	-	(7,085,130)	-
Public works	5,581,831	1,014,499	2,036,912	386,973	(2,143,447)	-	(2,143,447)	-
Community and economic development	1,220,483	1,072,193	76,217	-	(72,073)	-	(72,073)	-
Recreation and culture	1,116,352	201,198	-	-	(915,154)	-	(915,154)	-
Interest on long-term debt	695,823	-	-	-	(695,823)	-	(695,823)	-
Total governmental activities	19,676,236	3,009,812	2,421,641	386,973	(13,857,810)	-	(13,857,810)	-
Business-type activities:								
Water Fund	4,749,238	4,386,204	-	468,581	-	105,547	105,547	-
Sewer Fund	3,668,894	3,240,118	-	102,823	-	(325,953)	(325,953)	-
Total business-type activities	8,418,132	7,626,322	-	571,404	-	(220,406)	(220,406)	-
Total primary government	<u>\$ 28,094,368</u>	<u>\$ 10,636,134</u>	<u>\$ 2,421,641</u>	<u>\$ 958,377</u>	(13,857,810)	(220,406)	(14,078,216)	-
Component units:								
Downtown Development Authority	\$ 1,223,520	\$ -	\$ -	\$ -	-	-	-	(1,223,520)
Local Development Finance Authority	2,234	-	-	-	-	-	-	(2,234)
Total component units	<u>\$ 1,225,754</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	-	-	-	(1,225,754)
General revenue:								
Property taxes					11,825,183	2,395	11,827,578	1,439,663
Unrestricted state-shared revenue					2,850,476	-	2,850,476	-
Unrestricted investment income					1,349,453	558,775	1,908,228	40,106
Gain on sale of capital assets					155,867	-	155,867	-
Other miscellaneous income					1,065,418	54,286	1,119,704	25,647
Total general revenue					17,246,397	615,456	17,861,853	1,505,416
Transfers					(59,494)	-	(59,494)	-
Change in Net Position					3,329,093	395,050	3,724,143	279,662
Net Position - Beginning of year, as previously reported					48,781,108	73,573,013	122,354,121	959,176
Adoption of New Accounting Principle (Note 1)					(145,160)	-	(145,160)	-
Net Position - Beginning of year, as adjusted					48,635,948	73,573,013	122,208,961	959,176
Net Position - End of year					<u>\$ 51,965,041</u>	<u>\$ 73,968,063</u>	<u>\$ 125,933,104</u>	<u>\$ 1,238,838</u>

Governmental Funds
Balance Sheet

June 30, 2025

	Combined General Fund	Major Road Capital Improvement Fund	Local Road Capital Improvement Fund	Special Holding Agency Fund	Capital Improvement Fund	Nonmajor Funds	Total Governmental Funds
Assets							
Cash and investments (Note 3)	\$ 11,252,659	\$ 4,472,401	\$ 4,606,791	\$ 2,130,882	\$ 2,629,010	\$ 4,012,968	\$ 29,104,711
Receivables:							
Leases receivable (Note 16)	681,244	-	-	-	-	-	681,244
Other receivables	2,794,072	-	-	-	-	89,620	2,883,692
Due from other governments	-	221,900	92,128	-	-	-	314,028
Due from other funds (Note 5)	33,144	1,221,685	217,367	17,921	1,828,916	617,660	3,936,693
Inventory	3,895	100,637	100,637	-	-	-	205,169
Prepaid expenses and other assets	295,433	-	-	-	-	-	295,433
Total assets	\$ 15,060,447	\$ 6,016,623	\$ 5,016,923	\$ 2,148,803	\$ 4,457,926	\$ 4,720,248	\$ 37,420,970
Liabilities							
Accounts payable	\$ 339,853	\$ 563,834	\$ 161,175	\$ 30,962	\$ 43,239	\$ 51,122	\$ 1,190,185
Due to other governmental units	24,133	-	-	-	-	-	24,133
Due to component units (Note 5)	13,027	-	-	-	-	-	13,027
Due to other funds (Note 5)	3,934,183	-	-	-	-	33,144	3,967,327
Due to others	-	-	-	81,989	-	-	81,989
Accrued liabilities and other	156,892	-	-	-	-	-	156,892
Unearned revenue	33,822	-	-	556,839	155,151	-	745,812
Refundable deposits	-	-	-	629,710	-	-	629,710
Total liabilities	4,501,910	563,834	161,175	1,299,500	198,390	84,266	6,809,075
Deferred Inflows of Resources							
Unavailable revenue	-	-	-	-	-	89,620	89,620
Deferred inflows from leases	598,101	-	-	-	-	-	598,101
Total deferred inflows of resources	598,101	-	-	-	-	89,620	687,721
Fund Balances							
Nonspendable:							
Inventory	3,895	100,637	100,637	-	-	-	205,169
Prepays	245,515	-	-	-	-	-	245,515
Restricted:							
Roads	-	5,352,152	4,755,111	-	-	2,029,237	12,136,500
Debt service	-	-	-	-	-	23,810	23,810
Land acquisition	-	-	-	-	-	1,979,476	1,979,476
Police forfeiture	-	-	-	-	-	232,014	232,014
Solid waste	-	-	-	-	-	122,469	122,469
Development contracts	-	-	-	849,303	-	-	849,303
Community development	-	-	-	-	-	5,967	5,967
Opioid settlement	-	-	-	-	-	38,107	38,107
Committed:							
Cemetery	-	-	-	-	-	115,282	115,282
Budget stabilization	1,430,731	-	-	-	-	-	1,430,731
Assigned - Capital improvements	2,000,000	-	-	-	4,259,536	-	6,259,536
Unassigned	6,280,295	-	-	-	-	-	6,280,295
Total fund balances	9,960,436	5,452,789	4,855,748	849,303	4,259,536	4,546,362	29,924,174
Total liabilities, deferred inflows of resources, and fund balances	\$ 15,060,447	\$ 6,016,623	\$ 5,016,923	\$ 2,148,803	\$ 4,457,926	\$ 4,720,248	\$ 37,420,970

Governmental Funds

Reconciliation of the Balance Sheet to the Statement of Net Position

June 30, 2025

Fund Balances Reported in Governmental Funds	\$ 29,924,174
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	40,061,402
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	89,620
Bonds payable and lease liabilities are not due and payable in the current period and are not reported in the funds	(17,670,000)
Accrued interest is not due and payable in the current period and is not reported in the funds	(115,654)
Some employee fringe benefits are payable over a long period of years and do not represent a claim on current financial resources; therefore, they are not reported as fund liabilities:	
Employee compensated absences	(1,296,485)
Pension benefits	(5,212,197)
Retiree health care benefits	6,184,181
Net Position of Governmental Activities	<u>\$ 51,965,041</u>

Governmental Funds

Statement of Revenue, Expenditures, and Changes in Fund Balances

Year Ended June 30, 2025

	Combined General Fund	Major Road Capital Improvement Fund	Local Road Capital Improvement Fund	Special Holding Agency Fund	Capital Improvement Fund	Nonmajor Funds	Total Governmental Funds
Revenue							
Taxes	\$ 10,275,794	\$ -	\$ 1,189,808	\$ -	\$ -	\$ 313,766	\$ 11,779,368
Special assessments	-	-	-	-	-	225,691	225,691
Intergovernmental:							
Federal grants	-	-	-	-	-	76,217	76,217
State sources	2,842,634	1,392,115	577,977	7,842	-	-	4,820,568
Local grants and contributions	1,520	-	38,471	-	171,992	-	211,983
Charges for services	1,224,175	-	-	288,903	-	622,039	2,135,117
Fines and forfeitures	68,850	-	-	-	-	77,868	146,718
Licenses and permits	45,276	-	-	-	-	-	45,276
Interest and rentals:							
Investment earnings	613,174	208,533	209,774	1,090	128,160	188,722	1,349,453
Rental income	324,246	-	-	-	-	7,344	331,590
Other revenue	625,884	-	59,494	61,537	218,825	653,183	1,618,923
Total revenue	16,021,553	1,600,648	2,075,524	359,372	518,977	2,164,830	22,740,904
Expenditures							
Current services:							
General government	2,757,386	-	-	-	-	90,170	2,847,556
Public safety	6,767,240	-	-	12,589	-	7,500	6,787,329
Public works	987,506	1,297,257	869,632	-	-	658,403	3,812,798
Community and economic development	136,920	-	-	316,074	-	7,278	460,272
Recreation and culture	921,958	-	-	-	-	-	921,958
Capital outlay	-	-	-	-	1,912,990	56,749	1,969,739
Debt service	1,630,216	-	-	-	-	676,183	2,306,399
Total expenditures	13,201,226	1,297,257	869,632	328,663	1,912,990	1,496,283	19,106,051
Excess of Revenue Over (Under) Expenditures	2,820,327	303,391	1,205,892	30,709	(1,394,013)	668,547	3,634,853
Other Financing Sources (Uses)							
Transfers in (Note 5)	-	-	-	-	3,126,646	-	3,126,646
Transfers out (Note 5)	(3,126,646)	-	-	-	-	-	(3,126,646)
Sale of capital assets	667	-	-	-	-	155,867	156,534
Total other financing (uses) sources	(3,125,979)	-	-	-	3,126,646	155,867	156,534
Net Change in Fund Balances	(305,652)	303,391	1,205,892	30,709	1,732,633	824,414	3,791,387
Fund Balances - Beginning of year, as previously reported	10,266,088	-	3,649,856	818,594	2,526,903	8,871,346	26,132,787
Change within Financial Reporting Entity (Note 1)	-	5,149,398	-	-	-	(5,149,398)	-
Fund Balances - Beginning of year, as adjusted	10,266,088	5,149,398	3,649,856	818,594	2,526,903	3,721,948	26,132,787
Fund Balances - End of year	\$ 9,960,436	\$ 5,452,789	\$ 4,855,748	\$ 849,303	\$ 4,259,536	\$ 4,546,362	\$ 29,924,174

Governmental Funds

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

Year Ended June 30, 2025

Net Change in Fund Balances Reported in Governmental Funds	\$ 3,791,387
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	3,341,009
Depreciation expense	(3,568,517)
Net book value of assets disposed of	(2,351)
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	(307,393)
Repayment of bond principal is an expenditure in the governmental funds but not in the statement of activities (where it reduces long-term debt)	1,601,094
Interest expense is recognized in the government-wide statements as it accrues	9,482
Some employee costs (pension, OPEB, and compensated absences) do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds	<u>(1,535,618)</u>
Change in Net Position of Governmental Activities	<u><u>\$ 3,329,093</u></u>

Proprietary Funds
Statement of Net Position

June 30, 2025

	Enterprise Funds		
	Water	Sewer	Total Enterprise Funds
Assets			
Current assets:			
Cash and cash equivalents (Note 3)	\$ 4,386,554	\$ 14,038,581	\$ 18,425,135
Receivables:			
Customer receivables	1,391,327	1,036,537	2,427,864
Other receivables	20,683	32,765	53,448
Due from other funds (Note 5)	14,883	15,751	30,634
Inventory	56,994	116,774	173,768
Total current assets	5,870,441	15,240,408	21,110,849
Noncurrent assets - Capital assets - Net	31,740,968	26,412,359	58,153,327
Total assets	37,611,409	41,652,767	79,264,176
Liabilities			
Current liabilities:			
Accounts payable	719,038	183,925	902,963
Accrued interest payable	-	20,325	20,325
Current portion of bonds and contracts payable (Note 6)	-	252,579	252,579
Total current liabilities	719,038	456,829	1,175,867
Noncurrent liabilities:			
Bonds and contracts payable - Net of current portion (Note 6)	-	3,988,530	3,988,530
Other noncurrent liabilities	-	131,716	131,716
Total noncurrent liabilities	-	4,120,246	4,120,246
Total liabilities	719,038	4,577,075	5,296,113
Net Position			
Net investment in capital assets	31,740,968	22,171,250	53,912,218
Unrestricted	5,151,403	14,904,442	20,055,845
Total net position	\$ 36,892,371	\$ 37,075,692	\$ 73,968,063

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

Year Ended June 30, 2025

	Enterprise Funds		
	Water	Sewer	Total Enterprise Funds
Operating Revenue			
Sale of water	\$ 2,828,026	\$ -	\$ 2,828,026
Sewage disposal charges	-	2,740,502	2,740,502
Interest and penalty charges	188,607	151,072	339,679
Other miscellaneous charges	1,369,571	348,544	1,718,115
Total operating revenue	4,386,204	3,240,118	7,626,322
Operating Expenses			
Cost of water	3,004,448	-	3,004,448
Cost of sewage treatment	-	1,133,903	1,133,903
Other operating and maintenance costs	681,229	129,881	811,110
Billing and administrative costs	216,137	287,150	503,287
Utilities	-	230,849	230,849
Other miscellaneous charges	-	27,826	27,826
Depreciation and amortization	847,424	1,731,585	2,579,009
Total operating expenses	4,749,238	3,541,194	8,290,432
Operating Loss	(363,034)	(301,076)	(664,110)
Nonoperating Revenue (Expense)			
Property tax revenue	2,395	-	2,395
Investment income	47,772	511,003	558,775
Interest expense	-	(127,700)	(127,700)
Other nonoperating general revenue	54,286	-	54,286
Total nonoperating revenue	104,453	383,303	487,756
(Loss) Income - Before capital contributions	(258,581)	82,227	(176,354)
Capital Contributions			
Capital grants	10,814	-	10,814
Benefit fees	37,267	102,823	140,090
Lines donated by developers	420,500	-	420,500
Total capital contributions	468,581	102,823	571,404
Change in Net Position	210,000	185,050	395,050
Net Position - Beginning of year	36,682,371	36,890,642	73,573,013
Net Position - End of year	\$ 36,892,371	\$ 37,075,692	\$ 73,968,063

Proprietary Funds
Statement of Cash Flows

Year Ended June 30, 2025

	Enterprise Funds		
	Water	Sewer	Total Enterprise Funds
Cash Flows from Operating Activities			
Receipts from customers	\$ 4,456,465	\$ 3,261,086	\$ 7,717,551
Payments on interfund services and reimbursements	(457,014)	(363,987)	(821,001)
Payments to suppliers	(3,502,970)	(1,448,741)	(4,951,711)
Net cash and cash equivalents provided by operating activities	496,481	1,448,358	1,944,839
Cash Flows from Capital and Related Financing Activities			
Receipt of capital grants	10,814	-	10,814
Benefit fees	37,267	102,823	140,090
Property taxes restricted for capital items	2,395	-	2,395
Purchase of capital assets	(246,538)	(150,259)	(396,797)
Principal and interest paid on capital debt	-	(371,429)	(371,429)
Other fees	54,286	-	54,286
Net cash and cash equivalents used in capital and related financing activities	(141,776)	(418,865)	(560,641)
Cash Flows Provided by Investing Activities - Interest received on investments	47,772	511,003	558,775
Net Increase in Cash and Cash Equivalents	402,477	1,540,496	1,942,973
Cash and Cash Equivalents - Beginning of year	3,984,077	12,498,085	16,482,162
Cash and Cash Equivalents - End of year	\$ 4,386,554	\$ 14,038,581	\$ 18,425,135
Reconciliation of Operating Loss to Net Cash and Cash Equivalents from Operating Activities			
Operating loss	\$ (363,034)	\$ (301,076)	\$ (664,110)
Adjustments to reconcile operating loss to net cash and cash equivalents from operating activities:			
Depreciation and amortization	847,424	1,731,585	2,579,009
Changes in assets and liabilities:			
Receivables	70,261	20,968	91,229
Due to and from other funds	(240,877)	(76,837)	(317,714)
Inventories	22,653	14,133	36,786
Accounts payable and escrows	160,054	59,585	219,639
Total adjustments	859,515	1,749,434	2,608,949
Net cash and cash equivalents provided by operating activities	\$ 496,481	\$ 1,448,358	\$ 1,944,839
Significant Noncash Transactions - Donated capital assets	\$ 420,500	\$ -	\$ 420,500

Fiduciary Funds
Statement of Fiduciary Net Position

June 30, 2025

	Custodial Fund - Tax Collection Fund	Other Postemployment Benefit Trust Fund	Total Fiduciary Funds
Assets			
Cash and cash equivalents	\$ 98,034	\$ -	\$ 98,034
Investments - Interest in pooled investments	-	22,557,849	22,557,849
Receivables	71,203	890	72,093
Total assets	169,237	22,558,739	22,727,976
Liabilities			
Due to other governmental units	85,236	-	85,236
Due to primary government	69,958	2,309,884	2,379,842
Due to others	14,043	-	14,043
Total liabilities	169,237	2,309,884	2,479,121
Net Position - Restricted for postemployment benefits other than pension	<u>\$ -</u>	<u>\$ 20,248,855</u>	<u>\$ 20,248,855</u>

Fiduciary Funds
Statement of Changes in Fiduciary Net Position

Year Ended June 30, 2025

	Custodial Fund - Tax Collection Fund	Other Postemployment Benefit Trust Fund	Total Fiduciary Funds
Additions			
Investment income	\$ -	\$ 1,960,927	\$ 1,960,927
Collections - Property tax collections for other taxing authorities	32,375,233	-	32,375,233
Contributions:			
Employer contributions	-	85,424	85,424
Employee contributions	-	10,062	10,062
Total contributions	-	95,486	95,486
Total additions	32,375,233	2,056,413	34,431,646
Deductions			
Benefit payments	-	680,460	680,460
Administrative expenses	-	1,119	1,119
Property tax disbursements to other taxing authorities	32,375,233	-	32,375,233
Total deductions	32,375,233	681,579	33,056,812
Net Increase in Fiduciary Net Position	-	1,374,834	1,374,834
Net Position - Beginning of year	-	18,874,021	18,874,021
Net Position - End of year	\$ -	\$ 20,248,855	\$ 20,248,855

**Component Units
Statement of Net Position**

June 30, 2025

	Downtown Development Authority	Local Development Finance Authority	Total
Assets			
Cash and cash equivalents	\$ 766,306	\$ 301,652	\$ 1,067,958
Due from primary government (Note 5)	13,027	-	13,027
Capital assets - Net	197,488	-	197,488
Total assets	976,821	301,652	1,278,473
Liabilities - Accounts payable	39,635	-	39,635
Net Position			
Net investment in capital assets	197,488	-	197,488
Unrestricted	739,698	301,652	1,041,350
Total net position	\$ 937,186	\$ 301,652	\$ 1,238,838

Component Units
Statement of Activities

Year Ended June 30, 2025

	Program Revenue				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Downtown Development Authority	Local Development Finance Authority	Total
Functions/Programs							
Downtown Development Authority	\$ 1,223,520	\$ -	\$ -	\$ -	\$ (1,223,520)	\$ -	\$ (1,223,520)
Local Development Finance Authority	2,234	-	-	-	-	(2,234)	(2,234)
Total	<u>\$ 1,225,754</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	(1,223,520)	(2,234)	(1,225,754)
General revenue:							
Taxes					1,439,663	-	1,439,663
Investment income					26,883	13,223	40,106
Other miscellaneous income					25,647	-	25,647
Total general revenue					1,492,193	13,223	1,505,416
Change in Net Position					268,673	10,989	279,662
Net Position - Beginning of year					668,513	290,663	959,176
Net Position - End of year					<u>\$ 937,186</u>	<u>\$ 301,652</u>	<u>\$ 1,238,838</u>

Note 1 - Significant Accounting Policies

The following is a summary of the significant accounting policies used by the City of Wixom, Michigan (the "City"):

Reporting Entity

The City of Wixom, Michigan is governed by an elected seven-member City Council. 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. Discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the City (see discussion below for description).

Blended Component Units

The Building Authority is governed by a board appointed by the City Council. Although it is legally separate from the City, the Building Authority is reported as if it were part of the primary government because its sole purpose is to finance and construct the City's public buildings.

Discretely Presented Component Units

The component unit columns in the government-wide financial statements include the financial data of the City's other component units. They are reported in separate columns to emphasize that they are legally separate from the City. The following component units are included in the reporting entity because the primary government is financially accountable for and is able to impose its will on the organizations. Financial statements are not issued separately for the component units.

Downtown Development Authority

The Downtown Development Authority (the "Authority" or the "DDA") was created to correct and prevent deterioration in the downtown district, encourage historical preservation, and promote economic growth within the downtown district. The Authority's governing body, which consists of 11 individuals, is selected by the City Council. In addition, the Authority's development plans, and all modifications to the plans, are subject to approval by the City Council. The City maintains all accounting records for the DDA, whose primary source of funding is from tax increment financing revenue.

Local Development Finance Authority

The Local Development Finance Authority (the "LDFA") was created to improve the public infrastructure within the central business district of the City. This has included primarily the improvement or construction of roads, drains, and water and sewer transmission lines. The primary source of funding has been the capture of incremental tax revenue of the various taxing units (city, county, community college, and others); however, the LDFA is no longer capturing taxes. Even though the City is no longer capturing taxes, there are still unspent tax captures being used for current year LDFA expenses. The board is currently in the process of a comprehensive review of the LDFA's current plan. The LDFA's governing body, which consists of 11 individuals, is selected by the City Council or appointed by other governmental agencies.

Fiduciary Component Unit

The City Council governs an OPEB trust through the Municipal Employee's Retirement System of Michigan (MERS) Retiree Health Funding Vehicle (RHFV). Although legally separate from the City, it is reported as a fiduciary component unit because the City Council performs the duties related to the plan equivalent to a governing body and the plan imposes a financial burden on the City.

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.

Report Presentation

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

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

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

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

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 include the General Fund, special revenue funds, debt service funds, and capital project funds. The City reports the following funds as major governmental funds:

- **General Fund** - 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 General Fund also includes the Budget Stabilization Fund.
- **Major Road Capital Improvement Fund** - This fund was established to account for the payment for major road maintenance and repair. Financing is provided from Act 51 state distributions.

Note 1 - Significant Accounting Policies (Continued)

- **Local Road Capital Improvement Fund** - This fund was established to account for the payment for local road maintenance and repair. Financing is provided from Act 51 state distributions.
- **Special Holding Agency Fund** - This fund is used to account for the proceeds of earmarked revenue from financing activities requiring separate accounting because of legal or regulatory provisions. This fund records primarily building bonds and deposits held for temporary periods to be utilized for specific purposes.
- **Capital Improvement Fund** - This fund was established to account for the payment for local road maintenance and repair. Financing is provided from an elected millage and Act 51 state distributions.

Proprietary Funds

Proprietary funds include enterprise funds (which provide goods or services to users in exchange for charges or fees). The City reports the following funds as major enterprise funds:

- **Water Fund** - The Water Fund accounts for the operation and maintenance of the water supply system, capital additions, and retirement of revenue bonds. Financing is provided by user charges and a dedicated debt service millage.
- **Sewer Fund** - The Sewer Fund accounts for the operation and maintenance of the sewage disposal system, capital additions and improvements, and retirement of revenue bonds. Financing is provided by user charges.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are not reported in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The City reports the following fiduciary funds:

- **Other Postemployment Benefit Trust Fund** - This fund accumulates resources for future retiree health care payments to retirees.
- **Tax Collection Fund** - This collects taxes on behalf of various taxing authorities (State of Michigan; Oakland County, Michigan; community school district; and the various smaller authorities).

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 the 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.

Note 1 - Significant Accounting Policies (Continued)

Accounting Changes and Error Corrections

Adoption of New Accounting Pronouncement

During the current year, the City adopted GASB Statement No. 101, *Compensated Absences*. As a result, the liability for compensated absences in the statement of net position has been calculated to comply with this new pronouncement. The financial statements for the year ended June 30, 2024 have been restated in order to adopt GASB Statement No. 101. The effects of this adoption of a new accounting pronouncement are shown in the table at the end of this section.

Changes to or within the Financial Reporting Entity

Change in Major Funds

The Major Road Capital Improvement 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 at the end of this section.

Adjustments to and Restatements of Beginning Balances

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

	<u>June 30, 2024</u>		<u>June 30, 2024</u>
	<u>As Previously</u>	<u>Change in Major</u>	<u>As Adjusted</u>
	<u>Reported</u>	<u>Funds</u>	
Governmental funds:			
Major funds:			
Combined General Fund	\$ 10,266,088	\$ -	\$ 10,266,088
Major Road Capital Improvement Fund	-	5,149,398	5,149,398
Local Road Capital Improvement Fund	3,649,856	-	3,649,856
Special Holding Agency Fund	818,594	-	818,594
Capital Improvement Fund	2,526,903	-	2,526,903
Nonmajor funds	<u>8,871,346</u>	<u>(5,149,398)</u>	<u>3,721,948</u>
Total governmental funds	<u>\$ 26,132,787</u>	<u>\$ -</u>	<u>\$ 26,132,787</u>

June 30, 2025

Note 1 - Significant Accounting Policies (Continued)

During fiscal year 2025, the adoption of GASB 101 resulted in adjustments to and restatements of beginning balance sheet balances and fund net position as follows:

	June 30, 2024		June 30, 2024
	As Previously Reported	GASB 101 Adoption	As Adjusted
Assets and deferred outflows of resources:			
Cash	\$ 26,683,319	\$ -	\$ 26,683,319
Special assessment receivable	229,838	-	229,838
Leases receivables	739,818	-	739,818
Other receivables	2,394,439	-	2,394,439
Due from other governments	412,987	-	412,987
Due from component units	266,213	-	266,213
Internal balances	287,080	-	287,080
Inventory	158,511	-	158,511
Prepaid expenses and other assets	264,129	-	264,129
Net OPEB asset	6,765,334	-	6,765,334
Capital assets - Assets not subject to depreciation	5,542,067	-	5,542,067
Capital assets - Assets subject to depreciation - Net	34,749,194	-	34,749,194
Deferred outflows of resources	2,318,449	-	2,318,449
	<u>\$ 80,811,378</u>	<u>\$ -</u>	<u>\$ 80,811,378</u>
Total assets and deferred outflows of resources			
Liabilities and deferred inflows of resources:			
Accounts payable	\$ 2,711,557	\$ -	\$ 2,711,557
Due to others	150,141	-	150,141
Accrued liabilities and other	247,247	-	247,247
Unearned revenue	641,178	-	641,178
Refundable deposits	609,405	-	609,405
Due within one year - Compensated absences	105,756	14,864	120,620
Due within one year - Current portion of bonds and contracts payable	1,601,094	-	1,601,094
Due in more than one year - Compensated absences	927,011	130,296	1,057,307
Due in more than one year - Net pension liability	6,614,565	-	6,614,565
Bonds and contracts payable - Net of current portion	17,670,000	-	17,670,000
Deferred inflows of resources	752,316	-	752,316
	<u>\$ 32,030,270</u>	<u>\$ 145,160</u>	<u>\$ 32,175,430</u>
	<u>\$ 48,781,108</u>	<u>\$ (145,160)</u>	<u>\$ 48,635,948</u>
Net position			

Basis of Accounting

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

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

Note 1 - Significant Accounting Policies (Continued)

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, and interest associated with the current fiscal period. Conversely, special assessments and federal grant reimbursements will be collected after the period of availability; receivables have been recorded for these, along with a deferred inflow.

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

Specific Balances and Transactions

Cash, Cash Equivalents, and Investments

Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value.

Inventories and Prepaid Items

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

Capital Assets

Capital assets, which include property, plant, equipment, intangible assets, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the City as assets with an initial individual cost of more than \$500 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.

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

<u>Capital Asset Class</u>	<u>Depreciable Life - Years</u>
Roads and sidewalks	15-30
Water and sewer distribution systems	50-75
Water and sewer treatment facilities	40-50
Buildings and improvements	40-50
Vehicles	3-5
Office furnishing	5-7
Other tools and equipment	3-7
Drain improvements	50
Stormwater improvements	30
Park improvements	10-20

The LDFA contributed capital of \$1,309 to the City of Wixom, Michigan during the year ended June 30, 2025. The LDFA plan has expired; however, funds on hand that were previously captured from taxes are used in accordance with LDFA board designations.

Note 1 - Significant Accounting Policies (Continued)

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 consists of grant proceeds, which are not considered earned until they have been spent on eligible expenditures.

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 position 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 pension and OPEB.

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 position 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 OPEB, leases, and unavailable revenue. Unavailable revenue is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenue from three sources: special assessments, miscellaneous revenue, and capital improvements. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Net Position

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

Net Position Flow Assumption

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

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. 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.

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 government for specific purposes but do not meet the criteria to be classified as committed. The City 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.

The City Council has adopted, by ordinance, a Budget Stabilization Fund under Michigan's Public Act 30 of 1978. The City Council may, with a two-thirds vote, set aside General Fund surplus, up to a maximum of 15 percent of the most recent General Fund budget (or average of the five most recent budgets, if less). An appropriation from the Budget Stabilization Fund, which also requires a two-thirds vote of the City Council, may only occur to correct a budget shortfall or in the case of a natural disaster. The fund balance of the stabilization amount at June 30, 2025, which is reported in the General Fund, is \$1,430,731.

Property Tax Revenue

Property taxes are assessed as of December 31. The related property taxes become an enforceable lien on December 1 of the following year. The taxes are due on February 28, after which point they are added to the county tax rolls and penalties and interest are assessed.

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

June 30, 2025

Note 1 - Significant Accounting Policies (Continued)

The 2024 taxable valuation of the City totaled \$1,045 million (a portion of which is abated and a portion of which is captured by the LDFA and DDA). Taxes were levied as follows:

Purpose	Millage Rate	Revenue
General Fund - Operating	10.4503 \$	9,686,188
Local Road Capital Improvement Fund - Capital	1.1357	1,052,196
Safety Path Road Program Fund - Capital	0.3000	277,879
DDA special millage	1.2694	8,124
Total		<u>\$ 11,024,387</u>

Pension

The City offers a defined benefit pension plan to its employees. The City records a net pension liability for the difference between the total pension liability calculated by the actuary and the pension plan's 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 pension plan and additions to/deductions from the pension plan's fiduciary net position have been determined on the same basis as they are reported by the pension plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Postemployment Benefit Costs

The City offers health care benefits to retirees. The City records a net OPEB asset or liability for the difference between the total OPEB asset or liability calculated by the actuary and the OPEB plan's fiduciary net position. For the purpose of measuring the net OPEB asset or liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the OPEB 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.

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 and compensatory time. The compensated absence liabilities are reported in the governmental 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.

The City had compensated absences totaling \$105,756 of current liabilities and \$927,011 of long-term liabilities as of July 1, 2024. During 2025, GASB 101 was adopted and changes were observed of \$145,160, resulting in a beginning balance of \$1,177,927 at July 1, 2024, of which \$120,620 and \$1,057,307 represented current and long-term liabilities, respectively.

Proprietary Funds Operating Classification

Proprietary funds distinguish operating revenue and expenses from nonoperating items. Operating revenue and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of proprietary funds is charges to customers for sales or services. Operating expenses for these funds include the cost of sales or services and administrative expenses and may include depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenue and expenses.

Note 1 - Significant Accounting Policies (Continued)

Use of Estimates

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

Leases

The City is a lessor for noncancelable leases of a cell tower, water tower, and property. 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 lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Upcoming Accounting Pronouncements

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

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

June 30, 2025

Note 2 - Stewardship, Compliance, and Accountability

Construction Code Fees

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

Cumulative shortfall at July 1, 2024		\$ (481,846)
Current year permit revenue		793,885
Related expenses:		
Direct costs	\$ 877,014	
Indirect costs	237,692	1,114,706
Current year shortfall		<u>(320,821)</u>
Cumulative shortfall at June 30, 2025		<u><u>\$ (802,667)</u></u>

Note 3 - Deposits and Investments

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

The City has designated banks for the deposit of its funds. The investment policy adopted by the board in accordance with Public Act 196 of 1997 has authorized investment in bonds and securities of the United States government and bank accounts and CDs but not the remainder of state statutory authority, as listed above. The City's deposits and investments are in accordance with statutory authority.

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

Custodial Credit Risk of Bank Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk. At year end, the City had bank deposits totaling \$14,883,165 (certificates of deposit and checking and savings accounts), of which \$13,143,442 was 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.

June 30, 2025

Note 3 - Deposits and Investments (Continued)

At year end, the City had average maturities of investments as follows:

Investment	Fair Value	Weighted- average Maturity (Days)
Primary Government		
U.S. government agency securities	\$ 6,355,921	1,047
U.S. Treasury bonds	872,447	902
Local government investment pool	4,305,210	360
Municipal bonds	<u>1,132,043</u>	433
Total	<u>\$ 12,665,621</u>	

Credit Risk

State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations. The City has no investment policy that would further limit its investment choices. As of June 30, 2025, the credit quality ratings of debt securities (other than the U.S. government) are as follows:

Investment	Fair Value	Rating	Rating Organization
Primary Government			
Local government investment pool	\$ 4,305,210	NR	NR
U.S. Treasury	872,447	Aa1	Moody
U.S. government agency	6,209,294	Aa1	Moody
U.S. government agency	146,627	WR	Moody
Municipal bonds	303,552	Aa1	Moody
Municipal bonds	146,640	Aa2	Moody
Municipal bonds	95,640	Aaa	Moody
Municipal bonds	<u>586,211</u>	NA	Moody
Total	<u>\$ 12,665,621</u>		

External investment Pools

At June 30, 2025, the City had bank pools totaling \$23,870,065, which are recorded at amortized cost in accordance with GASB Statement No. 79, *Certain External Investment Pools and Participants*. These investments are held in the Comerica J Fund and are not subject to any limitations or restrictions on withdrawals.

Fair Value Measurements

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

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

June 30, 2025

Note 3 - Deposits and Investments (Continued)

The City has the following recurring fair value measurements as of June 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 June 30, 2025
Debt securities:				
U.S. Treasury securities	\$ 872,447	\$ -	\$ -	\$ 872,447
Agency bonds	6,355,921	-	-	6,355,921
Municipal bonds	-	1,132,043	-	1,132,043
Total investments by fair value level	\$ 7,228,368	\$ 1,132,043	\$ -	\$ 8,360,411

U.S. Treasury securities and agency securities classified in Level 1 are valued using prices quoted in active markets for those securities.

The fair value of municipal bonds at June 30, 2025 was determined primarily based on Level 2 inputs. The City estimates the fair value of these investments using other inputs, such as interest rates and yield curves, that are observable at commonly quoted intervals. There are no limitations or restrictions on participant withdrawals for the investment pools that are recorded at amortized cost.

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

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.

The Other Postemployment Benefit Trust Fund holds shares or interests in an investment pool 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.

At June 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
Oakland County Local Government Investment Pool	\$ 4,305,210	\$ -	No restrictions	None
MERS Total Market fund	22,557,849	-	N/A	N/A

The Oakland County Local Government Investment Pool is not registered with the SEC and does not issue a separate report. The pool does not meet the requirements under GASB 79 to report its value for financial reporting purposes at amortized costs. Accordingly, the investment is reported at fair value. The fair value of the position in the pool is not the same as the value of the pool shares because the pool redeems shares at \$1 per share regardless of current fair value.

The MERS RHFV Total Market Portfolio is a fully diversified portfolio combining traditional stocks and bonds with alternative asset classes, including real estate, private equity, and commodities. The objective is to provide current income and capital appreciation while minimizing the volatility of the capital markets. MERS manages the asset allocation and monitors the underlying investment managers of the MERS RHFV Total Market Portfolio.

June 30, 2025

Note 4 - Capital Assets

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

Governmental Activities

	Balance July 1, 2024	Additions	Disposals and Adjustments	Balance June 30, 2025
Capital assets not being depreciated - Land	\$ 5,542,067	\$ -	\$ -	\$ 5,542,067
Capital assets being depreciated:				
Roads and sidewalks	82,943,431	1,311,485	-	84,254,916
Buildings, drains, and improvements	27,072,913	710,819	-	27,783,732
Machinery and equipment	5,546,506	599,571	(14,688)	6,131,389
Vehicles	6,955,234	583,760	(249,420)	7,289,574
Furniture and fixtures	1,377,541	135,374	(25,424)	1,487,491
Subtotal	123,895,625	3,341,009	(289,532)	126,947,102
Accumulated depreciation:				
Roads and sidewalks	64,273,593	2,054,673	-	66,328,266
Buildings, drains, and improvements	14,416,952	806,802	-	15,223,754
Machinery and equipment	4,315,396	269,157	(14,670)	4,569,883
Vehicles	5,100,540	379,972	(247,085)	5,233,427
Furniture and fixtures	1,039,950	57,913	(25,426)	1,072,437
Subtotal	89,146,431	3,568,517	(287,181)	92,427,767
Net capital assets being depreciated	34,749,194	(227,508)	(2,351)	34,519,335
Net capital assets	\$ 40,291,261	\$ (227,508)	\$ (2,351)	\$ 40,061,402

During the year ended June 30, 2025, the LDFA contributed capital in the amount of \$1,309 to the primary government.

June 30, 2025

Note 4 - Capital Assets (Continued)

Business-type Activities

	Balance July 1, 2024	Additions	Disposals and Adjustments	Balance June 30, 2025
Capital assets being depreciated:				
Water and sewer lines	\$ 79,478,258	\$ 849,874	\$ (6,875)	\$ 80,321,257
Buildings and improvements	22,614,585	-	-	22,614,585
Machinery and equipment	1,670,169	-	-	1,670,169
Office furnishings	68,670	-	-	68,670
Information technology	100,295	-	-	100,295
Subtotal	103,931,977	849,874	(6,875)	104,774,976
Accumulated depreciation:				
Water and sewer lines	27,258,647	2,053,480	25,704	29,337,831
Buildings and improvements	14,957,001	527,236	-	15,484,237
Machinery and equipment	1,649,109	7,055	-	1,656,164
Office furnishings	68,670	-	-	68,670
Information technology	70,930	3,817	-	74,747
Subtotal	44,004,357	2,591,588	25,704	46,621,649
Net capital assets	<u>\$ 59,927,620</u>	<u>\$ (1,741,714)</u>	<u>\$ (32,579)</u>	<u>\$ 58,153,327</u>

Component Unit - Downtown Development Authority

	Balance July 1, 2024	Additions	Disposals and Adjustments	Balance June 30, 2025
Capital assets not being depreciated - Land	\$ 154,296	\$ -	\$ -	\$ 154,296
Capital assets being depreciated:				
Building, drains, and improvements	499,892	-	-	499,892
Other tools and equipment	60,913	-	-	60,913
Subtotal	560,805	-	-	560,805
Accumulated depreciation:				
Building, drains, and improvements	449,775	6,925	-	456,700
Other tools and equipment	60,913	-	-	60,913
Subtotal	510,688	6,925	-	517,613
Net capital assets being depreciated	50,117	(6,925)	-	43,192
Net capital assets	<u>\$ 204,413</u>	<u>\$ (6,925)</u>	<u>\$ -</u>	<u>\$ 197,488</u>

June 30, 2025

Note 4 - Capital Assets (Continued)

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

Governmental activities:		
General government	\$	368,090
Public safety		471,242
Public works		2,338,665
Economic development		143,412
Recreation and culture		247,108
		<u>3,568,517</u>
Total governmental activities	\$	<u>3,568,517</u>
Business-type activities:		
Water	\$	847,424
Sewer		1,744,164
		<u>2,591,588</u>
Depreciation expense		2,591,588
Amortization of bond premium		<u>(12,579)</u>
Total business-type activities depreciation and amortization expense	\$	<u>2,579,009</u>
Component unit activities	\$	6,925

Note 5 - Interfund Receivables, Payables, and Transfers

The composition of interfund balances is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor funds	\$ 33,144
Major Roads Capital Improvement Fund	General Fund	1,221,685
Capital Improvement Fund	General Fund	1,828,916
Nonmajor funds	General Fund	617,660
Sewer Fund	General Fund	15,751
Water Fund	General Fund	14,883
Local Road Capital Improvement Fund	General Fund	217,367
Special Holding Agency Fund	General Fund	17,921
	Total	<u>\$ 3,967,327</u>

The balance of amounts loaned to discretely presented component units is as follows:

Receivable	Payable	Amount
Downtown Development Authority	General Fund	\$ 13,027

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	Capital Improvement Fund	\$ 3,126,646

The General Fund transfer represents the movement of unrestricted resources into the funds where they will be spent.

June 30, 2025

Note 6 - Long-term Debt

The City issues bonds to provide for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the City. Revenue bonds involve a pledge of specific income derived from the acquired or constructed assets to pay debt service. The Special Assessment Tribute Drain Bonds are issued by Oakland County, Michigan.

Governmental Activities

	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Bonds and contracts payable:							
Other debt:							
DDA/VCA refunding bonds 2015	4.00%	\$300,000 - \$450,000	\$ 1,295,000	\$ -	\$ (415,000)	\$ 880,000	\$ 430,000
Bond premiums			46,094	-	(46,094)	-	-
General obligation pension bonds	2.55% - 4.15%	\$235,000 - \$1,375,000	12,965,000	-	(615,000)	12,350,000	740,000
General obligation health care bonds	2.55% - 4.13%	\$200,000 - \$485,000	4,765,000	-	(325,000)	4,440,000	335,000
Total other debt			19,071,094	-	(1,401,094)	17,670,000	1,505,000
Direct borrowings and direct placements	-	-	200,000	-	(200,000)	-	-
Total bonds and contracts payable			19,271,094	-	(1,601,094)	17,670,000	1,505,000
Compensated absences, as adjusted for GASB 101			1,177,927	118,558	-	1,296,485	131,075
Total governmental activities long-term debt			<u>\$20,449,021</u>	<u>\$ 118,558</u>	<u>\$(1,601,094)</u>	<u>\$18,966,485</u>	<u>\$ 1,636,075</u>

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:							
General obligation wastewater bonds	3.00%	\$205,000 - \$350,000	\$ 4,295,000	\$ -	\$ (230,000)	\$ 4,065,000	\$ 240,000
Bond premiums			188,688	-	(12,579)	176,109	12,579
Total business-type activities long-term debt			<u>\$ 4,483,688</u>	<u>\$ -</u>	<u>\$ (242,579)</u>	<u>\$ 4,241,109</u>	<u>\$ 252,579</u>

Other Long-term Liabilities

The tables above disclose the net change in the compensated absence liability of the City.

Note 6 - Long-term Debt (Continued)

Debt Service Requirements to Maturity

Total interest expense for the year was approximately \$879,099. Annual debt service requirements to maturity for the above bonds and note obligations are as follows:

Years Ending June 30	Governmental Activities			Business-type Activities		
	Other Debt			Other Debt		
	Principal	Interest	Total	Principal	Interest	Total
2026	\$ 1,505,000	\$ 693,926	\$ 2,198,926	\$ 252,579	\$ 121,950	\$ 374,529
2027	1,660,000	639,638	2,299,638	257,579	114,750	372,329
2028	1,255,000	578,078	1,833,078	262,579	107,400	369,979
2029	1,405,000	531,643	1,936,643	272,579	99,900	372,479
2030	1,565,000	478,253	2,043,253	282,579	92,100	374,679
2031-2035	7,855,000	1,443,833	9,298,833	1,522,896	334,950	1,857,846
2036-2040	2,425,000	141,436	2,566,436	1,390,318	102,000	1,492,318
Total	\$ 17,670,000	\$ 4,506,807	\$ 22,176,807	\$ 4,241,109	\$ 973,050	\$ 5,214,159

Note 7 - Risk Management

The City is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation), as well as medical benefits provided to employees. The City has purchased commercial insurance for employee health benefits claims. The City participates in the Michigan Municipal Risk Management Authority risk pool for claims relating to property loss, torts, and errors and omissions and participates in the Michigan Municipal League (risk pool) for claims relating to workers' compensation. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

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

The Michigan Municipal Risk Management Authority's State Pool program (the "Risk Authority") operates as a common risk-sharing management program for local units of government in Michigan. Member premiums are used to purchase excess insurance coverage and to pay member claims in excess of deductible amounts. A portion of the excess insurance coverage is underwritten by the Risk Authority itself.

Note 8 - Regional Authority Cooperative Ventures

The City is a member of the Western Oakland County Cable Communication Authority (the "Cable Authority"), a cooperative venture of western Oakland County, Michigan communities. The City appoints one member to the Cable Authority's governing board, which then approves the annual budget. The Cable Authority receives a management fee from the cable television company and currently does not receive a subsidy from the City. Complete financial statements for the Cable Authority can be obtained from the administrative offices at 3978 Chanda Court, Highland, MI 48031.

The City is also a member of the Resource Recovery and Recycling Authority of Southwest Oakland County (the "Recycling Authority"). The Recycling Authority is incorporated by the cities of Farmington, Farmington Hills, Novi, South Lyon, Southfield, Walled Lake, and Wixom, Michigan; the Village of Milford, Michigan; and the Charter Township of Milford. The City appoints one member to the Recycling Authority's governing board, which then approves the annual budget.

Note 8 - Regional Authority Cooperative Ventures (Continued)

The Recycling Authority receives its operating revenue from member contributions and miscellaneous income. During the year, the City contributed approximately \$23,953 for its operations. Complete financial statements for the Recycling Authority can be obtained from the administrative offices at 2000 West Eight Mile, Southfield, MI 48375.

For both the Western Oakland County Cable Communication Authority and the Resource Recovery and Recycling Authority of Southwest Oakland County, the City is unaware of any circumstances that would cause an additional benefit or burden to the participating governments in the near future.

Note 9 - Pension Plan

Plan Description

The City of Wixom, Michigan participates as one of two cost-sharing employers within an agent multiple-employer defined benefit pension plan administered by the Municipal Employees' Retirement System of Michigan, which covers substantially all employees of the City. MERS was established as a statewide public employee pension plan by the Michigan Legislature under PA 135 of 1945 and is administered by a nine-member retirement board. MERS issues a publicly available financial report, which includes the financial statements and required supplementary information of this defined benefit plan. This report can be obtained at www.mersofmich.com or in writing to MERS at 1134 Municipal Way, Lansing, MI 48917. The City has allowed the Wixom Public Library, a separate governmental entity, to also participate in the same plan (thus, the cost-sharing nature of this plan). The plan was closed to new employees on the following dates: June 30, 2006 for nonunion employees; August 12, 2014 for Department of Public Works Union employees; December 17, 2013 for Police Officers Union employees; June 10, 2013 for Clerical Union employees; and June 19, 2014 for Police Sergeant Union employees.

Benefits Provided

The plan provides retirement, disability, and death benefits to plan members and beneficiaries. PA 427 of 1984, as amended, established and amends the benefit provisions of the participants in MERS.

Retirement benefits are calculated as 2.5 percent of the employee's final 3-year average salary times the employee's years of service, up to a maximum of 80 percent. Normal retirement age is 60, with early retirement at 50 with 25 years of service. The vesting period is 10 years. Employees are eligible for nonduty disability benefits after 10 years of service and for duty-related disability benefits upon hire. Disability retirement benefits are determined in the same manner as retirement benefits but are payable immediately without an actuarial reduction. Death benefits are always the larger of the benefit computed as a contingent survivor beneficiary or 85 percent of accrued retirement allowance benefit. An employee who leaves service may withdraw his or her contributions, plus any accumulated interest.

Benefit terms provide for annual cost of living adjustments to each employee's retirement allowance subsequent to the employee's retirement date. The annual adjustments are 2.5 percent, noncompounding.

Benefit terms are generally established and amended by authority of the City Council, generally after negotiations of these terms with the affected unions. Police and fire employees benefit terms may be subject to binding arbitration in certain circumstances.

June 30, 2025

Note 9 - Pension Plan (Continued)

Employees Covered by Benefit Terms

At the December 31, 2024 measurement date, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	76
Inactive plan members entitled to but not yet receiving benefits	4
Active plan members	10
Total employees covered by MERS	90

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, MERS retains an independent actuary to determine the annual contribution. The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by the MERS retirement board. 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. The employer may establish contribution rates to be paid by its covered employees.

For the year ended June 30, 2025, the average active employee contribution rate ranged from 2.0 percent to 6.26 percent of annual pay, and the City's flat-rate contribution rate was \$40,187 per month of covered payroll.

Net Pension Liability

The net pension liability reported at June 30, 2025 was determined using a measure of the total pension liability and the pension net position as of December 31, 2024. The December 31, 2024 total pension liability was determined by an actuarial valuation performed as of that date.

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

Changes in Net Pension Liability	Increase (Decrease)		
	Total Pension Liability	Plan Net Position	Net Pension Liability
Balance at January 1, 2024	\$ 46,373,281	\$ 39,540,054	\$ 6,833,227
Service cost	150,690	-	150,690
Interest	3,231,172	-	3,231,172
Differences between expected and actual experience	450,957	-	450,957
Changes in assumptions	(126,382)	-	(126,382)
Contributions - Employer	-	376,110	(376,110)
Contributions - Employee	-	35,324	(35,324)
Net investment income	-	2,918,591	(2,918,591)
Benefit payments, including refunds	(2,892,497)	(2,892,497)	-
Administrative expenses	-	(85,847)	85,847
Net changes	813,940	351,681	462,259
Balance at December 31, 2024	\$ 47,187,221	\$ 39,891,735	\$ 7,295,486

The plan's fiduciary net position represents 84.54 percent of the total pension liability.

At June 30, 2025, the City reported a liability of \$7,080,996 for its proportionate share of the net pension liability that is allocated along with the Wixom Public Library.

Note 9 - Pension Plan (Continued)

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

For the year ended June 30, 2025, the plan recognized pension expense of \$1,330,226. All pension costs are recognized in the governmental activities, and none are allocated to the business-type activities. This is because no employees have been specifically allocated to the enterprise funds; all DPW employees are charged to the General Fund, which provides services on behalf of the Major Road Capital Improvement Fund, Local Road Capital Improvement Fund, Water Fund, and Sewer Fund. The General Fund charges an administrative charge intended to cover some of the DPW costs.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 1,684,285	\$ -
Changes in proportionate share, or difference between amount contributed and proportionate share of contributions	241,122	-
Total	\$ 1,925,407	\$ -

At June 30, 2025, the City reported deferred outflows of \$1,868,799 for its proportionate share of deferred outflows that is allocated along with the Wixom Public Library.

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

Years Ending June 30	Amount
2026	\$ 790,534
2027	1,269,518
2028	(341,414)
2029	(34,353)
Total	\$ 1,684,285

Actuarial Assumptions

The total pension liability in the December 31, 2024 actuarial valuation was determined using an inflation assumption of 2.50 percent, assumed salary increases (including inflation) of 3.00 percent, an investment rate of return (gross of investment expenses) of 7.18 percent, and the Pub-2010 mortality tables.

Discount Rate

The discount rate used to measure the total pension liability was 7.18 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that city contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate.

Based on those assumptions, the pension plan'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 pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Note 9 - Pension Plan (Continued)

Investment Rate of Return

The long-term expected rate of return on pension plan investments was determined using a model 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 target allocation and best estimates of arithmetic real rates of return as of December 31, 2024, the measurement date, for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Global equity	60.00 %	4.50 %
Global fixed income	20.00	2.16
Real assets	20.00	5.00

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

The following presents the net pension liability of the City, calculated using the discount rate of 7.18 percent, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.18 percent) or 1 percentage point higher (8.18 percent) than the current rate:

	1 Percentage Point Decrease (6.18%)	Current Discount Rate (7.18%)	1 Percentage Point Increase (8.18%)
Net pension liability of the City	\$ 12,863,436	\$ 7,295,486	\$ 2,669,861

Pension Plan Fiduciary Net Position

Detailed information about the plan's fiduciary net position is available in the separately issued financial report. For the purpose of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pension, and pension expense, information about the plan's fiduciary net position and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by the plan. The plan uses the economic resources measurement focus and the full accrual basis of accounting. Investments are stated at fair value. Contribution revenue is recorded as contributions are due, pursuant to legal requirements. Benefit payments and refunds of employee contributions are recognized as expense when due and payable in accordance with the benefit terms.

Note 10 - Other Postemployment Benefit Plan

Plan Description

The City provides retiree health care benefits to eligible employees, spouses, and dependents. Currently, the plan has 55 members (including city and library employees in active service, terminated employees not yet receiving benefits, and retired employees and beneficiaries currently receiving benefits). This is a cost-sharing multiple-employer plan, with two employers: the City and the Wixom Public Library. The benefits are provided under collective bargaining agreements or executive directives approved by the City Council. The plan does not issue separate stand-alone financial statements. Administrative costs are paid by the plan through employer contributions. The City has allowed the Wixom Public Library, a separate governmental entity, to also participate in this plan. The plan was closed to new employees on the following dates: June 30, 2006 for nonunion employees; August 12, 2014 for Department of Public Works Union employees; December 17, 2013 for Police Officers Union employees; June 10, 2013 for Clerical Union employees; and June 19, 2014 for Police Sergeant Union employees.

June 30, 2025

Note 10 - Other Postemployment Benefit Plan (Continued)

Benefits Provided

The OPEB plan provides health care benefits for retirees and their dependents. Benefits are provided through a third-party insurer, and 90 percent of the cost of the benefits is covered by the plan.

Employees Covered by Benefit Terms

The following members were covered by the benefit terms:

Date of member count	June 30, 2024
Inactive plan members or beneficiaries currently receiving benefits	40
Inactive plan members entitled to but not yet receiving benefits	3
Active plan members	12
Total plan members	55

Contributions

The collective bargaining agreements require a contribution of 1 percent of payroll from employees. Retiree health care costs are recognized when paid by the City on a pay-as-you-go basis. The City has no obligation to make contributions in advance of when the insurance premiums are due for payment (in other words, this may be financed on a pay-as-you-go basis). However, as shown in the required supplementary information, the City has made contributions to advance-fund these benefits, as determined by the City Council through annual budget resolutions.

Net OPEB Asset

The City has chosen to use the June 30 measurement date as its measurement date for the net OPEB asset. The June 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 June 30, 2025 measurement date. The June 30, 2025 measurement date total OPEB liability was determined by an actuarial valuation performed as of June 30, 2024, which used updating procedures to roll forward the estimated liability to June 30, 2025.

Changes in 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 July 1, 2024	\$ 12,008,450	\$ 18,874,021	\$ (6,865,571)
Service cost	65,193	-	65,193
Interest	814,044	-	814,044
Differences between expected and actual a experience	925,414	-	925,414
Changes in assumptions	926,191	-	926,191
Contributions - Employer	-	228,664	(228,664)
Contributions - Employee	-	10,062	(10,062)
Net investment income	-	1,960,927	(1,960,927)
Benefit payments, including refunds	(823,700)	(823,700)	-
Miscellaneous other charges	-	(1,118)	1,118
Net changes	1,907,142	1,374,835	532,307
Balance at June 30, 2025	\$ 13,915,592	\$ 20,248,856	\$ (6,333,264)

The plan's fiduciary net position represents 145.51 percent of the total OPEB liability.

June 30, 2025

Note 10 - Other Postemployment Benefit Plan (Continued)

At June 30, 2025, the City reported an asset of \$6,256,632 for its proportionate share of the net OPEB asset that is allocated along with the Wixom Public Library.

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

For the year ended June 30, 2025, the plan recognized an OPEB expense of \$835,427.

At June 30, 2025, the plan 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	\$ 162,438	\$ -
Changes in assumptions	162,574	-
Net difference between projected and actual earnings on OPEB plan investments	-	(398,350)
Total	\$ 325,012	\$ (398,350)

At June 30, 2025, the City reported deferred outflows of \$321,079 and deferred inflows of \$393,530 for its proportionate share of deferred outflows and deferred inflows that is allocated along with the Wixom Public Library.

Years Ending June 30	Amount
2026	\$ 614,577
2027	(289,390)
2028	(266,473)
2029	(132,052)
Total	\$ (73,338)

Actuarial Assumptions

The total OPEB liability in the June 30, 2025 actuarial valuation was determined using an inflation assumption of 2.5 percent; assumed salary increases (including inflation) of 3 percent; an investment rate of return (net of investment expenses) of 7.25 percent; and a health care cost trend rate of 7.50 percent for 2024, decreasing every year to an ultimate rate of 3.50 percent in year 10. Mortality rates were based on a version of the PubNS-2010 mortality tables. These assumptions were applied to all periods included in the measurement date.

Discount Rate

The discount rate used to measure the total OPEB liability was 7.0 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that city contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate.

Based on those assumptions, the OPEB plan'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 all periods of projected benefit payments to determine the total OPEB liability.

Note 10 - Other Postemployment Benefit Plan (Continued)

Investment Rate of Return

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and adding expected inflation. Best estimates of arithmetic real rates of return as of the June 30, 2025 measurement date for each major asset class included in the OPEB plan's target asset allocation, as disclosed in the investment footnote, are summarized in the following table:

Asset Class	Long-term Expected Real Rate of Return
Global equity	4.50 %
Global fixed income	2.16
Private investments	6.50

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 7.0 percent, as well as what the City's net OPEB 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 asset of the plan	\$ 4,798,991	\$ 6,333,264	\$ 7,620,683

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

The following presents the net OPEB asset of the plan, calculated using the health care cost trend rate of 7.0 percent, as well as what the City's net OPEB asset would be if it were calculated using a health care cost trend rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1 Percentage Point Decrease (6.25%)	Current Health Care Cost Trend Rate (7.25%)	1 Percentage Point Increase (8.25%)
Net OPEB asset of the plan	\$ 7,758,768	\$ 6,333,264	\$ 4,642,176

Assumption Changes

For the year ended June 30, 2024 valuation used to measure June 30, 2025 liability, the change in assumption was caused by the retiree health care trend rate being reset to 7.50 percent.

Note 10 - Other Postemployment Benefit Plan (Continued)

Investment Policy

The OPEB plan's policy in regard to the allocation of invested assets is established and may be amended by the OPEB board by a majority vote of its members. It is the policy of the OPEB board to pursue an investment strategy that manages risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The OPEB plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the OPEB board's adopted asset allocation policy as of June 30, 2025:

Asset Class	Target Allocation
Global equity	60.00 %
Global fixed income	20.00
Private investments	20.00

Rate of Return

For the year ended June 30, 2025, the annual money-weighted rate of return on OPEB plan investments, net of OPEB plan investment expense, was 9.65 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Note 11 - Other Postemployment Benefits - MERS Health Care Plan

Plan Description

The City provides funding of retiree health care benefits to eligible employees and their dependents through the Municipal Employees' Retirement System Health Funding Vehicle. Nonunion employees hired after June 30, 2006; Department of Public Works Union employees hired after August 12, 2014; Police Officers Union employees hired after December 17, 2013; Police Sergeant Union employees hired after June 19, 2014; and Clerical Union employees hired after June 10, 2013 are eligible to use the balances of their accounts to fund medical insurance premiums and expenses upon retirement. Benefits depend solely on the amount contributed to the plan, plus investment earnings. Employees contribute 1.5 percent, and the City contributes 3.5 percent of gross wages. Employee contributions are immediately vested. Earnings and the employer match are fully vested after seven years of service.

During the year ended June 30, 2025, the City made contributions of \$147,843, and plan members contributed \$63,361 to the plan.

Note 12 - Defined Contribution Pension Plan

The City provides benefits to recently hired employees who are not eligible for the defined benefit plans through a defined contribution plan. Nonunion employees hired after June 30, 2006; Department of Public Works Union employees hired after August 12, 2014; Police Officers Union employees hired after December 17, 2013; Police Sergeant Union employees hired after June 19, 2014; and Clerical Union employees hired after June 10, 2013 are eligible to participate in the plan, which is administered by the Municipal Employees' Retirement System. Benefits depend solely on amounts contributed to the plan, plus investment earnings. Employees are eligible to participate from the date of hire. As established by various collective bargaining agreements, the employees are permitted to contribute up to 2 percent of their earnings. The City contributes 11 percent of employee earnings. Employee contributions are immediately vested. Employer match contributions are fully vested after seven years of service.

In accordance with these provisions, the City contributed \$491,034, and employees contributed \$80,976 for the year ended June 30, 2025.

Note 13 - Deferred Compensation Plan

The City offers an employee-only contributing deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all permanent city employees, permits each employee to defer a portion of his or her salary until future years. The deferred compensation is not available for distribution to employees until termination, retirement, death, or unforeseeable emergency.

All amounts of compensation deferred under the plan with VALIC or MERS; all property and rights purchased with those amounts; and all income attributable to those amounts, property, or rights are held in trust for the exclusive benefit of the plan participants and their beneficiaries. The assets shall not be diverted for any other purpose. All provisions of the plan and trust are in conformance with Internal Revenue Code Section 457.

The plan's funds are excluded from the financial statements in conformance with the reporting and disclosure requirements in GASB Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*.

Note 14 - Brownfield Redevelopment Authority

The Brownfield Redevelopment Authority was established pursuant to Public Act 381 of 1996 and is governed by the Oakland County Brownfield Redevelopment Authority. Upon completion of its purpose, the authority may be dissolved by resolution of the City Council. The City collects property tax revenue and remits it to the Oakland County Brownfield Redevelopment Authority. The Oakland County Brownfield Redevelopment Authority is responsible for the disbursement and accounting for all moneys received. The City collected and remitted \$3,067,526 in captured revenue for the Brownfield Redevelopment Authority during fiscal year 2025.

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 10 years for commercial rehabilitation district) for up to 12 years.

For the fiscal year ended June 30, 2025, the City abated \$75,572 of taxes under this program. There is a job shortfall provision to recapture a portion of taxes if the certificate holder fails to maintain the additional full-time jobs stated in the letter of agreement. In addition, if the taxpayer moves the facility operation outside of the City during the period of exemption, the certificate holder is liable for an additional percentage of taxes depending on the number of years the certificate holder had remained in the City. The abatement may be eliminated if taxes are not paid timely.

Additionally, the Brownfield Redevelopment Authority, which is governed by Oakland County, Michigan (see Note 14), 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 June 30, 2025, the authority abated \$768,272 of taxes under this program. There are no provisions to recapture taxes.

City management has represented that there are no significant abatements made by other governments that reduce the City's tax revenue.

Note 16 - Leases

The City leases certain assets to various third parties. The assets leased include a cell tower, water tower, and property for use of an antenna tower. Payments are generally fixed monthly payments.

During the year ended June 30, 2025, the City recognized approximately \$81,000 in lease revenue related to its lessor agreements.

Required Supplementary Information

Required Supplementary Information
Budgetary Comparison Schedule - General Fund

Year Ended June 30, 2025

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Taxes	\$ 10,098,862	\$ 10,130,222	\$ 10,275,794	\$ 145,572
Intergovernmental:				
State sources	2,430,438	2,860,247	2,842,634	(17,613)
Local grants and contributions	1,900	1,900	1,520	(380)
Charges for services	1,285,124	1,201,936	1,224,175	22,239
Fines and forfeitures	56,000	67,170	68,850	1,680
Licenses and permits	55,000	47,628	45,276	(2,352)
Interest and rentals	523,813	609,644	859,612	249,968
Other revenue	631,381	609,779	625,884	16,105
Total revenue	15,082,518	15,528,526	15,943,745	415,219
Expenditures				
Current services:				
General government:				
Legislative	13,626	13,626	12,986	640
City manager	357,527	375,049	364,777	10,272
Financial administration	466,123	480,749	462,328	18,421
Information systems	205,800	259,580	224,673	34,907
Assessing	218,322	220,501	207,069	13,432
Board of review	1,046	1,046	717	329
Clerk	290,584	275,014	258,897	16,117
Buildings and grounds	146,130	148,930	118,451	30,479
Legal counsel and assistance	103,500	122,451	113,049	9,402
General operating	1,422,548	1,075,992	994,439	81,553
Public safety:				
Police/Sheriff	4,140,216	4,364,840	4,198,175	166,665
Fire	1,889,903	1,984,212	1,904,216	79,996
Building inspections and related	813,047	777,227	664,849	112,378
Public works	934,591	1,069,929	987,506	82,423
Community and economic development - Planning, zoning, and related	164,550	139,730	136,920	2,810
Recreation and culture:				
Parks and recreation	521,047	570,060	531,446	38,614
Cultural center	318,509	334,664	312,872	21,792
Senior citizen committee	81,519	85,383	77,640	7,743
Debt service:				
Principal	940,000	940,000	940,000	-
Interest and fiscal charges	690,216	690,216	690,216	-
Total expenditures	13,718,804	13,929,199	13,201,226	727,973
Excess of Revenue Over Expenditures	1,363,714	1,599,327	2,742,519	1,143,192
Other Financing (Uses) Sources				
Transfers out	(3,000,000)	(3,126,646)	(3,126,646)	-
Sale of capital assets	2,000	2,000	667	(1,333)
Total other financing uses	(2,998,000)	(3,124,646)	(3,125,979)	(1,333)
Net Change in Fund Balance	(1,634,286)	(1,525,319)	(383,460)	1,141,859
Fund Balance - Beginning of year	8,913,165	8,913,165	8,913,165	-
Fund Balance - End of year	\$ 7,278,879	\$ 7,387,846	\$ 8,529,705	\$ 1,141,859

City of Wixom, Michigan

Required Supplementary Information
 Budgetary Comparison Schedule - Major Special Revenue Funds
 Local Road Capital Improvement Fund

Year Ended June 30, 2025

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Taxes - Property taxes	\$ 1,092,261	\$ 1,175,107	\$ 1,189,808	\$ 14,701
Intergovernmental	611,255	613,267	616,448	3,181
Interest and rentals	140,000	170,000	209,774	39,774
Other revenue	-	-	59,494	59,494
Total revenue	1,843,516	1,958,374	2,075,524	117,150
Expenditures - Current services - Public works	2,123,892	2,154,973	869,632	1,285,341
Net Change in Fund Balance	(280,376)	(196,599)	1,205,892	1,402,491
Fund Balance - Beginning of year	3,649,856	3,649,856	3,649,856	-
Fund Balance - End of year	\$ 3,369,480	\$ 3,453,257	\$ 4,855,748	\$ 1,402,491

City of Wixom, Michigan

Required Supplementary Information
 Budgetary Comparison Schedule - Major Special Revenue Funds (Continued)
 Special Holding Agency Fund

Year Ended June 30, 2025

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Intergovernmental	\$ 4,165	\$ 7,850	\$ 7,842	\$ (8)
Charges for services	308,900	391,205	288,903	(102,302)
Interest and rentals	103,500	103,700	1,090	(102,610)
Other revenue	1,300	2,150	61,537	59,387
Total revenue	417,865	504,905	359,372	(145,533)
Expenditures				
Current services:				
Public safety	7,465	15,211	12,589	2,622
Community and economic development	303,400	307,019	316,074	(9,055)
Total expenditures	310,865	322,230	328,663	(6,433)
Net Change in Fund Balance	107,000	182,675	30,709	(151,966)
Fund Balance - Beginning of year	818,594	818,594	818,594	-
Fund Balance - End of year	\$ 925,594	\$ 1,001,269	\$ 849,303	\$ (151,966)

City of Wixom, Michigan

Required Supplementary Information
 Budgetary Comparison Schedule - Major Special Revenue Funds (Continued)
 Major Road Capital Improvement Fund

Year Ended June 30, 2025

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Intergovernmental	\$ 1,380,520	\$ 1,380,520	\$ 1,392,115	\$ 11,595
Interest and rentals	165,000	172,000	208,533	36,533
Total revenue	1,545,520	1,552,520	1,600,648	48,128
Expenditures - Current services - Recreation and culture	697,861	1,964,935	1,297,257	667,678
Net Change in Fund Balance	847,659	(412,415)	303,391	715,806
Fund Balance - Beginning of year	5,149,398	5,149,398	5,149,398	-
Fund Balance - End of year	<u><u>\$ 5,997,057</u></u>	<u><u>\$ 4,736,983</u></u>	<u><u>\$ 5,452,789</u></u>	<u><u>\$ 715,806</u></u>

Required Supplementary Information
 Schedule of the City's Proportionate Share of the Net Pension Liability (Asset)
 Cost Sharing Plan

	Last Ten Plan Years									
	Plan Years Ended December 31									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
City's proportion of the net pension liability (asset)	97.06000 %	96.80000 %	96.96000 %	96.97000 %	96.97000 %	98.92473 %	98.93617 %	96.17633 %	96.69933 %	98.94750 %
City's proportionate share of the net pension liability (asset)	\$ 7,080,996	\$ 6,614,565	\$ 7,153,215	\$ (698,674)	\$ 214,024	\$ 1,267,153	\$ 2,960,159	\$ 13,884,065	\$ 14,974,219	\$ 15,257,723
City's covered payroll	\$ 878,736	\$ 1,060,088	\$ 1,480,189	\$ 1,531,769	\$ 1,552,123	\$ 1,489,420	\$ 1,802,784	\$ 1,975,451	\$ 2,061,173	\$ 2,185,701
City's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	805.82 %	623.96 %	483.26 %	(45.61)%	13.79 %	85.08 %	164.20 %	702.83 %	726.49 %	698.39 %
Plan fiduciary net position as a percentage of total pension liability	84.54 %	85.26 %	83.62 %	101.64 %	99.46 %	96.73 %	91.74 %	58.62 %	54.23 %	52.35 %

Required Supplementary Information
Schedule of Pension Contributions
Cost Sharing Plan

Last Ten Plan Years
Years Ended June 30

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 376,110	\$ 405,390	\$ 465,748	\$ 346,650	\$ 257,010	\$ 221,969	\$ 1,568,052	\$ 1,269,089	\$ 1,039,531	\$ 962,726
Contributions in relation to the contractually required contribution	376,110	405,390	465,748	346,650	257,010	2,422,726	16,281,743	1,269,089	1,039,531	962,726
Contribution Excess	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,200,757	\$ 14,713,691	\$ -	\$ -	\$ -
City's Covered Payroll	\$ 878,736	\$ 1,060,088	\$ 1,480,189	\$ 1,531,769	\$ 1,552,123	\$ 1,489,420	\$ 1,802,784	\$ 1,975,451	\$ 2,061,173	\$ 2,185,701
Contributions as a Percentage of Covered Payroll	42.80 %	38.24 %	31.47 %	22.63 %	16.56 %	162.66 %	903.14 %	64.24 %	50.43 %	44.05 %

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 December 31, 18 months prior to the end of the fiscal year in which the contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	15 years
Asset valuation method	5-year smoothed market
Inflation	2.50 percent
Salary increase	3.00 percent
Investment rate of return	6.93 percent (net of administrative and investment expenses)
Retirement age	60-70 years of age with 6 or more years of service
Mortality	Pub-2010 Mortality tables using scale MP-2019
Other information	None

Required Supplementary Information
Schedule of the City's Proportionate Share of the Net OPEB Asset
Cost Sharing Plan

	Last Eight Plan Years							
	Plan Years Ended June 30							
	2025	2024	2023	2022	2021	2020	2019	2018
City's proportion of the net OPEB asset	98.79000 %	98.54000 %	98.33000 %	98.33000 %	98.33000 %	97.74080 %	97.27054 %	97.86439 %
City's proportionate share of the net OPEB (asset) liability	\$ (6,256,632)	\$ (6,765,334)	\$ (5,718,444)	\$ (5,172,326)	\$ (7,424,418)	\$ (2,471,188)	\$ (2,933,290)	\$ 5,366,179
City's covered-employee payroll	\$ 1,006,186	\$ 1,102,374	\$ 1,671,046	\$ 1,638,336	\$ 1,512,455	\$ 1,621,591	\$ 1,858,200	\$ 2,145,023
City's proportionate share of the net OPEB asset as a percentage of its covered-employee payroll	(621.82)%	(613.71)%	(342.21)%	(315.71)%	(490.89)%	(152.39)%	(157.86)%	250.17 %
Plan fiduciary net position as a percentage of total OPEB liability	145.51 %	157.17 %	149.67 %	146.06 %	167.00 %	120.53 %	125.34 %	60.73 %

City of Wixom, Michigan

Required Supplementary Information Schedule of OPEB Contributions Cost Sharing Plan

**Last Ten Fiscal Years
Years Ended June 30**

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 702,395	\$ 722,604	\$ 563,990	\$ 569,089
Contributions in relation to the contractually required contribution	228,664	211,822	184,704	189,858	213,171	187,524	6,635,633	829,505	792,941	925,989
Contribution Excess	\$ 228,664	\$ 211,822	\$ 184,704	\$ 189,858	\$ 213,171	\$ 187,524	\$ 5,933,238	\$ 106,901	\$ 228,951	\$ 356,900
City's Covered-employee Payroll	\$ 1,006,186	\$ 1,102,374	\$ 1,671,046	\$ 1,638,336	\$ 1,512,455	\$ 1,621,591	\$ 1,858,200	\$ 2,145,023	\$ 2,441,102	\$ 2,441,102
Contributions as a Percentage of Covered-employee Payroll	22.73 %	19.22 %	11.05 %	11.59 %	14.09 %	11.56 %	357.10 %	38.67 %	32.48 %	37.93 %

City of Wixom, Michigan

**Required Supplementary Information
Schedule of OPEB Investment Returns**

	Years Ended June 30				
	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Annual money-weighted rate of return - Net of investment expense	9.65 %	10.28 %	7.47 %	(8.23)%	28.12 %

Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund and all special revenue funds. All annual appropriations lapse at fiscal year end. At the first City Council meeting in April, the city manager submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them. Financial plans for all other funds are also submitted at this time. Budget sessions and public hearings are conducted by the City Council to review the proposed city manager's budget/financial plans and to obtain taxpayer comments. If required, a Truth in Taxation public hearing is held at the second City Council meeting in May. The budget must be formally adopted no later than the second City Council meeting in May when the budget is legally enacted through passage of a City Council resolution.

The budget document presents information by fund, function, department, and line items. The legal level of budgetary control adopted by the governing body is the department level. All other funds' budgets have been adopted on an aggregate basis by function or department.

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders or contracts) outstanding at year end are reported as restrictions, commitments, or assignments of fund balances and do not constitute expenditures or liabilities because the goods or services have not been received as of year end; the commitments will be reappropriated and honored during the subsequent year. Amounts encumbered for purchase orders, contracts, etc. are not tracked during the year. Budget appropriations are considered to be spent once the goods are delivered or the services rendered.

Formal budgetary integration is employed as a management control device during the year for all funds at a line-item level. Administrative control is maintained through the establishment of more detailed line-item budgets. Budget transfers between budgetary categories, functions, or from fund balance are periodically approved by the City Council. Supplemental appropriations for additional expenditures, which require an appropriation of available fund balance, must be approved by the City Council. Appropriations for operations lapse at year end. Appropriations for continuing projects are incorporated in the budget of the ensuing year.

Department heads with city manager approval may make transfers of appropriations annually within a department up to an aggregate of \$20,000. The City closely monitors spending by reviewing monthly budget reports and, if necessary, will perform periodic budget amendments to reflect significant changes in the budget. In addition, the city manager informs the City Council of any changes in the financial plan for the capital project funds, debt service funds, and enterprise funds.

Amounts encumbered for purchase orders, contracts, etc. are not tracked during the year. Budget appropriations are considered to be spent once the goods are delivered or the services rendered. During the year, the budget was amended in a legally permissible manner. Budgets have been prepared on a basis consistent with generally accepted accounting principles (GAAP).

A reconciliation of the budgetary comparison schedules to the fund-based statement of changes in fund balance is as follows:

	<u>Total Revenue</u>	<u>Total Expenditures</u>	<u>Total Other Financing Uses</u>
Amounts per operating statement	\$ 16,021,553	\$ 13,201,226	\$ (3,125,979)
Budget Stabilization Fund revenue	(77,808)	-	-
Amounts per budget statement	<u>\$ 15,943,745</u>	<u>\$ 13,201,226</u>	<u>\$ (3,125,979)</u>

During the year, the City of Wixom, Michigan incurred expenditures that were in excess of the amounts budgeted due to unforeseen expenses, as follows:

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Special Holding Agency Fund - Current services - Community and economic development	\$ 307,019	\$ 316,074	\$ (9,055)

Supplementary Information

City of Wixom, Michigan

	Special Revenue Fund				
	Community Development Fund	Opioid Settlement Fund	Formerly Nonmajor- Major Road Capital Improvement Fund	Land Acquisition Fund	Safety Path Road Program Fund
Assets					
Cash and investments	\$ -	\$ -	\$ -	\$ 1,824,764	\$ 1,872,348
Receivables - Other receivables	-	89,620	-	-	-
Due from other funds	5,967	38,107	-	155,867	159,697
Total assets	\$ 5,967	\$ 127,727	\$ -	\$ 1,980,631	\$ 2,032,045
Liabilities					
Accounts payable	\$ -	\$ -	\$ -	\$ 1,155	\$ 2,808
Due to other funds	-	-	-	-	-
Total liabilities	-	-	-	1,155	2,808
Deferred Inflows of Resources -					
Unavailable revenue	-	89,620	-	-	-
Total liabilities and deferred inflows of resources	-	89,620	-	1,155	2,808
Fund Balances					
Restricted:					
Roads	-	-	-	-	2,029,237
Debt service	-	-	-	-	-
Land acquisition	-	-	-	1,979,476	-
Police forfeiture	-	-	-	-	-
Solid waste	-	-	-	-	-
Community development	5,967	-	-	-	-
Opioid settlement	-	38,107	-	-	-
Committed - Cemetery	-	-	-	-	-
Total fund balances	5,967	38,107	-	1,979,476	2,029,237
Total liabilities, deferred inflows of resources, and fund balances	\$ 5,967	\$ 127,727	\$ -	\$ 1,980,631	\$ 2,032,045

Supplementary Information
Combining Balance Sheet
Nonmajor Governmental Funds

June 30, 2025

Special Revenue Fund				Debt Service Fund		
Solid Waste Collection Fund	Forfeiture Funds	Cemetery Fund	Special Assessment Fund	DDA/VCA Development Bonds Fund		Total
\$ 161,988	\$ 16,275	\$ 82,728	\$ 33,144	\$ 21,721		\$ 4,012,968
-	-	-	-	-		89,620
7,640	215,739	32,554	-	2,089		617,660
\$ 169,628	\$ 232,014	\$ 115,282	\$ 33,144	\$ 23,810		\$ 4,720,248
\$ 47,159	\$ -	\$ -	\$ -	\$ -		\$ 51,122
-	-	-	33,144	-		33,144
47,159	-	-	33,144	-		84,266
-	-	-	-	-		89,620
47,159	-	-	33,144	-		173,886
-	-	-	-	-		2,029,237
-	-	-	-	23,810		23,810
-	-	-	-	-		1,979,476
-	232,014	-	-	-		232,014
122,469	-	-	-	-		122,469
-	-	-	-	-		5,967
-	-	-	-	-		38,107
-	-	115,282	-	-		115,282
122,469	232,014	115,282	-	23,810		4,546,362
\$ 169,628	\$ 232,014	\$ 115,282	\$ 33,144	\$ 23,810		\$ 4,720,248

City of Wixom, Michigan

	Special Revenue Funds				
	Community Development Fund	Opioid Settlement Fund	Formerly Nonmajor- Major Road Capital Improvement Fund	Land Acquisition Fund	Safety Path Road Program Fund
Revenue					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 313,766
Special assessments	-	-	-	-	-
Intergovernmental - Federal grants	76,217	-	-	-	-
Charges for services	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Interest and rentals:					
Investment earnings	-	-	-	80,933	83,378
Rental income	-	-	-	-	7,344
Other revenue	-	7,766	-	-	164,814
Total revenue	76,217	7,766	-	80,933	569,302
Expenditures					
Current services:					
General government	-	-	-	88,168	-
Public safety	-	-	-	-	-
Public works	-	-	-	-	-
Community and economic development	7,278	-	-	-	-
Capital outlay	-	-	-	-	56,749
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	7,278	-	-	88,168	56,749
Other Financing Sources - Sale of capital assets	-	-	-	155,867	-
Net Change in Fund Balances	68,939	7,766	-	148,632	512,553
Fund Balances - Beginning of year, as previously reported	(62,972)	30,341	5,149,398	1,830,844	1,516,684
Change within Financial Reporting Entity	-	-	(5,149,398)	-	-
Fund Balances - Beginning of year, as adjusted	(62,972)	30,341	-	1,830,844	1,516,684
Fund Balances - End of year	\$ 5,967	\$ 38,107	\$ -	\$ 1,979,476	\$ 2,029,237

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

Year Ended June 30, 2025

Special Revenue Funds					Debt Service Fund	
Solid Waste Collection Fund	Forfeiture Funds	Cemetery Fund	Special Assessment Fund	Total Special Revenue Funds	DDA/VCA Development Bonds Fund	Total
\$ -	\$ -	\$ -	\$ -	\$ 313,766	\$ -	\$ 313,766
-	-	-	225,691	225,691	-	225,691
-	-	-	-	76,217	-	76,217
603,689	-	18,350	-	622,039	-	622,039
-	77,868	-	-	77,868	-	77,868
18,722	708	3,602	1,379	188,722	-	188,722
-	-	-	-	7,344	-	7,344
1,928	-	10,000	-	184,508	468,675	653,183
624,339	78,576	31,952	227,070	1,696,155	468,675	2,164,830
-	-	391	805	89,364	806	90,170
-	7,500	-	-	7,500	-	7,500
617,581	-	6,210	34,612	658,403	-	658,403
-	-	-	-	7,278	-	7,278
-	-	-	-	56,749	-	56,749
-	-	-	200,000	200,000	415,000	615,000
-	-	-	8,800	8,800	52,383	61,183
617,581	7,500	6,601	244,217	1,028,094	468,189	1,496,283
-	-	-	-	155,867	-	155,867
6,758	71,076	25,351	(17,147)	823,928	486	824,414
115,711	160,938	89,931	17,147	8,848,022	23,324	8,871,346
-	-	-	-	(5,149,398)	-	(5,149,398)
115,711	160,938	89,931	17,147	3,698,624	23,324	3,721,948
\$ 122,469	\$ 232,014	\$ 115,282	\$ -	\$ 4,522,552	\$ 23,810	\$ 4,546,362