

City of Grosse Pointe Park

Financial Statements

June 30, 2025



YEO & YEO

**BUSINESS SUCCESS
PARTNERS**

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Independent Auditors' Report

City Council and Management
City of Grosse Pointe Park
Grosse Pointe Park, Michigan

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying 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 Grosse Pointe Park, 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 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 of Grosse Pointe Park as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Grosse Pointe Park and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Adoption of New Accounting Standard

As discussed in Note 14 to the financial statements, during the year ended June 30, 2025, the City adopted new accounting guidance, GASB Statement No. 101, *Compensated Absences*. Our opinions are not modified with respect to this matter.

Auditors' 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 auditors' 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 generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Grosse Pointe Park'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 of Grosse Pointe Park'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, budgetary comparison schedules, and the pension and OPEB schedules, 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 who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Yeo & Yeo, P.C.

Troy, Michigan
December 3, 2025

City of Grosse Pointe Park Management's Discussion and Analysis

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

Business Highlights

- Minor projects and improvements to City infrastructure include security control upgrades to City Hall, the purchase of election tabulators, new motor pool vehicles, new playground equipment at Windmill Park, and renovations to theater seating at the Schapp Theater.
- Streetscape projects were begun on Kercheval in collaboration with the City of Detroit and the City's Tax Increment Financing Authority (TIFA) in the amount of \$315 thousand. Work on this project is expected to be completed in fiscal year 2026.
- A sewer separation project along Jefferson is expected to be completed in fiscal year 2026 with \$929 thousand in preliminary engineering work being expended on the project by the end of fiscal year 2025.
- Preliminary work on a repaving project on Charlevoix has begun in the amount of \$23 thousand. Work on this project is expected to be completed in fiscal year 2026.
- Preliminary engineering work in the amount of \$83 thousand was completed for water main projects on the Beaconsfield and Patterson Park water mains, to be completed in fiscal years 2026 and 2027, respectively.
- Resurfacing street project work was completed on local road Middlesex Rd and major road Charlevoix St in fiscal year 2025 of \$629 thousand total.
- Marina investments in engineering were underway in fiscal year 2025 of just over \$129 thousand dollars to repair the docks and seawall in fiscal year 2026.

Financial Highlights

- At the end of the 2025 fiscal year, the city's total assets of \$93.5 million exceeded its total liabilities of \$50.6 million by approximately \$42.9 million. When viewed separately, the governmental activities total assets of \$67.3 million in assets exceeded the \$46.4 million in liabilities by \$20.9 million, and the business-type activities had assets of \$26.1 million exceeded liabilities of \$4.3 million by \$21.8 million.
- The total primary government revenues of \$19.1 million for fiscal year 2025 were down \$3.5 million from prior year due to a one-time receipt of state grant funds for pension costs and higher investment returns.
- The City's financial rating with Standard & Poor's rating service remains at AA-.

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, as well as how much is available for future spending. Fund financial statements also report

City of Grosse Pointe Park Management's Discussion and Analysis

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.

Government-wide Overall Financial Analysis

As noted earlier, net position over time may serve as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows by approximately \$48.2 million at the close of the most recent fiscal year.

The analysis below presents separate tables for the governmental activities and the business-type activities. The governmental activities include most of the City's basic services, such as public safety and dispatch services, the municipal court, the city's private parks and recreational facilities, for building code enforcement, for rubbish pickup and disposal, to maintain our municipal roads, provide for community development, and the city's general administration.

Most of the governmental funding sources are provided from the city's operating and extra voted property taxes, state-shared revenues, charges for service, and interlocal governmental agreements.

The business-type activities consist of the Water and Sewer Fund, Water and Sewer Infrastructure Fund, Marina Fund and Recycling Collection Fund.

- The City's Water & Sewer fund provides water and the treatment of our sewer services to residents from the Great Lakes Water Authority (GLWA).
- The Water & Sewer Infrastructure fund is the result of a millage in which the tax collections provide funding for the city's water and sewer main reconstruction of 35.3 miles of water mains and 41 miles of sanitary sewer mains.
- The Recycling fund was created to account for the business-type revenues and expenditures related to the general operation of collecting the city's recycling activity.
- The Marina fund was created to account for the operational revenue and business expenditure for the daily operation and long-term public infrastructure needs, essential to support its purpose.

In November of 2020, the State of Michigan, Department of Treasury communicated its final release of the updated Michigan Uniform Chart of Accounts. Under Public Act 71 the Michigan State Treasurer is tasked with establishing and maintaining a uniform system of accounting and reporting requirements in compliance with the Governmental Accounting Standards Board (GASB). The City of Grosse Pointe Park has not yet implemented the State of Michigan's new Uniform Chart of Accounts. City administration intends to implement the needed changes in fiscal year 2026.

City of Grosse Pointe Park
Management's Discussion and Analysis

The City's Net Position

	Governmental Activities			
	<u>2024</u>	<u>2025</u>	<u>Change</u>	<u>Percent Change</u>
Assets				
Current and other assets				
Cash and investments	\$ 4,741,441	\$ 5,817,180	\$ 1,075,739	22.7%
Receivables	1,810,923	1,908,205	97,282	5.4%
Other assets	236,629	212,776	(23,853)	-10.1%
Capital assets	<u>59,251,925</u>	<u>59,360,806</u>	<u>108,881</u>	0.2%
Total assets	<u>66,040,918</u>	<u>67,298,967</u>	<u>1,258,049</u>	1.9%
Deferred Outflows of Resources	<u>3,540,691</u>	<u>5,048,384</u>	<u>1,507,693</u>	42.6%
Liabilities				
Current liabilities	1,273,473	1,023,156	(250,317)	-19.7%
Noncurrent liabilities				
Due within one year	1,297,146	1,629,365	332,219	25.6%
Due in more than one year	<u>39,536,828</u>	<u>43,723,633</u>	<u>4,186,805</u>	10.6%
Total liabilities	<u>42,107,447</u>	<u>46,376,154</u>	<u>4,268,707</u>	10.1%
Deferred Inflows of Resources	<u>494,534</u>	<u>16,997</u>	<u>(477,537)</u>	-96.6%
Net Position				
Net investment in capital assets	54,978,245	55,854,602	876,357	1.6%
Restricted	2,159,215	2,863,722	704,507	32.6%
Unrestricted (deficit)	<u>(30,157,832)</u>	<u>(32,764,124)</u>	<u>(2,606,292)</u>	8.6%
Total net position	<u>\$ 26,979,628</u>	<u>\$ 25,954,200</u>	<u>\$ (1,025,428)</u>	-3.8%

The governmental activities assets and deferred outflows of \$72.4 million exceeded its liabilities and deferred inflows of \$46.4 million by \$25.9 million. Total assets increased by 1.9% primarily due to the change in cash and investments while liabilities increased 9.2% primarily due to pension and OPEB liabilities.

City of Grosse Pointe Park
Management's Discussion and Analysis

	Business-type Activities			
	<u>2024</u>	<u>2025</u>	<u>Change</u>	<u>Percent Change</u>
Assets				
Current and other assets				
Cash and investments	\$ 2,559,112	\$ 2,490,633	\$ (68,479)	-2.7%
Receivables	2,062,525	2,284,316	221,791	10.8%
Other assets	(10,000)	1,880	11,880	-118.8%
Capital assets	<u>18,491,746</u>	<u>21,399,588</u>	<u>2,907,842</u>	15.7%
Total assets	<u>23,103,383</u>	<u>26,176,417</u>	<u>3,073,034</u>	13.3%
Deferred Outflows of Resources	<u>292,849</u>	<u>378,547</u>	<u>85,698</u>	29.3%
Liabilities				
Current liabilities	895,314	1,048,204	152,890	17.1%
Noncurrent liabilities				
Due within one year	44,591	177,797	133,206	298.7%
Due in more than one year	<u>3,218,292</u>	<u>3,041,720</u>	<u>(176,572)</u>	-5.5%
Total liabilities	<u>4,158,197</u>	<u>4,267,721</u>	<u>109,524</u>	2.6%
Deferred Inflows of Resources	<u>50,086</u>	<u>1,342</u>	<u>(48,744)</u>	-97.3%
Net Position				
Net investment in capital assets	18,267,285	20,813,363	2,546,078	13.9%
Unrestricted (deficit)	<u>920,664</u>	<u>1,472,538</u>	<u>551,874</u>	59.9%
Total net position	<u>\$ 19,187,949</u>	<u>\$ 22,285,901</u>	<u>\$ 3,097,952</u>	16.1%

The net position of the City's business-type activities totals \$22.3 million. This is an increase of approximately \$3.1 million over the 2024's balance of \$19.2 million.

The change in total liabilities resulted in an increase in accrued and other liabilities consisting of accounts payables, payroll liabilities, unearned revenue, and compensated absences.

The City's Changes in Net Position

The city adopted a new accounting standard GASB 101 Compensated Absences which resulted in restated balances for the year ending June 30, 2024. Due to this, evaluating changes between fiscal years is more complicated.

City of Grosse Pointe Park
Management's Discussion and Analysis

	Governmental Activities			
	<u>2024</u>	<u>2025</u>	<u>Change</u>	<u>Percent Change</u>
Revenue				
Program revenue				
Charges for services	\$ 2,337,714	\$ 2,642,609	\$ 304,895	13.0%
Operating grants	3,690,305	1,715,326	(1,974,979)	-53.5%
Capital grants	104,800	-	(104,800)	-100.0%
General revenue				
Taxes	12,218,546	12,877,531	658,985	5.4%
Intergovernmental	2,770,236	1,408,622	(1,361,614)	-49.2%
Investment earnings	330,007	338,409	8,402	2.5%
Other revenue	115,770	84,217	(31,553)	-27.3%
Total revenue	<u>21,567,378</u>	<u>19,066,714</u>	<u>(2,500,664)</u>	-11.6%
Expenses				
General government	1,136,393	3,082,620	1,946,227	171.3%
Public safety	8,734,607	11,170,169	2,435,562	27.9%
Public works	3,757,237	3,560,319	(196,918)	-5.2%
Community and economic development	(80,244)	73,774	154,018	-191.9%
Recreation and culture	2,069,811	2,089,232	19,421	0.9%
Debt services	148,548	116,028	(32,520)	-21.9%
Total expenses	<u>15,766,352</u>	<u>20,092,142</u>	<u>4,325,790</u>	27.4%
Change in Net Position	<u>\$ 5,801,026</u>	<u>\$ (1,025,428)</u>	<u>\$ (6,826,454)</u>	-117.7%

The City's total governmental activities 2025 revenue was \$19.0 million, which reflects a decrease from 2024 of approximately \$2.5 million while expenditures increased \$4.3 million in 2025.

2025 expenditure increased \$4.3 million as the result of more spending on pension liabilities and investment in the City's water and sewer systems.

Governmental activities include the overall increase and decrease of the income statement activities for all funds from 101 General Fund to 499 Capital Improvement funds.

City of Grosse Pointe Park
Management's Discussion and Analysis

	Business-type Activities			
	<u>2024</u>	<u>2025</u>	<u>Change</u>	<u>Percent Change</u>
Revenue				
Program revenue				
Charges for services	\$ 6,193,534	\$ 7,291,641	\$ 1,098,107	17.7%
Operating grants	1,030,000	-	(1,030,000)	-100.0%
Capital grants and contributions	-	965,837	965,837	#DIV/0!
General revenue				
Property taxes	1,872,474	1,976,295	103,821	5.5%
Investment earnings	111,537	89,882	(21,655)	-19.4%
Gain on sale of capital assets	-	14,551	14,551	100.0%
Miscellaneous	(56,604)	-	56,604	-100.0%
Total revenue	<u>9,150,941</u>	<u>10,338,206</u>	<u>1,187,265</u>	13.0%
Expenses				
Water and sewer	6,390,935	6,684,098	293,163	4.6%
Marina	111,890	206,944	95,054	85.0%
Recycling collection	<u>339,583</u>	<u>349,212</u>	<u>9,629</u>	2.8%
Total expenses	<u>6,842,408</u>	<u>7,240,254</u>	<u>397,846</u>	5.8%
Change in Net Position	<u>\$ 2,308,533</u>	<u>\$ 3,097,952</u>	<u>\$ 789,419</u>	34.2%

In 2025, business-type activities revenue totaled \$10.3 million, an increase over 2024 of approximately \$1.2 million.

General Fund

The 2025 budgetary comparison schedule found in the city's Required Supplementary Information reflects the City's actual revenues and other financing sources of \$14.2 million over the FY2025 final expenditures and other financing uses of \$13.7 million with a positive change in fund balance of \$613 thousand.

Capital Assets and Debt Administration

As of year-end, the City had \$127.6 million invested in a variety of capital assets, including buildings, fire and police equipment, local and major roads, and water and sewer lines. This figure represents an increase from 2024 of \$4.8 million. A summary of capital assets is presented in Note 5 to the financial statements.

At the end of the current fiscal year, the City of Grosse Pointe Park had a total outstanding debt of approximately \$3.5 million. A summary of long-term debt is presented in Note 7 to the financial statements.

Economic Factors and Next Year's Budgets and Rates

The State of Michigan relies on various taxes and fees to provide governmental activities to its citizens. Local governments rely primarily on property taxes and state-shared revenue to provide governmental activities to their citizens.

For business-type activities which include recycling collection, water and sewer (charges) and the marina (boat

City of Grosse Pointe Park Management's Discussion and Analysis

well fees) and certain governmental activities (including permitting and development), the user pays a related fee or charge associated with the service.

The City Council remains diligent in its quest to continuously improve the quality of service and quality of life within the community while efficiently managing current expenses and addressing long-term legacy costs.

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 office of the City Clerk at 15115 E. Jefferson Avenue, Grosse Pointe Park, MI 48230. This report, City budgets, and other financial information are available on the City's website at www.grossepointepark.org.

City of Grosse Pointe Park
Statement of Net Position
June 30, 2025

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash and cash equivalents	\$ 5,817,180	\$ 2,490,633	\$ 8,307,813	\$ 1,815,760
Receivables				
Accounts	408,779	45,138	453,917	-
Taxes	7,418	-	7,418	-
Utility bills	-	2,212,614	2,212,614	-
Due from other units of government	1,492,008	26,564	1,518,572	53,580
Due from employees	12,786	-	12,786	-
Prepaid items	199,990	1,880	201,870	-
Capital assets not being depreciated	12,325,152	1,784,182	14,109,334	2,600,876
Capital assets, net of accumulated depreciation	<u>47,035,654</u>	<u>19,615,406</u>	<u>66,651,060</u>	<u>6,308,292</u>
Total assets	<u>67,298,967</u>	<u>26,176,417</u>	<u>93,475,384</u>	<u>10,778,508</u>
Deferred Outflows of Resources				
Pension related	2,785,826	179,395	2,965,221	-
OPEB related	<u>2,262,558</u>	<u>199,152</u>	<u>2,461,710</u>	<u>-</u>
Total deferred outflows of resources	<u>5,048,384</u>	<u>378,547</u>	<u>5,426,931</u>	<u>-</u>
Liabilities				
Checks written against future deposits	90,456	-	90,456	-
Accounts payable	320,721	950,673	1,271,394	68,151
Contracts payable - retainage	23,276	46,865	70,141	-
Due to other units of government	24,714	-	24,714	-
Payroll and other liabilities	358,933	50,666	409,599	-
Interest payable	26,304	-	26,304	14,962
Customer deposits	107,844	-	107,844	-
Unearned revenue	70,908	-	70,908	-
Noncurrent liabilities				
Debt due within one year	1,629,365	177,797	1,807,162	245,000
Debt due in more than one year	2,780,460	6,227	2,786,687	2,840,000
Net pension liability	24,057,697	1,549,218	25,606,915	-
Net OPEB liability	<u>16,885,476</u>	<u>1,486,275</u>	<u>18,371,751</u>	<u>-</u>
Total liabilities	<u>46,376,154</u>	<u>4,267,721</u>	<u>50,643,875</u>	<u>3,168,113</u>
Deferred Inflows of Resources				
Pension related	6,495	418	6,913	-
OPEB related	<u>10,502</u>	<u>924</u>	<u>11,426</u>	<u>-</u>
Total deferred inflows of resources	<u>16,997</u>	<u>1,342</u>	<u>18,339</u>	<u>-</u>
Net Position				
Net investment in capital assets	55,854,602	20,813,363	76,667,965	5,824,168
Restricted for				
PEG fees	117,306	-	117,306	-
Street maintenance	1,129,289	-	1,129,289	-
Rubbish collection	814,024	-	814,024	-
Building inspections	343,269	-	343,269	-
Indigent defense	21,616	-	21,616	-
Drug law enforcement	22,905	-	22,905	-
Community development	57,778	-	57,778	-
Opioid remediation	163,813	-	163,813	-
Debt service	193,722	-	193,722	-
Unrestricted (deficit)	<u>(32,764,124)</u>	<u>1,472,538</u>	<u>(31,291,586)</u>	<u>1,786,227</u>
Total net position	<u>\$ 25,954,200</u>	<u>\$ 22,285,901</u>	<u>\$ 48,240,101</u>	<u>\$ 7,610,395</u>

See Accompanying Notes to the Financial Statements

City of Grosse Pointe Park
Statement of Activities
For the Year Ended June 30, 2025

	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Component Units
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total	
					Governmental Activities	Business-type Activities		
Functions/Programs								
Primary government								
Governmental activities								
General government	\$ 3,082,620	\$ 709,399	\$ 197,466	\$ -	\$ (2,175,755)	\$ -	\$ (2,175,755)	\$ -
Public safety	11,170,169	553,022	95,257	-	(10,521,890)	-	(10,521,890)	-
Public works	3,560,319	674,592	1,422,603	-	(1,463,124)	-	(1,463,124)	-
Community and economic development	73,774	-	-	-	(73,774)	-	(73,774)	-
Recreation and culture	2,089,232	705,596	-	-	(1,383,636)	-	(1,383,636)	-
Interest and fiscal charges on long-term debt	116,028	-	-	-	(116,028)	-	(116,028)	-
Total governmental activities	20,092,142	2,642,609	1,715,326	-	(15,734,207)	-	(15,734,207)	-
Business-type activities								
Water & Sewer	6,684,098	6,492,852	-	965,837	-	774,591	774,591	-
Marina	206,944	378,679	-	-	-	171,735	171,735	-
Recycling Collection	349,212	420,110	-	-	-	70,898	70,898	-
Total business-type activities	7,240,254	7,291,641	-	965,837	-	1,017,224	1,017,224	-
Total primary government	\$ 27,332,396	\$ 9,934,250	\$ 1,715,326	\$ 965,837	(15,734,207)	1,017,224	(14,716,983)	-
Component units								
Tax Increment Finance Authority	\$ 974,659	\$ -	\$ 75,095	\$ -	-	-	-	(899,564)
Downtown Development Authority	75,108	-	-	-	-	-	-	(75,108)
Total component units	\$ 1,049,767	\$ -	\$ 75,095	\$ -				(974,672)
General revenues								
Property taxes					12,877,531	1,976,295	14,853,826	1,488,923
Unrestricted state-shared revenue					1,408,622	-	1,408,622	-
Unrestricted investment earnings					338,409	89,882	428,291	77,691
Gain on sale of capital assets					-	14,551	14,551	-
Miscellaneous					84,217	-	84,217	29,560
Total general revenues					14,708,779	2,080,728	16,789,507	1,596,174
Change in net position					(1,025,428)	3,097,952	2,072,524	621,502
Net position - beginning of year					26,577,293	19,048,637	45,625,930	6,988,893
Change in accounting principle					402,335	139,312	541,647	-
Net position - beginning of year, as restated					26,979,628	19,187,949	46,167,577	6,988,893
Net position - end of year					\$ 25,954,200	\$ 22,285,901	\$ 48,240,101	\$ 7,610,395

See Accompanying Notes to the Financial Statements

City of Grosse Pointe Park
Governmental Funds
Balance Sheet
June 30, 2025

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets			
Cash and cash equivalents	\$ 3,509,511	\$ 2,307,669	\$ 5,817,180
Receivables			
Accounts	503	408,276	408,779
Taxes	7,418	-	7,418
Due from other units of government	1,247,106	244,902	1,492,008
Due from employees	12,786	-	12,786
Prepaid items	22,874	180	23,054
	<u>4,800,198</u>	<u>2,961,027</u>	<u>7,761,225</u>
Total assets	<u>\$ 4,800,198</u>	<u>\$ 2,961,027</u>	<u>\$ 7,761,225</u>
Liabilities			
Accounts payable	\$ 259,201	\$ 61,520	\$ 320,721
Contracts payable - retainage	-	23,276	23,276
Due to other units of government	24,714	-	24,714
Payroll and other liabilities	348,143	10,790	358,933
Customer deposits	15,256	92,588	107,844
Unearned revenue	70,908	-	70,908
	<u>718,222</u>	<u>188,174</u>	<u>906,396</u>
Total liabilities	<u>718,222</u>	<u>188,174</u>	<u>906,396</u>
Deferred Inflows of Resources			
Unavailable revenue - receivables	<u>952,442</u>	<u>114,940</u>	<u>1,067,382</u>
Fund Balances			
Non-spendable			
Prepaid items	22,874	180	23,054
Restricted for			
PEG fees	117,306	-	117,306
Street maintenance	-	1,129,289	1,129,289
Rubbish collection	-	814,024	814,024
Building inspections	-	343,089	343,089
Indigent defense	-	21,616	21,616
Drug law enforcement	-	22,905	22,905
Community development	-	57,778	57,778
Opioid remediation	-	48,873	48,873
Debt service	-	220,159	220,159
Unassigned	<u>2,989,354</u>	<u>-</u>	<u>2,989,354</u>
Total fund balances	<u>3,129,534</u>	<u>2,657,913</u>	<u>5,787,447</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 4,800,198</u>	<u>\$ 2,961,027</u>	<u>\$ 7,761,225</u>

See Accompanying Notes to the Financial Statements

City of Grosse Pointe Park
Governmental Funds
Reconciliation of Fund Balances of Governmental Funds
to Net Position of Governmental Activities
June 30, 2025

Total fund balances for governmental funds	\$ 5,787,447
Total net position for governmental activities in the statement of net position is different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	
Capital assets not being depreciated	12,325,152
Capital assets, net of accumulated depreciation	47,035,654
Certain receivables are not available to pay for current period expenditures and, therefore are deferred in the funds.	1,067,382
Deferred outflows (inflows) of resources.	
Deferred outflows of resources resulting from net pension liability	2,785,826
Deferred outflows of resources resulting from net OPEB liability	2,262,558
Deferred inflows of resources resulting from net pension liability	(6,495)
Deferred inflows of resources resulting from net OPEB liability	(10,502)
Long-term liabilities that are not due and payable in the current period, and therefore, are not reported in the funds.	
Accrued interest	(26,304)
Compensated absences	(713,493)
Claims and judgments	(190,128)
Bonds, notes, premiums and discounts	(3,506,204)
Net pension liability	(24,057,697)
Net OPEB liability	(16,885,476)
Internal service funds are included as part of governmental activities.	<u>86,480</u>
Net position of governmental activities	<u>\$ 25,954,200</u>

City of Grosse Pointe Park
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2025

	General	Nonmajor Governmental Funds	Total Governmental Funds
Revenues			
Taxes	\$ 10,316,066	\$ 2,564,871	\$ 12,880,937
Licenses and permits	202,809	417,159	619,968
Federal grants	-	41,495	41,495
State grants	1,561,182	1,429,985	2,991,167
Local contributions	102,335	-	102,335
Charges for services	1,114,456	271,435	1,385,891
Fines and forfeitures	276,993	-	276,993
Rental income	340,162	-	340,162
Investment income	232,074	105,544	337,618
Other revenue	105,715	10,300	116,015
	<u>14,251,792</u>	<u>4,840,789</u>	<u>19,092,581</u>
Expenditures			
Current			
General government	2,270,105	22,400	2,292,505
Judicial	396,087	-	396,087
Public safety	8,051,598	415,753	8,467,351
Public works	593,640	3,006,965	3,600,605
Recreation and culture	2,134,567	-	2,134,567
Debt service			
Principal retirement	167,476	600,000	767,476
Interest and fiscal charges	54,105	69,450	123,555
	<u>13,667,578</u>	<u>4,114,568</u>	<u>17,782,146</u>
Excess (deficiency) of revenues over expenditures	<u>584,214</u>	<u>726,221</u>	<u>1,310,435</u>
Other financing sources (uses)			
Transfers in	15,111	194,265	209,376
Transfers out	(10,265)	(199,111)	(209,376)
Sale of capital assets	24,138	-	24,138
	<u>28,984</u>	<u>(4,846)</u>	<u>24,138</u>
Net change in fund balances	613,198	721,375	1,334,573
Fund balances - beginning of year	<u>2,516,336</u>	<u>1,936,538</u>	<u>4,452,874</u>
Fund balances - end of year	<u>\$ 3,129,534</u>	<u>\$ 2,657,913</u>	<u>\$ 5,787,447</u>

See Accompanying Notes to the Financial Statements

City of Grosse Pointe Park
Governmental Funds
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2025

Net change in fund balances - total governmental funds	\$ 1,334,573
Total change in net position reported for governmental activities in the statement of activities is different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation and amortization expense.	
Depreciation and amortization expense	(1,459,909)
Capital outlay	1,616,513
Sale of capital assets (net book value)	(47,723)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.	
	(28,921)
Expenses are recorded when incurred in the statement of activities.	
Accrued interest	7,527
Compensated absences	(236,552)
Claims and judgments	68,850
The statement of net position reports the net pension liability and deferred outflows of resources and deferred inflows related to the net pension liability and pension expense. However, the amount recorded on the governmental funds equals actual pension contributions.	
Net change in the net pension liability	(918,977)
Net change in the deferred outflow of resources related to the net pension liability	(648,575)
Net change in the deferred inflow of resources related to the net pension liability	(5,429)
The statement of net position reports the net OPEB liability and deferred outflows of resources and deferred inflows related to the net OPEB liability and pension expense. However, the amount recorded on the governmental funds equals actual OPEB contributions.	
Net change in the net OPEB liability	(4,199,821)
Net change in the deferred outflow of resources related to the net OPEB liability	2,156,268
Net change in the deferred inflow of resources related to the net OPEB liability	482,966
Long-term liabilities and related transactions applicable to governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities.	
Repayments of long-term debt	767,476
Internal service funds are also included as governmental activities	86,306
Change in net position of governmental activities	\$ (1,025,428)

City of Grosse Pointe Park
Proprietary Funds
Statement of Net Position
June 30, 2025

	Water & Sewer	Water & Sewer Infrastructure	Nonmajor Enterprise Funds	Total	Internal Service Fund
Assets					
Current assets					
Cash and cash equivalents	\$ 625,344	\$ 816,207	\$ 1,049,082	\$ 2,490,633	\$ -
Receivables					
Accounts	7,261	-	37,877	45,138	-
Utility bills	2,212,614	-	-	2,212,614	-
Due from other units of government	-	26,564	-	26,564	-
Prepaid items	1,880	-	-	1,880	176,936
	<u>2,847,099</u>	<u>842,771</u>	<u>1,086,959</u>	<u>4,776,829</u>	<u>176,936</u>
Total current assets					
Noncurrent assets					
Capital assets not being depreciated	285,000	1,369,949	129,233	1,784,182	-
Capital assets, net of accumulated depreciation	14,081,578	5,335,968	197,860	19,615,406	-
	<u>14,366,578</u>	<u>6,705,917</u>	<u>327,093</u>	<u>21,399,588</u>	<u>-</u>
Total noncurrent assets					
Total assets					
	<u>17,213,677</u>	<u>7,548,688</u>	<u>1,414,052</u>	<u>26,176,417</u>	<u>176,936</u>
Deferred Outflows of Resources					
Pension related	179,395	-	-	179,395	-
OPEB related	199,152	-	-	199,152	-
	<u>378,547</u>	<u>-</u>	<u>-</u>	<u>378,547</u>	<u>-</u>
Total deferred outflows of resources					
Liabilities					
Current liabilities					
Checks written against future deposits	-	-	-	-	90,456
Accounts payable	388,083	539,360	23,230	950,673	-
Contracts payable - retainage	-	46,865	-	46,865	-
Payroll and other liabilities	45,964	-	4,702	50,666	-
Compensated absences	177,797	-	-	177,797	-
	<u>611,844</u>	<u>586,225</u>	<u>27,932</u>	<u>1,226,001</u>	<u>90,456</u>
Total current liabilities					
Noncurrent liabilities					
Compensated absences	6,227	-	-	6,227	-
Net pension liability	1,549,218	-	-	1,549,218	-
Net OPEB liability	1,486,275	-	-	1,486,275	-
	<u>3,041,720</u>	<u>-</u>	<u>-</u>	<u>3,041,720</u>	<u>-</u>
Total noncurrent liabilities					
Total liabilities					
	<u>3,653,564</u>	<u>586,225</u>	<u>27,932</u>	<u>4,267,721</u>	<u>90,456</u>
Deferred Inflows of Resources					
Pension related	418	-	-	418	-
OPEB related	924	-	-	924	-
	<u>1,342</u>	<u>-</u>	<u>-</u>	<u>1,342</u>	<u>-</u>
Total deferred inflows of resources					
Net Position					
Net investment in capital assets	14,366,578	6,119,692	327,093	20,813,363	-
Unrestricted (deficit)	(429,260)	842,771	1,059,027	1,472,538	86,480
	<u>\$ 13,937,318</u>	<u>\$ 6,962,463</u>	<u>\$ 1,386,120</u>	<u>\$ 22,285,901</u>	<u>\$ 86,480</u>
Total net position					

See Accompanying Notes to the Financial Statements

City of Grosse Pointe Park
Proprietary Funds
Statement of Revenues, Expenses and Changes in Fund Net Position
For the Year Ended June 30, 2025

	Water & Sewer	Water & Sewer Infrastructure	Nonmajor Enterprise Funds	Total	Internal Service Fund
Operating revenue					
Customer fees	\$ 6,471,580	\$ -	\$ 798,225	\$ 7,269,805	\$ -
Billings to other funds	-	-	-	-	2,272,550
Other revenue	7,539	13,733	564	21,836	-
Total operating revenue	<u>6,479,119</u>	<u>13,733</u>	<u>798,789</u>	<u>7,291,641</u>	<u>2,272,550</u>
Operating expenses					
Personnel services	1,453,348	-	86,016	1,539,364	2,176,659
Supplies	169,302	-	13,474	182,776	-
Contractual services	3,670,349	265,649	353,660	4,289,658	12,639
Utilities	37,102	-	5,930	43,032	-
Repairs and maintenance	276,385	-	14,513	290,898	-
Other expenses	143,401	11,310	54,766	209,477	-
Depreciation	595,674	61,578	27,797	685,049	-
Total operating expenses	<u>6,345,561</u>	<u>338,537</u>	<u>556,156</u>	<u>7,240,254</u>	<u>2,189,298</u>
Operating income (loss)	<u>133,558</u>	<u>(324,804)</u>	<u>242,633</u>	<u>51,387</u>	<u>83,252</u>
Nonoperating revenue (expenses)					
Property taxes	534	1,975,761	-	1,976,295	-
Federal grants	-	365,837	-	365,837	-
Local contributions	-	600,000	-	600,000	-
Investment income	25,799	24,190	39,893	89,882	3,054
Gain on sale of capital assets	14,551	-	-	14,551	-
Total nonoperating revenues (expenses)	<u>40,884</u>	<u>2,965,788</u>	<u>39,893</u>	<u>3,046,565</u>	<u>3,054</u>
Income before transfers	174,442	2,640,984	282,526	3,097,952	86,306
Transfers in	12,312	-	-	12,312	-
Transfers out	-	(12,312)	-	(12,312)	-
Change in net position	<u>186,754</u>	<u>2,628,672</u>	<u>282,526</u>	<u>3,097,952</u>	<u>86,306</u>
Net position - beginning of year	13,611,252	4,333,791	1,103,594	19,048,637	174
Change in accounting principle	<u>139,312</u>	<u>-</u>	<u>-</u>	<u>139,312</u>	<u>-</u>
Net position - beginning of year as restated	<u>13,750,564</u>	<u>4,333,791</u>	<u>1,103,594</u>	<u>19,187,949</u>	<u>174</u>
Net position - end of year	<u>\$ 13,937,318</u>	<u>\$ 6,962,463</u>	<u>\$ 1,386,120</u>	<u>\$ 22,285,901</u>	<u>\$ 86,480</u>

See Accompanying Notes to the Financial Statements

City of Grosse Pointe Park
Proprietary Funds
Statement of Cash Flows
For the Year Ended June 30, 2025

	Water & Sewer	Water & Sewer Infrastructure	Nonmajor Enterprise Funds	Total	Internal Service Fund
Cash flows from operating activities					
Receipts from customers	\$ 6,315,423	\$ 13,733	\$ 767,258	\$ 7,096,414	\$ -
Receipts from interfund users	-	-	-	-	2,272,550
Payments to suppliers	(4,815,512)	(501,420)	(418,878)	(5,735,810)	(98,945)
Payments to employees	(1,346,402)	-	(86,076)	(1,432,478)	(2,176,659)
Net cash provided by operating activities	<u>153,509</u>	<u>(487,687)</u>	<u>262,304</u>	<u>(71,874)</u>	<u>(3,054)</u>
Cash flows from noncapital financing activities					
Transfer from other funds	2,312	-	-	2,312	-
Property taxes	534	1,949,197	-	1,949,731	-
Net cash provided (used) by noncapital financing activities	<u>2,846</u>	<u>1,949,197</u>	<u>-</u>	<u>1,952,043</u>	<u>-</u>
Cash flows from capital and related financing activities					
Capital contributions	-	965,837	-	965,837	-
Purchases/construction of capital assets	(94,858)	(2,796,959)	(114,848)	(3,006,665)	-
Proceeds from sale of capital assets	2,298	-	-	2,298	-
Net cash used by capital and related financing activities	<u>(92,560)</u>	<u>(1,831,122)</u>	<u>(114,848)</u>	<u>(2,038,530)</u>	<u>-</u>
Cash flows from investing activities					
Interest received	25,799	24,190	39,893	89,882	3,054
Net change in cash and cash equivalents	89,594	(345,422)	187,349	(68,479)	-
Cash and cash equivalents - beginning of year	535,750	1,161,629	861,733	2,559,112	-
Cash and cash equivalents - end of year	<u>\$ 625,344</u>	<u>\$ 816,207</u>	<u>\$ 1,049,082</u>	<u>\$ 2,490,633</u>	<u>\$ -</u>
Reconciliation of operating income (loss) to net cash provided by operating activities					
Operating income (loss)	\$ 133,558	\$ (324,804)	\$ 242,633	\$ 51,387	\$ 83,252
Adjustments to reconcile operating income (loss) to net cash from operating activities					
Depreciation and amortization expense	595,674	61,578	27,797	685,049	-
Changes in assets and liabilities					
Receivables (net)	(279,668)	-	(31,531)	(311,199)	-
Due from other units of government	115,972	-	-	115,972	-
Prepaid items	(1,880)	-	-	(1,880)	-
Net pension asset	-	-	-	-	(12,185)
Pension related deferred outflows of resources	102,685	-	-	102,685	-
OPEB related deferred outflows of resources	(188,383)	-	-	(188,383)	-
Checks written against future deposits	-	-	-	-	90,456
Accounts payable	(250,512)	(214,461)	22,902	(442,071)	-
Accrued and other liabilities	18,173	(10,000)	563	8,736	-
Due to other funds	-	-	-	-	(164,577)
Compensated absences	106,946	-	(60)	106,886	-
Net pension liability	(351,256)	-	-	(351,256)	-
Net OPEB liability	200,944	-	-	200,944	-
Pension related deferred inflows of resources	331	-	-	331	-
OPEB related deferred inflows of resources	(49,075)	-	-	(49,075)	-
Net cash provided by operating activities	<u>\$ 153,509</u>	<u>\$ (487,687)</u>	<u>\$ 262,304</u>	<u>\$ (71,874)</u>	<u>\$ (3,054)</u>

See Accompanying Notes to the Financial Statements

City of Grosse Pointe Park
Fiduciary Funds
Statement of Fiduciary Net Position
June 30, 2025

	<u>Other Employee Benefit Trust Funds</u>	<u>Custodial Fund Current Tax Collection</u>
Assets		
Investments	\$ 314,067	\$ -
Net Position		
Restricted for:		
Postemployment benefits other than pension	<u>\$ 314,067</u>	<u>\$ -</u>

City of Grosse Pointe Park
Fiduciary Funds
Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2025

	Other Employee Benefit Trust Funds	Custodial Fund Current Tax Collection
Additions		
Contributions		
Employer	\$ 805,103	\$ -
Investment earnings		
Net increase in fair value of investments	27,928	-
Less investment costs		
Investment activity costs	627	-
Net investment earnings	27,301	-
Property tax collections for other governments	-	16,784,628
Total additions	832,404	16,784,628
Deductions		
Benefits paid to participants or beneficiaries	805,103	-
Payments of property tax to other governments	-	16,784,628
Total deductions	805,103	16,784,628
Change in net position	27,301	-
Net position - beginning of year	286,766	-
Net position - end of year	\$ 314,067	\$ -

City of Grosse Pointe Park
Component Units
Combining Statement of Net Position
June 30, 2025

	Tax Increment Finance Authority	Downtown Development Authority	Total
Assets			
Current assets			
Cash and cash equivalents	\$ 1,479,782	\$ 335,978	\$ 1,815,760
Due from other units of government	53,580	-	53,580
Total current assets	<u>1,533,362</u>	<u>335,978</u>	<u>1,869,340</u>
Noncurrent assets			
Capital assets not being depreciated	2,020,231	580,645	2,600,876
Capital assets, net of accumulated depreciation	<u>6,259,455</u>	<u>48,837</u>	<u>6,308,292</u>
Total noncurrent assets	<u>8,279,686</u>	<u>629,482</u>	<u>8,909,168</u>
Total assets	<u>9,813,048</u>	<u>965,460</u>	<u>10,778,508</u>
Liabilities			
Current liabilities			
Accounts payable	66,876	1,275	68,151
Interest payable	14,962	-	14,962
Current portion of long-term liabilities	<u>245,000</u>	<u>-</u>	<u>245,000</u>
Total current liabilities	326,838	1,275	328,113
Noncurrent liabilities			
Long-term liabilities	<u>2,840,000</u>	<u>-</u>	<u>2,840,000</u>
Total liabilities	<u>3,166,838</u>	<u>1,275</u>	<u>3,168,113</u>
Net Position			
Net investment in capital assets	5,194,686	629,482	5,824,168
Unrestricted	<u>1,451,524</u>	<u>334,703</u>	<u>1,786,227</u>
Total net position	<u>\$ 6,646,210</u>	<u>\$ 964,185</u>	<u>\$ 7,610,395</u>

See Accompanying Notes to the Financial Statements

City of Grosse Pointe Park
Component Units
Combining Statement of Activities
For the Year Ended June 30, 2025

	Tax Increment Finance Authority	Downtown Development Authority	Total
Expenses			
Community and economic development	\$ 974,659	\$ 75,108	\$ 1,049,767
Program revenues			
Operating grants and contributions	<u>75,095</u>	<u>-</u>	<u>75,095</u>
Net program expense	<u>(899,564)</u>	<u>(75,108)</u>	<u>(974,672)</u>
General revenues			
Property taxes	1,364,583	124,340	1,488,923
Unrestricted investment earnings	62,988	14,703	77,691
Miscellaneous	<u>28,842</u>	<u>718</u>	<u>29,560</u>
Total general revenues	<u>1,456,413</u>	<u>139,761</u>	<u>1,596,174</u>
Change in net position	556,849	64,653	621,502
Net position - beginning of year	<u>6,089,361</u>	<u>899,532</u>	<u>6,988,893</u>
Net position - end of year	<u>\$ 6,646,210</u>	<u>\$ 964,185</u>	<u>\$ 7,610,395</u>

See Accompanying Notes to the Financial Statements

City of Grosse Pointe Park
Notes to the Financial Statements
June 30, 2025

Note 1 - Summary of Significant Accounting Policies

Basis of Presentation

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

Reporting Entity

The City of Grosse Pointe Park (the City) is governed by an elected seven-member Board. The accompanying financial statements present the City and its component units, entities for which the government is considered to be financially accountable. The discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government (see discussion below for description).

Discretely Presented Component Units

Downtown Development Authority

The Downtown Development authority (DDA) was created to correct and prevent deterioration in the downtown district, encourage historical preservation, and promote economic growth within the downtown district. The DDA collects property taxes in accordance with state law and budgets expenditures within the DDA district boundaries. The DDA's governing body is appointed by the City Council. The DDA does not issue any other form of financial statements except as contained in the City's annual financial statements.

Tax Increment Finance Authority

The Tax Increment Finance Authority (TIFA) was created to encourage economic activity within the TIFA district boundaries. The TIFA collects captured property taxes in accordance with state law and budgets expenditures within the TIFA district boundaries. The TIFA's governing body is appointed by the City Council. The TIFA does not issue any other form of financial statements except as contained in the City's annual financial statements.

Fiduciary Component Unit

The Other Post-Employment Benefits Trust Fund was established to account for the assets set aside to fund the City's other post-employment benefits plan. The primary purpose of the Trust is to provide the necessary funding for future medical insurance for eligible retirees and their beneficiaries. The Trust was established through MERS Retiree Health Funding Vehicle, with the City Council serving as the trustees. The assets of the Trust are for the exclusive benefit of the participants and their beneficiaries, and the assets shall not be diverted to any other purpose prior to the satisfaction of all liabilities. The assets are protected from any of the City's creditors. The City Council has the ability to exercise oversight responsibility, specifically in the area of designation of management.

Joint Venture

The City is a member of the Grosse Pointes-Clinton Refuse Disposal Authority (the "Authority") joint venture, which provides refuse disposal services to participating municipalities in the counties of Wayne and Macomb, Michigan. Other members include the cities of Grosse Pointe Farms, Grosse Pointe, Grosse Pointe Woods, Harper Woods, and the village of Grosse Pointe Shores. The City Council appoints one member to the Authority's governing board, which then approves its annual budget. The Authority currently contracts with a commercial refuse disposal company and bills members for their proportionate share of costs. The City has no equity interest in the Authority. Complete financial statements for the Authority can be obtained from the Village of Grosse Pointe Shores upon request.

City of Grosse Pointe Park
Notes to the Financial Statements
June 30, 2025

Government-wide and Fund Financial Statements

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. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

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 are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues 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.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental fund:

The General Fund is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The City reports the following major proprietary funds:

The Water & Sewer Fund accounts for the operating activities of the water distribution and sewage collection systems.

City of Grosse Pointe Park
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The Water & Sewer Infrastructure Fund accounts for infrastructure related activities to provide water and sewer services to the City.

Additionally, the City reports the following:

The Nonmajor Special Revenue Funds account for the proceeds of specific revenue sources requiring separate accounting because of legal or regulatory provisions or administrative requirements.

The Debt Service Funds account for the accumulation of resources for, and payment of governmental activities principal, interest and related costs.

The Marina Fund accounts for the charges for services and related costs for activities at the Windmill Pointe Park Marina facilities.

The Recycling Collection Fund accounts for environmentally friendly waste removal services.

The Internal Service Fund accounts for health benefits charged to other departments of the government on a cost reimbursement basis.

The Other Postemployment Employee Benefit Trust Funds account for the accumulation of resources to be used for retirement payments to eligible employees and certain healthcare costs.

Custodial Funds account for property tax and other deposits collected on behalf of other units and individuals.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues 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 revenues of the proprietary funds are charges to customers for sales and services. The City also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for the sewer and water funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Assets, Liabilities, and Net Position or Fund Balance

Deposits and investments – Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value based on quoted market price. Certificate of deposits are stated at cost which approximates fair value.

Receivables and payables – In general, outstanding balances between funds are reported as “due to/from other funds.” Activity between funds that is representative of a lending/borrowing arrangement outstanding at the end of the fiscal year is referred to as “advances to/from other funds.” Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as “internal balances.”

All trade and property tax receivables are shown as net of allowance for uncollectible amounts. The City considers all accounts receivable to be fully collectible; accordingly, no allowance for uncollectible amounts is recorded. Property taxes are levied on each December 1st on the taxable valuation of property as of the preceding December 31st. Taxes are considered delinquent on March 1st of the following year, at which time penalties and interest are assessed.

City of Grosse Pointe Park
Notes to the Financial Statements
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The taxable valuation of the City totaled approximately \$798 million, on which ad valorem taxes consisted of the following mills, and resulted in the following revenue, exclusive of any Michigan Tax Tribunal or Board of Review adjustments:

Purpose	Mills Levied	Ad Valorem Taxes Levied Raised (in millions)
General operating	10.5143	\$ 8.39
Rubbish	1.5564	1.24
Public relations	0.0704	0.06
Roads	0.9501	0.76
Debt	0.8370	0.67
Public safety	2.5508	2.04
Water & sewer	2.4817	1.98

Inventories and prepaid items – Inventories are valued at cost, on a first-in, first-out basis. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future fiscal years. For such payments in governmental funds the City follows the consumption method, and they therefore are capitalized as prepaid items in both government-wide and fund financial statements.

Capital assets – Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the City as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost, if purchased or constructed.

The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or extend its useful life beyond the original estimate. In the case of donations, the City values these capital assets at the acquisition value of the item at the date of its donation.

Property, plant and equipment are depreciated using the straight-line method over the following useful lives:

Land improvements	5 to 50 years
Roads and sidewalks	18 to 25 years
Buildings and improvements	7 to 50 years
Machinery and equipment	3 to 50 years
Vehicles	7 to 30 years
Water system infrastructure	5 to 50 years
Sewer system infrastructure	15 to 60 years

Deferred outflows of resources – A deferred outflow of resources is a consumption of net assets by the City that is applicable to a future reporting period. The City reports deferred outflows of resources as a result of pension and OPEB earnings. This amount is the result of a difference between what the plan expected to earn from plan investments and what is actually earned. This amount will be amortized over the next four years and included in pension and OPEB expense. Changes in assumptions and experience differences relating to the net pension and OPEB liability are deferred and amortized over the expected remaining services lives of the employees and retirees in the plan. The City also reported deferred outflows of resources for pension contributions made after the measurement date. This amount will reduce net pension liability in the following year.

City of Grosse Pointe Park
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Compensated absences – It is the City’s policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have been used or have matured, for example, as a result of employee resignations and retirements.

Long-term obligations – In the government-wide financial statements, and 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.

Pensions – For purposes 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 the Municipal Employees Retirement System (MERS) of Michigan and additions to/deductions from MERS’ fiduciary net position have been determined on the same basis as they are reported to MERS. 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 Benefits (OPEB) – For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City of Grosse Pointe Park Retiree Health Care Plan (the Health Care Plan) and additions to/deductions from the Health Care Plan’s fiduciary net position have been determined on the same basis as they are reported by the Health Care Plan. For this purpose, the Health Care Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

Deferred inflows of resources – A deferred inflow of resources is an acquisition of net assets by the City that is applicable to a future reporting period. For governmental funds this includes unavailable revenue in connection with receivables for revenues that are not considered available to liquidate liabilities of the current period. The City reports deferred inflows of resources as a result of pension and OPEB earnings. This amount is the result of a difference between what the plan expected to earn from the plan investments and what the plan actually earned. This amount will be amortized over the next four years and included in pension and OPEB expense. Changes in assumptions and experience differences relating to the net pension liability and net OPEB liability are deferred and amortized over the expected remaining services lives of the employees and retirees in the plan.

Fund Balances – In the fund financial statements, governmental funds report fund balances in the following categories:

Non-spendable – assets that are not available in a spendable form.

Restricted – amounts that are legally imposed or otherwise required by external parties to be used for a specific purpose.

Committed – amounts constrained on use imposed by the government’s highest level of decision-making, its City Council. A fund balance commitment may be established, modified, or rescinded by a resolution of the City Council.

Assigned – amounts intended to be used for specific purposes, as determined by the City Council. Residual amounts in governmental funds other than the general fund are automatically assigned by their nature.

Unassigned – all other resources; the remaining fund balances after non-spendable, restrictions, commitments and assignments.

City of Grosse Pointe Park
Notes to the Financial Statements
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When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City's policy is to consider restricted funds spent first.

When an expenditure is incurred for purposes for which committed, assigned, or unassigned amounts could be used, the City's policy is to consider the funds to be spent in the following order: (1) committed, (2) assigned, (3) unassigned.

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, deferred outflows, liabilities, deferred inflows 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.

Adoption of New Accounting Standards

Statement No. 101, *Compensated Absences*, updates the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

Statement No. 102, *Certain Risk Disclosures*, requires organizations to provide users of the financial statements with essential information about risks related to the organization's vulnerabilities due to certain concentrations or constraints.

Upcoming Accounting and Reporting Changes

Statement No. 103, *Financial Reporting Model Improvements*, improves key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing an organization's accountability while also addressing certain application issues. This statement includes changes to management's discussion and analysis, unusual or infrequent items, presentation of the proprietary fund statements of revenues, expenses, and changes in fund net position, major component unit information, and budgetary comparison information. This statement is effective for the year ending June 30, 2026.

Statement No. 104, *Disclosure of Certain Capital Assets*, requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. Lease assets recognized in accordance with Statement No. 87, *Leases*, and intangible right-to-use assets recognized in accordance with Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, should be disclosed separately by major class of underlying asset in the capital as-sets note disclosures. Subscription assets recognized in accordance with Statement No. 96, *Subscription-Based Information Technology Arrangements*, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class. This Statement also requires additional disclosures for capital assets held for sale. This statement is effective for the year ending June 30, 2026.

The City is evaluating the impact that the above GASB statements will have on its financial reporting.

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.

City of Grosse Pointe Park
Notes to the Financial Statements
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A summary of the current year activity and the cumulative surplus or shortfall generated since July 1, 2009 is as follows:

Current year permit revenue		\$ 444,398
Related expenses:		
Direct costs	\$ (376,649)	
Estimated indirect costs	<u>(54,011)</u>	<u>(430,660)</u>
Current year surplus		13,738
Cumulative surplus - beginning of year		<u>329,531</u>
Cumulative surplus - end of year		<u><u>\$ 343,269</u></u>

Fund Deficits

The City has an unrestricted net position deficit in the Water & Sewer Fund in the amount of \$429,260 as of June 30, 2025.

A deficit elimination plan is not required to be submitted to the Michigan Department of Treasury as current assets exceed current liabilities

Note 3 - Deposits and Investments

At year end the City's deposits and investments were reported in the financial statements in the following categories:

	Cash and Cash Equivalents	Investments	Total
Governmental activities	\$ 5,817,180	\$ -	\$ 5,817,180
Business-type activities	<u>2,490,633</u>	<u>-</u>	<u>2,490,633</u>
Total	8,307,813	-	8,307,813
Fiduciary funds	-	314,067	314,067
Component units	<u>1,815,760</u>	<u>-</u>	<u>1,815,760</u>
Total	<u><u>\$ 10,123,573</u></u>	<u><u>\$ 314,067</u></u>	<u><u>\$ 10,437,640</u></u>

City of Grosse Pointe Park
Notes to the Financial Statements
June 30, 2025

The breakdown between deposits and investments is as follows:

	Primary Government	Fiduciary Funds	Component Units	Total
Bank deposits (checking and savings accounts, money markets and certificates of deposit)	\$ 3,568,893	\$ -	\$ 198,383	\$ 3,767,276
Investments in securities, mutual funds and similar vehicles	4,737,314	314,067	1,617,377	6,668,758
Petty cash and cash on hand	1,606	-	-	1,606
	\$ 8,307,813	\$ 314,067	\$ 1,815,760	\$ 10,437,640

Interest rate risk – In accordance with its investment policy, the City manages its exposure to declines in fair values by limiting the purchase of commercial paper which can only be purchased with a 270-day maturity. The City’s investment policy does not restrict other investment maturities.

Credit risk – State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations. The City’s investment policy doesn’t not further limit its investment choices. As of year end, the City did not hold any investments in commercial paper.

Concentration of credit risk – The City has no policy that would limit the amount that may be issued in any one issuer. The entire balance of the City’s investments is held in the MERS Total Market Portfolio.

Custodial credit risk - deposits – In the case of deposits, this is the risk that in the event of bank failure, the City’s deposits may not be returned to it. The City does not have a policy for custodial credit risk. As of year end, \$3,588,103 was exposed to custodial credit risk because it was uninsured and uncollateralized.

Note 4 - Fair Value Measurements

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the 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 the net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy.

The City has the following recurring fair value measurements as of year end:

Investments carried at net asset value

Michigan CLASS government investment pool	\$ 6,354,691
MERS retiree health funding vehicle	
Total market portfolio	314,067
Total investments	\$ 6,668,758

Investments in Entities that Calculate Net Asset Value per Share

The City holds shares or interests in investment companies whereby 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.

City of Grosse Pointe Park
Notes to the Financial Statements
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At year end, the net asset value of the City's investment in Michigan CLASS was \$6,354,691. The investment pool had no unfunded commitments, specific redemption frequency or redemption notice period required. The Michigan CLASS investment pool invests in U.S. treasury obligations, federal agency obligations of the U.S. government, high-grade commercial paper (rated 'A-1' or better) collateralized bank deposits, repurchase agreements (collateralized at 102% by Treasuries and agencies), and approved money-market funds. The program seeks to provide safety, liquidity, convenience, and competitive rates of return, and is designed to meet the needs of Michigan public sector investors. It purchases securities that are legally permissible under state statutes and are available for investment by Michigan counties, cities, townships, school districts, authorities and other public agencies. It has a rating of AAA from Standard and Poor's with a weighted average maturity of 30 days.

At year end, the net asset value of the City's investment in the MERS Retiree Health Funding Vehicle Total Market Portfolio Fund ("the Fund") was \$314,067. The Fund is a fully diversified portfolio combining traditional stocks and bonds with alternative asset classes, including real estate, private equity and commodities and is carried at net asset value. 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. There is no redemption period and no unfunded commitments.

City of Grosse Pointe Park
Notes to the Financial Statements
June 30, 2025

Note 5 - Capital Assets

Capital assets activity of the primary government for the current year is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets not being depreciated				
Land	\$ 12,200,688	\$ -	\$ 31,211	\$ 12,169,477
Construction-in-progress	496,150	155,675	496,150	155,675
Total capital assets not being depreciated	12,696,838	155,675	527,361	12,325,152
Capital assets being depreciated				
Land improvements	5,008,777	505,643	57,337	5,457,083
Roads and sidewalks	50,328,109	1,159,729	-	51,487,838
Buildings and improvements	14,551,563	89,364	-	14,640,927
Machinery and equipment	5,420,708	202,252	177,945	5,445,015
Total capital assets being depreciated	75,309,157	1,956,988	235,282	77,030,863
Less accumulated depreciation for				
Land improvements	3,033,919	149,997	40,825	3,143,091
Roads and sidewalks	16,057,854	770,799	-	16,828,653
Buildings and improvements	5,941,950	239,452	-	6,181,402
Machinery and equipment	3,720,347	299,661	177,945	3,842,063
Total accumulated depreciation	28,754,070	1,459,909	218,770	29,995,209
Net capital assets being depreciated	46,555,087	497,079	16,512	47,035,654
Governmental activities net capital assets	\$ 59,251,925	\$ 652,754	\$ 543,873	\$ 59,360,806

City of Grosse Pointe Park
Notes to the Financial Statements
June 30, 2025

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities				
Capital assets not being depreciated				
Land	\$ 285,000	\$ -	\$ -	\$ 285,000
Construction-in-progress	2,711,678	1,473,679	2,686,175	1,499,182
Total capital assets not being depreciated	<u>2,996,678</u>	<u>1,473,679</u>	<u>2,686,175</u>	<u>1,784,182</u>
Capital assets being depreciated				
Water system infrastructure	1,527,015	1,653,563	-	3,180,578
Sewer system infrastructure	26,105,327	2,983,850	-	29,089,177
Land improvements	849,674	-	-	849,674
Building and improvements	1,300,372	-	-	1,300,372
Vehicles	698,154	160,104	131,194	727,064
Machinery and equipment	1,264,397	7,870	-	1,272,267
Total capital assets being depreciated	<u>31,744,939</u>	<u>4,805,387</u>	<u>131,194</u>	<u>36,419,132</u>
Less accumulated depreciation for				
Water system infrastructure	299,450	49,362	-	348,812
Sewer system infrastructure	14,047,380	460,660	-	14,508,040
Land improvements	487,463	25,748	-	513,211
Building and improvements	430,400	42,099	-	472,499
Vehicles	341,751	44,161	131,194	254,718
Machinery and equipment	643,427	63,019	-	706,446
Total accumulated depreciation	<u>16,249,871</u>	<u>685,049</u>	<u>131,194</u>	<u>16,803,726</u>
Net capital assets being depreciated	<u>15,495,068</u>	<u>4,120,338</u>	<u>-</u>	<u>19,615,406</u>
Business-type capital assets, net	<u>\$ 18,491,746</u>	<u>\$ 5,594,017</u>	<u>\$ 2,686,175</u>	<u>\$ 21,399,588</u>

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

Governmental activities

General government	\$ 920,398
Public safety	206,554
Public works	79,284
Recreation and culture	253,673
Total governmental activities	<u>1,459,909</u>

Business-type activities

Water & Sewer	657,252
Marina	27,797
Total business-type activities	<u>685,049</u>

Total primary government \$ 2,144,958

City of Grosse Pointe Park
Notes to the Financial Statements
June 30, 2025

Capital assets activity of the component units for the current year is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Component Units				
Capital assets not being depreciated				
Land	\$ 2,447,296	\$ -	\$ 313,128	\$ 2,134,168
Construction-in-progress	232,598	234,110	-	466,708
Total capital assets not being depreciated	<u>2,679,894</u>	<u>234,110</u>	<u>313,128</u>	<u>2,600,876</u>
Capital assets being depreciated				
Land improvements	2,368,588	28,842	-	2,397,430
Roads and sidewalks	480,139	-	-	480,139
Buildings and improvements	4,244,705	-	-	4,244,705
Machinery and equipment	223,181	8,837	-	232,018
Total capital assets being depreciated	<u>7,316,613</u>	<u>37,679</u>	<u>-</u>	<u>7,354,292</u>
Less accumulated depreciation for				
Land improvements	410,393	206,815	-	617,208
Roads and sidewalks	57,474	25,607	-	83,081
Buildings and improvements	169,300	84,904	-	254,204
Machinery and equipment	71,667	19,840	-	91,507
Total accumulated depreciation	<u>708,834</u>	<u>337,166</u>	<u>-</u>	<u>1,046,000</u>
Net capital assets being depreciated	<u>6,607,779</u>	<u>(299,487)</u>	<u>-</u>	<u>6,308,292</u>
Component units capital assets, net	<u>\$ 9,287,673</u>	<u>\$ (65,377)</u>	<u>\$ 313,128</u>	<u>\$ 8,909,168</u>

Construction Commitments

The City committed approximately \$4.1 million to infrastructure improvements for local and major roads and water and sewer infrastructure projects of which \$3.64 million was completed and \$460,000 was remaining at fiscal year end.

City of Grosse Pointe Park
Notes to the Financial Statements
June 30, 2025

Note 6 - Interfund Receivables, Payables and Transfers

There were not any interfund receivable or payable balances at June 30, 2025.

The details for interfund transfers are as follows:

<u>Funds Transferred From</u>	<u>Funds Transferred To</u>	<u>Amount</u>
General Fund	Nonmajor Governmental Funds (1)	\$ 10,265
Nonmajor Governmental Funds	Nonmajor Governmental Funds (2)	184,000
Nonmajor Governmental Funds	General Fund (3)	15,111
Water and Sewer Infrastructure Fund	Water and Sewer Fund (4)	12,312
		<u>\$ 221,688</u>

- (1) Transfer related to support of legal services
- (2) Transfer to support local and major street operations as allowed under Act 51
- (3) Transfer related to governmental indirect costs of the operating function
- (4) Transfer related to capital improvements

Note 7 - Long-Term Debt

The City issues bonds to provide for the acquisition and construction of major capital projects. General obligation bonds are direct obligations and pledge the full faith and credit of the City. Installment purchase agreements are also general obligations of the City. Other long-term obligations include compensated absences. Compensated absences additions and deductions are reported net.

Long-term obligation activity is summarized as follows:

	<u>Amount of Issue</u>	<u>Maturity Date</u>	<u>Interest Rate Ranges</u>	<u>Principal Maturity Ranges</u>	<u>Restated Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities									
Bonds and notes payable									
General obligation bonds									
General Obligation Unlimited Tax Bond Series 2007	\$ 7,000,000	10/1/2026	4.350%	\$600,000 - \$700,000	\$ 1,900,000	\$ -	\$ 600,000	\$ 1,300,000	\$ 600,000
Capital Improvement Bond Series 2019	\$ 2,635,000	10/1/2039	2.000% - 3.000%	\$115,000 - \$175,000	2,240,000	-	110,000	2,130,000	115,000
Total general obligation bonds					<u>4,140,000</u>	<u>-</u>	<u>710,000</u>	<u>3,430,000</u>	<u>715,000</u>
Installment purchase agreements									
Note Payable - Fitness Gym Equipment	\$ 69,599	6/10/2025	0.00%	\$0	32,074	-	32,074	-	-
Note Payable - 2024 Motorola Solutions	\$ 133,592	1/25/2024	0.00%	\$25,402	101,606	-	25,402	76,204	25,402
Total installment purchase agreements					<u>133,680</u>	<u>-</u>	<u>57,476</u>	<u>76,204</u>	<u>25,402</u>
Total bonds and notes payable					4,273,680	-	767,476	3,506,204	740,402
Claims and judgments					258,978	-	68,850	190,128	190,128
Compensated absences					476,941	236,552	-	713,493	698,835
Total governmental activities					<u>\$ 5,009,599</u>	<u>\$ 236,552</u>	<u>\$ 836,326</u>	<u>\$ 4,409,825</u>	<u>\$ 1,629,365</u>
Business-type activities									
Compensated absences					\$ 77,078	\$ 106,946	\$ -	\$ 184,024	\$ 177,797
Component units									
General obligation bonds									
Tax Increment Finance Authority Bond Series 2020	\$ 4,000,000	10/1/2035	1.940%	\$245,000 - \$315,000	\$ 3,325,000	\$ -	\$ 240,000	\$ 3,085,000	\$ 245,000

City of Grosse Pointe Park
Notes to the Financial Statements
June 30, 2025

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

Year Ending June 30,	Governmental Activities				Component Units	
	Bonds		Notes from Direct Borrowings and Direct Placements		Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2026	\$ 715,000	\$ 92,193	\$ 25,402	\$ -	\$ 245,000	\$ 54,473
2027	815,000	60,468	25,402	-	255,000	52,623
2028	120,000	41,718	25,400	-	260,000	47,628
2029	125,000	38,043	-	-	265,000	42,535
2030	130,000	34,868	-	-	275,000	37,297
2031-2035	700,000	133,476	-	-	1,470,000	103,309
2036-2040	825,000	49,774	-	-	315,000	3,056
	<u>\$ 3,430,000</u>	<u>\$ 450,540</u>	<u>\$ 76,204</u>	<u>\$ -</u>	<u>\$ 3,085,000</u>	<u>\$ 340,921</u>

City of Grosse Pointe Park
Notes to the Financial Statements
June 30, 2025

Note 8 - Net Investment in Capital Assets

The composition of net investment in capital assets as of year end, was as follows:

	Governmental Activities	Business-type Activities	Component Unit
Capital assets			
Capital assets not being depreciated	\$ 12,325,152	\$ 1,784,182	\$ 2,600,876
Capital assets, net of accumulated depreciation	47,035,654	19,615,406	6,308,292
Total capital assets	59,360,806	21,399,588	8,909,168
Related debt			
General obligation bonds	(3,430,000)	-	(3,085,000)
Installment purchase agreements	(76,204)	-	-
Contracts payable - retainage	-	(586,225)	-
Total related debt	(3,506,204)	(586,225)	(3,085,000)
Net investment in capital assets	\$ 55,854,602	\$ 20,813,363	\$ 5,824,168

Note 9 - Risk Management

The City is exposed to various risks of loss related to property loss, torts, errors and omissions and employee injuries (workers' compensation), as well as medical benefits provided to employees. The City has purchased commercial insurance for claims related to property loss, torts, and errors and omissions. For workers' compensation claims, the City participates in the Michigan Municipal League Risk Pool. For medical benefits, the City previously purchased commercial insurance. As described below, the City is partially self-insured for medical claims. 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 for workers' compensation claims operates as a common risk-sharing management program for local units of governments in Michigan; member premiums are used to purchase commercial excess insurance coverage and to pay member claims in excess of deductible amounts.

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

The City made no deposits to the claims administrator for payment of future claims. The City estimated the liability for medical benefits claims that have been incurred through the end of the fiscal year, including both those claims that have been reported as well as those that have not yet been reported. The City's liability is based on individual claims and management's evaluation of experience with respect to the probable number and nature of claims. The entire liability is current and is recorded in the General Fund and government-wide statement of net position.

City of Grosse Pointe Park
Notes to the Financial Statements
June 30, 2025

The change in the estimated liability for the fiscal years ended June 30 is as follows:

	2025	2024
Estimated liability - beginning of year	\$ 258,978	\$ 220,173
Estimated claims incurred	2,120,448	2,394,195
Claim payments	<u>(2,189,298)</u>	<u>(2,355,390)</u>
Estimated liability - end of year	<u>\$ 190,128</u>	<u>\$ 258,978</u>

Note 10 - Employee Retirement and Benefit Systems

Defined Benefit Pension Plan

Plan description – The City participates in the Michigan Municipal Employees’ Retirement System (MERS), an agent multiple-employer, statewide public employee defined benefit pension plan that covers all employees of the government. The plan was established by the Michigan Legislature under Public Act 135 of 1945 and administered by a nine-member Retirement Board. The system provides retirement, disability and death benefits to plan members and their beneficiaries. MERS issues a publicly available financial report that includes financial statements and required supplementary information for the system. That report may be obtained by writing to MERS at 1134 Municipal Way, Lansing, Michigan 48917 or on the web at <http://www.mersofmich.com>.

Benefits provided – Benefits provided include plans with multipliers ranging from 2.0% to 2.5%. The vesting period is 10 years. Normal retirement age is 60 with early retirement at 55 with 15 years of service (reduced) or 50 with 25 years of service (unreduced). Final average compensation is calculated based on 3 to 5 years. Member contributions range from 3.0% to 5.5%.

Employees covered by benefit terms – At the December 31, 2024 valuation date, the following employees were covered by benefit terms:

Inactive employees or beneficiaries currently receiving benefits	102
Inactive employees entitled to, but not yet receiving benefits	21
Active employees	<u>57</u>
	<u>180</u>

Contributions – The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by MERS Retirement Board. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees 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. Employer contributions range from 6.62% to 8.31% based on annual payroll for open divisions.

Net pension liability – The employer’s net pension liability was measured as of December 31, 2024, and the total pension liability used to calculate the net pension liability was determined by an annual actuarial valuation as of that date.

Actuarial assumptions – The total pension liability in the December 31, 2024 annual actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement include: 1) Inflation 2.50%; 2) Salary increases 3.00% in the long-term; 3) Investment rate of return of 6.93%, net of investment expense, including inflation.

Although no specific price inflation assumptions are needed for the valuation, the 3.00% long-term wage inflation assumption would be consistent with a price inflation of 2.5%.

City of Grosse Pointe Park
Notes to the Financial Statements
June 30, 2025

Mortality rates used were based on the Pub-2010 Mortality Tables. For disabled retirees, the regular mortality table is used with a 10-year set forward in ages to reflect the higher expected mortality rates of disabled members.

The actuarial assumptions used in valuation were based on the results of the most recent actuarial experience study.

The long-term expected rate of return on pension plan investments was determined using a model method in which the best-estimate ranges of expected future real rates of return (expected returns, net of investment and administrative expenses 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 or arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Target Allocation Gross Rate Of Return	Long-Term Expected Gross Rate of Return	Inflation Assumption	Long-term Expected Real Rate of Return
Global equity	60.00%	7.00%	4.20%	2.50%	2.70%
Global fixed income	20.00%	4.50%	0.90%	2.50%	0.40%
Private investments	20.00%	9.50%	1.90%	2.50%	1.40%
	<u>100.00%</u>		<u>6.93%</u>		<u>4.43%</u>

Discount rate – The discount rate used to measure the total pension liability is 7.18%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plans fiduciary net position was projected to be available to pay 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.

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances as of December 31, 2023	\$ 56,910,578	\$ 31,871,384	\$ 25,039,194
Changes for the year			
Service cost	636,805	-	636,805
Interest on total pension liability	3,967,325	-	3,967,325
Experience differences	855,863	-	855,863
Change in assumptions	(10,370)	-	(10,370)
Employer contributions	-	2,317,882	(2,317,882)
Employee contributions	-	271,867	(271,867)
Net investment income	-	2,361,893	(2,361,893)
Benefit payments and refunds	(3,947,542)	(3,947,542)	-
Administrative expense	-	(69,740)	69,740
Net changes	<u>1,502,081</u>	<u>934,360</u>	<u>567,721</u>
Balances as of December 31, 2024	<u>\$ 58,412,659</u>	<u>\$ 32,805,744</u>	<u>\$ 25,606,915</u>

City of Grosse Pointe Park
Notes to the Financial Statements
June 30, 2025

Sensitivity of the net pension liability to changes in the discount rate – The following presents the net pension liability of the employer, calculated using the discount rate of 7.18%, as well as what the employer’s net pension liability would be using a discount rate that is 1% point lower (6.18%) or 1% higher (8.18%) than the current rate.

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Total pension liability	\$ 64,929,787	\$ 58,412,659	\$ 52,936,965
Fiduciary net position	<u>32,805,744</u>	<u>32,805,744</u>	<u>32,805,744</u>
Net pension liability	<u>\$ 32,124,043</u>	<u>\$ 25,606,915</u>	<u>\$ 20,131,221</u>

Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions – For the year ended June 30, 2025 the employer recognized pension expense of \$3,494,888. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Total to Amortize</u>
Differences in experience	\$ 597,192	\$ -	\$ 597,192
Differences in assumptions	136,319	(6,913)	129,406
Net difference between projected and actual earning on plan investments	1,160,611	-	1,160,611
Contributions subsequent to the measurement date*	<u>1,071,099</u>	<u>-</u>	<u>-</u>
 Total	 <u>\$ 2,965,221</u>	 <u>\$ (6,913)</u>	 <u>\$ 1,887,209</u>

*The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the net pension liability in subsequent years.

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

<u>Year ended June 30,</u>	
2026	\$ 1,000,863
2027	1,174,057
2028	(261,822)
2029	<u>(25,889)</u>
	<u>\$ 1,887,209</u>

City of Grosse Pointe Park
Notes to the Financial Statements
June 30, 2025

Note 11 - Other Postemployment Benefits

Plan description – The City administers the City of Grosse Pointe Park Retiree Health Care Plan – a single employer defined benefit plan that is used to provide postemployment benefits other than pensions (OPEB) for eligible employees and dependents of the City.

Benefits provided – The Plan provides healthcare for retirees and their dependents. If hired after March 1, 2014, no post-employment health care is provided to non-spouse dependents. The healthcare costs are paid by the City on a “pay-as-you-go” basis.

Employees covered by benefit terms – At June 30, 2025, the plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefits	65
Active employees	<u>23</u>
	<u><u>88</u></u>

The Plan is closed to new members.

Contributions – The City has the authority to establish and amend the contribution requirements of the City and plan members. The City establishes rates based on an actuarially determined rate. For the year ended June 30, 2025, the City contributed based on the actuarially determined contribution. Plan members are not required to contribute to the plan.

Investment policy – The investment policy of the City is determined based on the goals and objectives of the Plan and the risk tolerance of the City. The City’s objective in selecting the expected long-term rate of return on assets is to estimate the single rate of return that reflects the historical returns, future expectations for each asset class, and the asset mix of the plan assets.

Concentrations – The City adopted the MERS Retiree Health Funding Vehicle (RHFV) in 2021. The RHFV is designed as an IRC section 115 and PA 149 compliant Trust. The purpose of the trust is to provide a qualified account to make retiree health contributions for unfunded OPEB liabilities.

Rate of return – For the year ended June 30, 2025, the annual money-weighted rate of return on investments, net of investment expense, was 10.67%. The money-weighted rate of return expresses investment performance, net of investment expenses, adjusted for the changing amounts actually invested.

Net OPEB liability – The net OPEB liability was measured as of June 30, 2025 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2025. The components of the net OPEB liability as of June 30, 2025 were as follows:

Total OPEB liability	\$ 18,685,818
Plan fiduciary net position	<u>314,067</u>
Net OPEB liability	<u><u>\$ 18,371,751</u></u>

Plan fiduciary net position as a percentage of the total OPEB liability is 1.68%.

Actuarial assumptions – The total OPEB liability was determined by an actuarial valuation as of June 30, 2025, using the following actuarial assumptions, applied to all periods included in the measurement.

City of Grosse Pointe Park
Notes to the Financial Statements
June 30, 2025

Inflation	2.50%
Salary increases	3.00%
Investment rate of return	6.93%, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates	Non-Medicare (Pre-65): Initial trend of 7.50%, gradually decreasing to 3.50% in year 12. Medicare (Post-65): Initial trend of 6.25%, gradually decreasing to 3.50% in year 12.

Mortality rates were based on the Public General and Safety 2016 Employee, Healthy Retiree and Disabled, Headcount weighted tables, as published by the Society of Actuaries, and include a margin for future mortality improvements projected using a fully generational improvement scale.

The actuarial assumptions used in the June 30, 2025 valuation were not based on results of an actuarial experience study because the plan has fewer than 100 members.

Discount rate – The discount rate used to measure the total OPEB liability was 6.93%. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. 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.

The City is 100% invested in MERS Retiree Health Funding Vehicle’s MERS Total Market Portfolio. The fund 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 appreciation while minimizing the volatility of the capital markets.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Global equity	46.8%	4.50%
Global bonds	29.4%	2.16%
Private investments	23.8%	6.50%
Expected real rate of return		4.43%
Inflation rate		2.50%
Total investment rate of return		<u>6.93%</u>

City of Grosse Pointe Park
Notes to the Financial Statements
June 30, 2025

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances as of June 30, 2024	\$ 14,257,752	\$ 286,766	\$ 13,970,986
Changes for the year			
Service cost	107,936	-	107,936
Interest on total OPEB liability	977,420	-	977,420
Experience differences	2,101,722	-	2,101,722
Change in assumptions	2,046,091	-	2,046,091
Employer contributions	-	805,103	(805,103)
Net investment income	-	27,928	(27,928)
Benefit payments and refunds	(805,103)	(805,103)	-
Administrative expense	-	(627)	627
Net changes	4,428,066	27,301	4,400,765
Balances as of June 30, 2025	\$ 18,685,818	\$ 314,067	\$ 18,371,751

Sensitivity of the net OPEB liability to changes in the discount rate – The following presents the net OPEB liability of the City, as well as what the City’s net OPEB liability would be if it were calculated using a discount rate that is 1% lower (5.93%) or 1% higher (7.93%) than the current discount rate.

	1% Decrease	Current Discount Rate	1% Increase
Net OPEB liability	\$ 21,062,333	\$ 18,371,751	\$ 16,200,809

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates – The following presents the net OPEB liability of the City, as well as what the City’s net OPEB liability would be if were calculated using healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Net OPEB liability	\$ 15,792,017	\$ 18,371,751	\$ 20,598,465

City of Grosse Pointe Park
Notes to the Financial Statements
June 30, 2025

OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB – For the year ended June 30, 2025 the employer recognized OPEB expense of \$2,329,176. The employer reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Total to Amortize
Differences in experience	\$ 1,247,363	\$ (3,730)	\$ 1,243,633
Differences in assumptions	1,214,347	-	1,214,347
Net difference between projected and actual earning on plan investments	-	(7,696)	(7,696)
 Total	 \$ 2,461,710	 \$ (11,426)	 \$ 2,450,284

*The amount reported as deferred outflows of resources resulting from contributions subsequent to the measurement date will be recognized as a reduction in the OPEB liability in subsequent years.

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

<u>Year ended June 30,</u>	
2026	\$ 1,683,186
2027	771,838
2028	(3,164)
2029	(1,576)
	\$ 2,450,284

Note 12 - Defined Contribution Plan

Beginning with the year ending June 30, 2024, the City closed the MERS Defined Benefit (DB) pension plan to all new hires by providing a 401a defined contribution (DC) plan to its general employees requiring a 3% contribution with an employer contribution of 15%.

The City’s public safety employees are required to contribute 5% and receive an employer contribution of 15%. In addition, public safety employees may elect to make an additional 5% contribution to the city’s deferred compensation plan to receive an additional employer contribution of 5% to the City’s 401a DC plan.

All City employees participating in the 401a defined contribution (DC) plan receive one-third vesting per year of service, each year of service, until the employee is vested at 100% in the employer’s contribution.

Both employee and employer contributions are portable, thus in the event an employee terminates employment with the City, the Plan benefits travel with the employee. Upon retirement, an eligible employee receives the tax-deferred contributions plus interest earnings on the contributions. The employer contributions for the Plan year ended June 30, 2025, were \$60,719. At June 30, 2025, there were 3 employees participating in the plan.

City of Grosse Pointe Park
Notes to the Financial Statements
June 30, 2025

Note 13 - Contingent Liabilities

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the government expects such amounts, if any, to be immaterial.

There are potential legal actions pending against the City. Due to the inconclusive nature of many of the actions, it is not possible for counsel to determine the probable outcome or a reasonable estimate of the potential liability, if any. These actions, for which a reasonable estimate can be determined of the potential liability, if any, are considered by City management and legal counsel to be immaterial.

Note 14 - Change in Accounting Principle

The City restated beginning net position as the result of adopting GASB Statement No. 101, *Compensated Absences*.

	June 30, 2024 As Previously Reported	Change in Accounting Principle	June 30, 2024 As Restated
Government-Wide			
Governmental Activities	\$ 26,577,293	\$ 402,335	\$ 26,979,628
Business-Type Activities	<u>19,048,637</u>	<u>139,312</u>	<u>19,187,949</u>
Total Primary Government	<u>\$ 45,625,930</u>	<u>\$ 541,647</u>	<u>\$ 46,167,577</u>
Proprietary Funds			
Major Fund:			
Water & Sewer Fund	<u>\$ 13,611,252</u>	<u>\$ 139,312</u>	<u>\$ 13,750,564</u>

City of Grosse Pointe Park
Required Supplementary Information
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Actual Over (Under)
	Original	Final		Final Budget
Revenues				
Taxes				
Property taxes	\$ 9,874,100	\$ 10,165,800	\$ 9,850,747	\$ (315,053)
Penalties and interest	20,000	10,000	25,759	15,759
Administration fee	440,000	439,600	439,560	(40)
Licenses and permits	219,500	204,000	202,809	(1,191)
State-shared revenue	1,418,500	1,380,700	1,400,369	19,669
State grants	72,600	180,200	160,813	(19,387)
Local contributions	62,200	94,600	102,335	7,735
Charges for services	831,400	986,600	1,114,456	127,856
Fines and forfeitures	228,200	227,200	276,993	49,793
Rental income	200,700	208,200	340,162	131,962
Investment income	247,500	247,500	232,074	(15,426)
Other revenue	6,500	105,000	105,715	715
Total revenues	<u>13,621,200</u>	<u>14,249,400</u>	<u>14,251,792</u>	<u>2,392</u>
Expenditures				
Current				
General government	2,347,100	2,388,000	2,270,105	(117,895)
Judicial	419,200	419,200	396,087	(23,113)
Public safety	8,077,200	8,239,300	8,051,598	(187,702)
Public works	627,700	627,700	593,640	(34,060)
Recreation and culture	2,238,900	2,381,200	2,134,567	(246,633)
Debt service				
Principal retirement	167,500	167,500	167,476	(24)
Interest and fiscal charges	54,200	54,200	54,105	(95)
Total expenditures	<u>13,931,800</u>	<u>14,277,100</u>	<u>13,667,578</u>	<u>(609,522)</u>
Excess (deficiency) of revenues over expenditures	<u>(310,600)</u>	<u>(27,700)</u>	<u>584,214</u>	<u>611,914</u>
Other financing sources (uses)				
Transfers in	442,600	60,200	15,111	(45,089)
Transfers out	(50,400)	(50,400)	(10,265)	(40,135)
Sale of capital assets	-	-	24,138	24,138
Total other financing sources (uses)	<u>392,200</u>	<u>9,800</u>	<u>28,984</u>	<u>(61,086)</u>
Net change in fund balance	81,600	(17,900)	613,198	550,828
Fund balance - beginning of year	<u>2,516,336</u>	<u>2,516,336</u>	<u>2,516,336</u>	<u>-</u>
Fund balance - end of year	<u>\$ 2,597,936</u>	<u>\$ 2,498,436</u>	<u>\$ 3,129,534</u>	<u>\$ 550,828</u>

See Accompanying Notes to Required Supplementary Information

City of Grosse Pointe Park
Required Supplementary Information
Municipal Employees Retirement System of Michigan
Schedule of Changes in Net Pension Liability and Related Ratios
For the Year Ended June 30, 2025

Fiscal year ended June 30,	2025	2024	2023	2022	2021
Total Pension Liability					
Service cost	\$ 636,805	\$ 588,272	\$ 548,970	\$ 574,967	\$ 518,321
Interest	3,967,325	3,927,963	3,865,950	2,811,560	3,943,179
Changes of benefit terms	-	-	-	-	-
Experience differences	855,863	79,849	258,675	360,334	417,053
Changes in assumptions	(10,370)	408,957	(3,459)	1,935,042	1,344,330
Benefit payments and refunds	(3,947,542)	(3,958,248)	(3,710,618)	(3,594,756)	(3,460,122)
Other	-	-	-	-	-
Net change in total pension liability	1,502,081	1,046,793	959,518	2,087,147	2,762,761
Total pension liability - beginning	56,910,578	55,863,785	54,904,267	52,817,120	50,054,359
Total pension liability - ending (a)	<u>\$ 58,412,659</u>	<u>\$ 56,910,578</u>	<u>\$ 55,863,785</u>	<u>\$ 54,904,267</u>	<u>\$ 52,817,120</u>
Plan Fiduciary Net Position					
Employer contributions	\$ 2,317,882	\$ 5,245,464	\$ 2,251,245	\$ 2,337,001	\$ 2,392,384
Employee contributions	271,867	241,758	271,764	268,117	250,450
Net investment income (loss)	2,361,893	3,204,920	(3,499,223)	4,209,389	3,266,047
Benefit payments and refunds	(3,947,542)	(3,958,248)	(3,710,618)	(3,594,756)	(3,460,122)
Administrative expense	(69,740)	(65,124)	(57,546)	(45,722)	(52,197)
Net change in plan fiduciary net position	934,360	4,668,770	(4,744,378)	3,174,029	2,396,562
Plan fiduciary net position - beginning	31,871,384	27,202,614	31,946,992	28,772,963	26,376,401
Plan fiduciary net position - ending (b)	<u>\$ 32,805,744</u>	<u>\$ 31,871,384</u>	<u>\$ 27,202,614</u>	<u>\$ 31,946,992</u>	<u>\$ 28,772,963</u>
Net pension liability (a-b)	<u>\$ 25,606,915</u>	<u>\$ 25,039,194</u>	<u>\$ 28,661,171</u>	<u>\$ 22,957,275</u>	<u>\$ 24,044,157</u>
Plan fiduciary net position as a percentage of total pension liability	56.16%	56.00%	48.69%	58.19%	54.48%
Covered payroll	\$ 5,251,343	\$ 5,027,457	\$ 4,660,133	\$ 5,148,223	\$ 4,901,635
Net pension liability as a percentage of covered employee payroll	487.63%	498.05%	615.03%	445.93%	490.53%

See Accompanying Notes to Required Supplementary Information

City of Grosse Pointe Park
Required Supplementary Information
Municipal Employees Retirement System of Michigan
Schedule of Changes in Net Pension Liability and Related Ratios
For the Year Ended June 30, 2025

Fiscal year ended June 30,	2020	2019	2018	2017	2016
Total Pension Liability					
Service cost	\$ 460,210	\$ 492,669	\$ 540,353	\$ 542,894	\$ 535,569
Interest	3,831,245	3,638,348	3,740,897	3,626,384	3,188,738
Changes of benefit terms	-	(19,149)	(302,393)	-	-
Experience differences	166,313	150,668	(248,181)	(169,614)	(496,426)
Changes in assumptions	1,548,893	-	-	-	2,115,513
Benefit payments and refunds	(3,252,815)	(2,992,128)	(2,804,171)	(2,642,787)	(2,595,050)
Other	-	-	9,766	-	99,648
Net change in total pension liability	2,753,846	1,270,408	936,271	1,356,877	2,847,992
Total pension liability - beginning	47,300,513	46,030,105	45,093,834	43,736,957	40,888,965
Total pension liability - ending (a)	<u>\$ 50,054,359</u>	<u>\$ 47,300,513</u>	<u>\$ 46,030,105</u>	<u>\$ 45,093,834</u>	<u>\$ 43,736,957</u>
Plan Fiduciary Net Position					
Employer contributions	\$ 1,881,524	\$ 1,914,805	\$ 1,582,773	\$ 1,452,821	\$ 1,324,490
Employee contributions	250,750	250,331	247,154	248,209	243,136
Net investment income (loss)	3,282,826	(1,001,032)	3,119,794	2,511,003	(348,714)
Benefit payments and refunds	(3,252,815)	(2,992,128)	(2,804,171)	(2,642,787)	(2,595,050)
Administrative expense	(55,770)	(49,987)	(49,476)	(49,617)	(51,582)
Net change in plan fiduciary net position	2,106,515	(1,878,011)	2,096,074	1,519,629	(1,427,720)
Plan fiduciary net position - beginning	24,269,886	26,147,897	24,051,823	22,532,194	23,959,914
Plan fiduciary net position - ending (b)	<u>\$ 26,376,401</u>	<u>\$ 24,269,886</u>	<u>\$ 26,147,897</u>	<u>\$ 24,051,823</u>	<u>\$ 22,532,194</u>
Net pension liability (a-b)	<u>\$ 23,677,958</u>	<u>\$ 23,030,627</u>	<u>\$ 19,882,208</u>	<u>\$ 21,042,011</u>	<u>\$ 21,204,763</u>
Plan fiduciary net position as a percentage of total pension liability	52.70%	51.31%	56.81%	53.34%	51.52%
Covered payroll	\$ 4,719,411	\$ 4,891,136	\$ 4,801,140	\$ 4,810,060	\$ 4,745,956
Net pension liability as a percentage of covered employee payroll	501.71%	470.86%	414.11%	437.46%	446.80%

See Accompanying Notes to Required Supplementary Information

City of Grosse Pointe Park
Required Supplementary Information
Municipal Employees Retirement System of Michigan
Schedule of Employer Contributions
For the Year Ended June 30, 2025

Fiscal Year Ended	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
6/30/2016	\$ 1,324,490	\$ 1,324,490	\$ -	\$ 4,745,956	27.91%
6/30/2017	1,378,416	1,526,671	(148,255)	4,810,060	31.74%
6/30/2018	1,446,796	1,699,100	(252,304)	4,801,140	35.39%
6/30/2019	1,543,039	1,943,000	(399,961)	4,891,136	39.72%
6/30/2020	1,646,724	2,277,000	(630,276)	4,719,411	48.25%
6/30/2021	1,851,072	2,333,746	(482,674)	4,901,635	47.61%
6/30/2022	2,093,220	2,206,178	(112,958)	5,148,223	42.85%
6/30/2023	2,264,587	2,264,587	-	4,823,263	46.95%
6/30/2024	2,328,155	2,328,155	-	5,027,457	46.31%
6/30/2025	2,174,538	2,174,538	-	5,132,676	42.37%

See Accompanying Notes to Required Supplementary Information

City of Grosse Pointe Park
Required Supplementary Information
Other Postemployment Benefits
Schedule of Changes in Net OPEB Liability and Related Ratios
For the Year Ended June 30, 2025

Fiscal year ended June 30,	2025	2024	2023
Total OPEB Liability			
Service cost	\$ 107,936	\$ 107,936	\$ 101,959
Interest	977,420	960,668	1,074,354
Changes of benefit terms	-	19,463	-
Experience differences	2,101,722	(17,732)	(2,523,134)
Changes in assumptions	2,046,091	-	556,553
Benefit payments and refunds	(805,103)	(964,889)	(708,734)
Net change in total OPEB liability	4,428,066	105,446	(1,499,002)
Total OPEB liability - beginning	14,257,752	14,152,306	15,651,308
Total OPEB liability - ending (a)	<u>\$ 18,685,818</u>	<u>\$ 14,257,752</u>	<u>\$ 14,152,306</u>
Plan Fiduciary Net Position			
Employer contributions	\$ 805,103	\$ 955,084	\$ 740,957
Employee contributions	-	9,805	27,777
Net investment income (loss)	27,928	26,178	17,914
Benefit payments and refunds	(805,103)	(964,889)	(708,734)
Administrative expense	(627)	-	-
Net change in plan fiduciary net position	27,301	26,178	77,914
Plan fiduciary net position - beginning	286,766	260,588	182,674
Plan fiduciary net position - ending (b)	<u>\$ 314,067</u>	<u>\$ 286,766</u>	<u>\$ 260,588</u>
Net OPEB liability (a-b)	<u>\$ 18,371,751</u>	<u>\$ 13,970,986</u>	<u>\$ 13,891,718</u>
Plan fiduciary net position as a percentage of total OPEB liability	1.68%	2.01%	1.84%
Covered payroll	\$ 2,381,124	\$ 2,313,651	\$ 2,716,251
Net OPEB liability as a percentage of covered employee payroll	771.56%	603.85%	511.43%

Note: GASB Statement No. 74 was implemented for the fiscal year ended June 30, 2017 and GASB Statement No. 75 was implemented for the fiscal year ended June 30, 2018 and does not require retroactive implementation.

Data will be added as information is available until 10 years of such data is available.

City of Grosse Pointe Park
Required Supplementary Information
Other Postemployment Benefits
Schedule of Changes in Net OPEB Liability and Related Ratios
For the Year Ended June 30, 2025

Fiscal year ended June 30,	2022	2021	2020	2019	2018
Total OPEB Liability					
Service cost	\$ 121,872	\$ 140,117	\$ 486,727	\$ 325,334	\$ 396,186
Interest	1,060,113	1,294,456	946,218	942,916	917,288
Changes of benefit terms	-	-	-	-	-
Experience differences	(301,192)	(3,163,081)	(215,302)	(3,068,356)	(157,033)
Changes in assumptions	-	(997,706)	(12,165,464)	6,512,566	(229,413)
Benefit payments and refunds	(626,036)	(598,821)	(635,685)	(584,231)	(637,176)
Net change in total OPEB liability	254,757	(3,325,035)	(11,583,506)	4,128,229	289,852
Total OPEB liability - beginning	15,396,551	18,721,586	30,305,092	26,176,863	25,887,011
Total OPEB liability - ending (a)	<u>\$ 15,651,308</u>	<u>\$ 15,396,551</u>	<u>\$ 18,721,586</u>	<u>\$ 30,305,092</u>	<u>\$ 26,176,863</u>
Plan Fiduciary Net Position					
Employer contributions	\$ 657,593	\$ 629,838	\$ 655,585	\$ 545,269	\$ 598,538
Employee contributions	28,443	28,983	30,100	38,962	38,638
Net investment income (loss)	(11,406)	20,956	3,124	-	-
Benefit payments and refunds	(626,036)	(598,821)	(635,685)	(584,231)	(637,176)
Administrative expense	-	-	-	-	-
Net change in plan fiduciary net position	48,594	80,956	53,124	-	-
Plan fiduciary net position - beginning	134,080	53,124	-	-	-
Plan fiduciary net position - ending (b)	<u>\$ 182,674</u>	<u>\$ 134,080</u>	<u>\$ 53,124</u>	<u>\$ -</u>	<u>\$ -</u>
Net OPEB liability (a-b)	<u>\$ 15,468,634</u>	<u>\$ 15,262,471</u>	<u>\$ 18,668,462</u>	<u>\$ 30,305,092</u>	<u>\$ 26,176,863</u>
Plan fiduciary net position as a percentage of total OPEB liability	1.17%	0.87%	0.28%	- %	- %
Covered payroll	\$ 3,021,979	\$ 2,973,885	\$ 3,193,731	\$ 3,991,753	\$ 3,731,451
Net OPEB liability as a percentage of covered employee payroll	511.87%	513.22%	584.53%	759.19%	701.52%

Note: GASB Statement No. 74 was implemented for the fiscal year ended June 30, 2017 and GASB Statement No. 75 was implemented for the fiscal year ended June 30, 2018 and does not require retroactive implementation.

Data will be added as information is available until 10 years of such data is available.

**City of Grosse Pointe Park
Required Supplementary Information
Other Postemployment Benefits
Schedule of Employer Contributions
For the Year Ended June 30, 2025**

Fiscal Year Ending June 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2018	\$ 2,052,693	\$ 598,538	\$ 1,454,155	\$ 3,731,451	16.04%
2019	2,064,055	545,269	1,518,786	3,991,753	13.66%
2020	2,054,055	655,585	1,398,470	3,193,731	20.53%
2021	2,351,831	629,838	1,721,993	2,973,885	21.18%
2022	2,335,083	657,593	1,677,490	3,021,979	21.76%
2023	1,645,875	740,957	904,918	2,716,251	27.28%
2024	1,638,881	955,084	683,797	2,313,651	41.28%
2025	1,874,882	805,103	1,069,779	2,381,124	33.81%

See Accompanying Notes to Required Supplementary Information

City of Grosse Pointe Park
Required Supplementary Information
Other Postemployment Benefits
Schedule of Investment Returns

Fiscal Year Ended June 30,	Annual Return % *
2018	Not applicable
2019	Not applicable
2020	6.82%
2021	20.34%
2022	-6.39%
2023	8.28%
2024	11.21%
2025	10.67%

* Annual money-weighted rate of return, net of investment expenses

GASB Statement No. 74 was implemented for the fiscal year ended June 30, 2018 and does not require retroactive implementation.

Data will be added as information is available until 10 years of such data is available.

City of Grosse Pointe Park
Notes to the Required Supplementary Information
June 30, 2025

Budgetary Information

The City is subject to the budgetary control requirements of the Uniform Budgeting Act (P.A. 2 of 1968, as amended). Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for the General Fund and all Special Revenue Funds. All annual appropriations lapse at fiscal year end.

Prior to May 1, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1. Public hearings are held to obtain taxpayer comments and the budget is legally enacted through passage of an ordinance prior to June 1.

The budget document presents information by fund, activity, department, and line items. The legal level of budgetary control adopted by the City Council is the activity level. The City Manager is authorized to transfer budgeted amounts between line items within an activity; however, any revisions that alter the total expenditures of an activity must be approved by the City Council.

Amounts encumbered for purchase orders, contracts, etc. are not tracked during the year. Budget appropriations are considered to be spent when goods are received or services rendered.

Pension Information

Notes to the Schedule of Changes in Net Pension Liability and Related Ratios – Municipal Employees Retirement System of Michigan

The following assumption changes were reflected in the 2024 valuation:

- Changes to assumptions as a result of the experience study for the period from 2019 through 2023. The changes related to mortality, retirement, disability, and termination rates.
- The investment rate of return, net of pension plan investment expense including inflation, was decreased from 7.00% to 6.93%.

The following assumption changes were reflected in the 2023 valuation:

- The investment rate of return, net of pension plan investment expense including inflation, was decreased from 7.25% to 7.18%.

The following assumption changes were reflected in the 2022 valuation:

- The investment rate of return, net of pension plan investment expense including inflation, was decreased from 7.60% to 7.25%.

The following assumption changes were reflected in the 2020 valuation:

- Changes to demographic assumptions as a result of the experience study for the period from 2013 through 2018. The changes related to mortality, retirement, disability, and termination rates.

The following assumption changes were reflected in the 2019 valuation:

- The investment rate of return, net of pension plan investment expense including inflation, was decreased from 7.75% to 7.60%.
- The rate of wage inflation was changed from 3.75% to 3.00%.

City of Grosse Pointe Park
Notes to the Required Supplementary Information
June 30, 2025

Notes to the Schedule of Employer Contributions – Municipal Employees’ Retirement System of Michigan

- Valuation date: December 31, 2023
- Actuarially determined contribution rates are calculated as of December 31 that is 6 months prior to the beginning of the fiscal year for which the contributions are presented.

Methods and assumptions used to determine contribution rates:

- Actuarial cost method: Entry age normal level percent of pay
- Amortization method: Level percentage of payroll, closed
- Remaining amortization period: 14 years
- Asset valuation method: Market value of assets
- Inflation: 2.50%
- Salary increase: 3.00%
- Investment rate of return: 7.00%, net of administrative and investment expenses
- Mortality rates: Pub-2010 Juvenile, Employee, and Healthy Retiree Tables and PubNS-2010 Disabled Retiree Tables.

OPEB Information

Notes to the Schedule of Changes in Net OPEB and Related Ratios – Other Postemployment Benefits

The June 30, 2025, changes in assumptions are due to the following:

- The discount rate was updated from 7.00% to 6.93%
- Mortality rates were updated from Pub-2010 to Pub-2016 rates; 106% weighted was removed
- Trend rates were updated to 2025 PA202 rates
- 15% of participants who opted out of health care benefits upon retirement are assumed to join the plan at 65; there was no assumption for this in prior years

Notes to the Schedule of Employer Contributions – Other Postemployment Benefits

- Valuation date: June 30, 2025
- Actuarially determined contribution rates are calculated as of June 30 that is 0 months prior to the beginning of the fiscal year for which the contributions are presented.

Methods and assumptions used to determine contribution rates:

- Actuarial cost method: Entry age normal
- Amortization method: Level dollar
- Remaining amortization period: 12 years, closed
- Asset valuation method: Market value of assets
- Healthcare inflation rate: Non-Medicare (Pre-65): Initial trend of 7.50%, gradually decreasing to 3.50% in year 12. Medicare (Post-65): Initial trend of 6.25%, gradually decreasing to 3.50% in year 12.
- Inflation: 2.50%
- Salary increase: 3.00% to 9.70%, including 3.00% wage inflation
- Investment rate of return: 6.93 percent net of OPEB plan investment expense, including inflation
- Mortality rates: Public General and Safety 2016 Employee, Healthy Retiree and Disabled, Headcount weighted

City of Grosse Pointe Park
Other Supplementary Information
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2025

	Special Revenue Funds				
	Major Street	Local Street	Rubbish Collection	Building Inspection	Indigent Defense
Assets					
Cash and cash equivalents	\$ 395,903	\$ 533,287	\$ 678,114	\$ 449,016	\$ 23,409
Receivables					
Accounts	-	-	132,973	7,638	-
Due from other units of government	165,805	60,955	18,142	-	-
Prepaid items	-	-	-	180	-
Total assets	<u>\$ 561,708</u>	<u>\$ 594,242</u>	<u>\$ 829,229</u>	<u>\$ 456,834</u>	<u>\$ 23,409</u>
Liabilities					
Accounts payable	\$ 25,068	\$ 1,593	\$ 13,402	\$ 11,990	\$ 1,793
Contracts payable - retainage	-	-	-	-	-
Payroll and other liabilities	-	-	1,803	8,987	-
Customer deposits	-	-	-	92,588	-
Total liabilities	<u>25,068</u>	<u>1,593</u>	<u>15,205</u>	<u>113,565</u>	<u>1,793</u>
Deferred inflows of resources					
Unavailable revenue - receivables	-	-	-	-	-
Fund Balances					
Non-spendable					
Prepaid items	-	-	-	180	-
Restricted for					
Street maintenance	536,640	592,649	-	-	-
Rubbish collection	-	-	814,024	-	-
Building inspections	-	-	-	343,089	-
Indigent defense	-	-	-	-	21,616
Drug law enforcement	-	-	-	-	-
Community development	-	-	-	-	-
Opioid remediation	-	-	-	-	-
Debt service	-	-	-	-	-
Total fund balances	<u>536,640</u>	<u>592,649</u>	<u>814,024</u>	<u>343,269</u>	<u>21,616</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 561,708</u>	<u>\$ 594,242</u>	<u>\$ 829,229</u>	<u>\$ 456,834</u>	<u>\$ 23,409</u>

City of Grosse Pointe Park
Other Supplementary Information
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2025

	Special Revenue Funds			Debt Service Funds	
	Drug Law Enforcement	Community Development Block Grant	Opioid Settlement	2007 General Obligation Debt Millage	Municipal Roads
Assets					
Cash and cash equivalents	\$ 22,905	\$ 57,778	\$ 48,873	\$ 1,865	\$ 96,519
Receivables					
Accounts	-	-	114,940	-	152,725
Due from other units of government	-	-	-	-	-
Prepaid items	-	-	-	-	-
Total assets	<u>\$ 22,905</u>	<u>\$ 57,778</u>	<u>\$ 163,813</u>	<u>\$ 1,865</u>	<u>\$ 249,244</u>
Liabilities					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 7,674
Contracts payable - retainage	-	-	-	-	23,276
Payroll and other liabilities	-	-	-	-	-
Customer deposits	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>30,950</u>
Deferred inflows of resources					
Unavailable revenue - receivables	-	-	114,940	-	-
Fund Balances					
Non-spendable					
Prepaid items	-	-	-	-	-
Restricted for					
Street maintenance	-	-	-	-	-
Rubbish collection	-	-	-	-	-
Building inspections	-	-	-	-	-
Indigent defense	-	-	-	-	-
Drug law enforcement	22,905	-	-	-	-
Community development	-	57,778	-	-	-
Opioid remediation	-	-	48,873	-	-
Debt service	-	-	-	1,865	218,294
Total fund balances	<u>22,905</u>	<u>57,778</u>	<u>48,873</u>	<u>1,865</u>	<u>218,294</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 22,905</u>	<u>\$ 57,778</u>	<u>\$ 163,813</u>	<u>\$ 1,865</u>	<u>\$ 249,244</u>

City of Grosse Pointe Park
Other Supplementary Information
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2025

	<u>Total Nonmajor Governmental Funds</u>
Assets	
Cash and cash equivalents	\$ 2,307,669
Receivables	
Accounts	408,276
Due from other units of government	244,902
Prepaid items	<u>180</u>
Total assets	<u>\$ 2,961,027</u>
Liabilities	
Accounts payable	\$ 61,520
Contracts payable - retainage	23,276
Payroll and other liabilities	10,790
Customer deposits	<u>92,588</u>
Total liabilities	<u>188,174</u>
Deferred inflows of resources	
Unavailable revenue - receivables	<u>114,940</u>
Fund Balances	
Non-spendable	
Prepaid items	180
Restricted for	
Street maintenance	1,129,289
Rubbish collection	814,024
Building inspections	343,089
Indigent defense	21,616
Drug law enforcement	22,905
Community development	57,778
Opioid remediation	48,873
Debt service	<u>220,159</u>
Total fund balances	<u>2,657,913</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 2,961,027</u>

City of Grosse Pointe Park
Other Supplementary Information
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2025

Special Revenue Funds

	Major Street	Local Street	Rubbish Collection	Building Inspection	Indigent Defense
Revenues					
Taxes	\$ -	\$ -	\$ 1,147,801	\$ 3,818	\$ -
Licenses and permits	-	-	-	417,159	-
Federal grants	-	-	-	-	-
State grants	1,040,197	382,406	-	-	7,382
Charges for services	-	-	38,689	1,831	-
Investment income	12,678	21,221	42,037	21,425	-
Other revenue	18	237	-	85	-
Total revenues	<u>1,052,893</u>	<u>403,864</u>	<u>1,228,527</u>	<u>444,318</u>	<u>7,382</u>
Expenditures					
Current					
General government	-	-	-	-	22,400
Public safety	-	-	-	415,469	-
Public works	925,068	501,731	940,290	-	-
Debt service					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	<u>925,068</u>	<u>501,731</u>	<u>940,290</u>	<u>415,469</u>	<u>22,400</u>
Excess (deficiency) of revenues over expenditures	<u>127,825</u>	<u>(97,867)</u>	<u>288,237</u>	<u>28,849</u>	<u>(15,018)</u>
Other financing sources (uses)					
Transfers in	24,000	160,000	-	-	10,265
Transfers out	-	-	-	(15,111)	-
Total other financing sources (uses)	<u>24,000</u>	<u>160,000</u>	<u>-</u>	<u>(15,111)</u>	<u>10,265</u>
Net change in fund balances	151,825	62,133	288,237	13,738	(4,753)
Fund balances - beginning	<u>384,815</u>	<u>530,516</u>	<u>525,787</u>	<u>329,531</u>	<u>26,369</u>
Fund balances - end of year	<u>\$ 536,640</u>	<u>\$ 592,649</u>	<u>\$ 814,024</u>	<u>\$ 343,269</u>	<u>\$ 21,616</u>

City of Grosse Pointe Park
Other Supplementary Information
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2025

	Special Revenue Funds			Debt Service Funds	
	Drug Law Enforcement	Community Development Block Grant	Opioid Settlement	2007 General Obligation Debt Millage	Municipal Roads
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ 656,862	\$ 756,390
Licenses and permits	-	-	-	-	-
Federal grants	-	41,495	-	-	-
State grants	-	-	-	-	-
Charges for services	-	-	-	-	230,915
Investment income	-	-	-	1,233	6,950
Other revenue	-	-	9,960	-	-
Total revenues	<u>-</u>	<u>41,495</u>	<u>9,960</u>	<u>658,095</u>	<u>994,255</u>
Expenditures					
Current					
General government	-	-	-	-	-
Public safety	284	-	-	-	-
Public works	-	-	-	-	639,876
Debt service					
Principal retirement	-	-	-	600,000	-
Interest and fiscal charges	-	-	-	69,450	-
Total expenditures	<u>284</u>	<u>-</u>	<u>-</u>	<u>669,450</u>	<u>639,876</u>
Excess (deficiency) of revenues over expenditures	<u>(284)</u>	<u>41,495</u>	<u>9,960</u>	<u>(11,355)</u>	<u>354,379</u>
Other financing sources (uses)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	(184,000)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(184,000)</u>
Net change in fund balances	<u>(284)</u>	<u>41,495</u>	<u>9,960</u>	<u>(11,355)</u>	<u>170,379</u>
Fund balances - beginning	<u>23,189</u>	<u>16,283</u>	<u>38,913</u>	<u>13,220</u>	<u>47,915</u>
Fund balances - end of year	<u>\$ 22,905</u>	<u>\$ 57,778</u>	<u>\$ 48,873</u>	<u>\$ 1,865</u>	<u>\$ 218,294</u>

City of Grosse Pointe Park
Other Supplementary Information
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2025

	<u>Total Nonmajor Governmental Funds</u>
Revenues	
Taxes	\$ 2,564,871
Licenses and permits	417,159
Federal grants	41,495
State grants	1,429,985
Charges for services	271,435
Investment income	105,544
Other revenue	<u>10,300</u>
Total revenues	<u>4,840,789</u>
Expenditures	
Current	
General government	22,400
Public safety	415,753
Public works	3,006,965
Debt service	
Principal retirement	600,000
Interest and fiscal charges	<u>69,450</u>
Total expenditures	<u>4,114,568</u>
Excess (deficiency) of revenues over expenditures	<u>726,221</u>
Other financing sources (uses)	
Transfers in	194,265
Transfers out	<u>(199,111)</u>
Total other financing sources (uses)	<u>(4,846)</u>
Net change in fund balances	721,375
Fund balances - beginning	<u>1,936,538</u>
Fund balances - end of year	<u>\$ 2,657,913</u>

City of Grosse Pointe Park
Other Supplementary Information
Combining Statement of Net Position
Nonmajor Enterprise Funds
June 30, 2025

	Marina Fund	Recycling Collection Fund	Total
Assets			
Current assets			
Cash and cash equivalents	\$ 923,764	\$ 125,318	\$ 1,049,082
Receivables			
Accounts	<u>-</u>	<u>37,877</u>	<u>37,877</u>
Total current assets	<u>923,764</u>	<u>163,195</u>	<u>1,086,959</u>
Noncurrent assets			
Capital assets not being depreciated	129,233	-	129,233
Capital assets, net of accumulated depreciation	<u>197,860</u>	<u>-</u>	<u>197,860</u>
Total noncurrent assets	<u>327,093</u>	<u>-</u>	<u>327,093</u>
Total assets	<u>1,250,857</u>	<u>163,195</u>	<u>1,414,052</u>
Liabilities			
Current liabilities			
Accounts payable	23,230	-	23,230
Payroll and other liabilities	<u>4,702</u>	<u>-</u>	<u>4,702</u>
Total liabilities	<u>27,932</u>	<u>-</u>	<u>27,932</u>
Net Position			
Net investment in capital assets	327,093	-	327,093
Unrestricted	<u>895,832</u>	<u>163,195</u>	<u>1,059,027</u>
Total net position	<u>\$ 1,222,925</u>	<u>\$ 163,195</u>	<u>\$ 1,386,120</u>

City of Grosse Pointe Park
Other Supplementary Information
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Nonmajor Enterprise Funds
For the Year Ended June 30, 2025

	Marina Fund	Recycling Collection Fund	Total
Operating revenue			
Customer fees	\$ 378,115	\$ 420,110	\$ 798,225
Other revenue	<u>564</u>	<u>-</u>	<u>564</u>
Total operating revenue	<u>378,679</u>	<u>420,110</u>	<u>798,789</u>
Operating expenses			
Personnel services	86,016	-	86,016
Supplies	8,345	5,129	13,474
Contractual services	9,587	344,073	353,660
Utilities	5,930	-	5,930
Repairs and maintenance	14,513	-	14,513
Other expenses	54,756	10	54,766
Depreciation	<u>27,797</u>	<u>-</u>	<u>27,797</u>
Total operating expenses	<u>206,944</u>	<u>349,212</u>	<u>556,156</u>
Operating income (loss)	171,735	70,898	242,633
Nonoperating revenue (expenses)			
Investment income	<u>35,625</u>	<u>4,268</u>	<u>39,893</u>
Change in net position	207,360	75,166	282,526
Net position - beginning of year	<u>1,015,565</u>	<u>88,029</u>	<u>1,103,594</u>
Net position - end of year	<u>\$ 1,222,925</u>	<u>\$ 163,195</u>	<u>\$ 1,386,120</u>

City of Grosse Pointe Park
Other Supplementary Information
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended June 30, 2025

	Marina Fund	Recycling Collection Fund	Total
Cash flows from operating activities			
Receipts from customers	\$ 378,679	\$ 388,579	\$ 767,258
Payments to suppliers	(69,666)	(349,212)	(418,878)
Payments to employees	(86,076)	-	(86,076)
Net cash provided (used) by operating activities	222,937	39,367	262,304
Cash flows from capital and related financing activities			
Purchases/construction of capital assets	(114,848)	-	(114,848)
Cash flows from investing activities			
Interest received	35,625	4,268	39,893
Net increase (decrease) in cash and cash equivalents	143,714	43,635	187,349
Cash and cash equivalents - beginning of year	780,050	81,683	861,733
Cash and cash equivalents - end of year	\$ 923,764	\$ 125,318	\$ 1,049,082
Reconciliation of operating income (loss) to net cash provided (used) by operating activities			
Operating income (loss)	\$ 171,735	\$ 70,898	\$ 242,633
Adjustments to reconcile operating income to net cash from operating activities			
Depreciation and amortization expense	27,797	-	27,797
Changes in assets and liabilities			
Receivables (net)	-	(31,531)	(31,531)
Accounts payable	22,902	-	22,902
Accrued and other liabilities	563	-	563
Compensated absences	(60)	-	(60)
Net cash provided (used) by operating activities	\$ 222,937	\$ 39,367	\$ 262,304