



# DEAR *bets on* BORN

Annual Comprehensive  
Financial Report for the  
Year Ended June 30, 2024

# CITY OF DEARBORN Michigan

Mayor Abdullah H. Hammoud

# **CITY OF DEARBORN, MICHIGAN**

## **ANNUAL COMPREHENSIVE FINANCIAL REPORT**

**For the Year Ended June 30, 2024**

### **MAYOR**

Abdullah H. Hammoud

### **CITY COUNCIL**

#### **Council President**

Michael T. Sareini

#### **Council President Pro-Tem**

Leslie C. Herrick

#### **Council Members**

Kamal M. Alsawafy

Kenneth C. Paris

Robert A. Abraham

Mustapha A. Hammoud

Gary A. Enos

Michael Kennedy  
Finance Director/Treasurer

Corey J. Jarocki Jr.  
Deputy Finance Director

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# City of Dearborn, Michigan

Wayne County, Michigan

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## **Annual Comprehensive Financial Report with Supplementary Information**

**June 30, 2024**

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Transmittal Letter  
November 19, 2024



# CITY OF DEARBORN

## *Home Town of Henry Ford*

Michael Kennedy  
Finance Director/Treasurer

### DEPARTMENT OF FINANCE

Abdullah H. Hammoud  
MAYOR

Honorable Mayor, Abdullah H. Hammoud,  
Members of the City Council, and  
Citizens of the City of Dearborn:

The Annual Comprehensive Financial Report (ACFR) of the City of Dearborn, for the fiscal year ended June 30, 2024, is submitted with this letter. The City's Finance Department prepared this report pursuant to requirements of both the City Charter and Michigan law, and also to comply with continuing disclosure requirements for outstanding bonds.

This letter is designed to complement the Management Discussion & Analysis (MD&A) as required by Generally Accepted Accounting Principles and the Governmental Accounting Standards Board (GASB) Statement No. 34. This letter should be read in conjunction with the complementary MD&A.

#### **MANAGEMENT REPRESENTATIONS**

Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City's management.

We believe that the financial information, as presented:

- ◆ is accurate in all material aspects
- ◆ is presented in a manner designed to set forth fairly the financial position and results of operations of the City as measured by the financial activity of its various funds
- ◆ includes all disclosures necessary to enable the reader to gain the maximum understanding of the City's financial affairs

Management has reviewed and approved the financial statements, supplementary financial information, and related notes prior to their issuance and has accepted responsibility for the adequacy of the financial statements.

#### **ACCOUNTING SYSTEM INTERNAL CONTROL STRUCTURE**

In developing and evaluating the City's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding:

- ◆ the safeguarding of assets against loss from unauthorized use or disposition
- ◆ the reliability of financial records for preparing financial statements and maintaining accountability for assets

The concept of reasonable assurance recognizes that:

- ◆ the cost of a control should not exceed the benefits likely to be derived
- ◆ the evaluation of costs and benefits requires estimates and judgments by management

All internal control evaluations occur within the above framework. We believe that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions. Internal controls are reviewed on an ongoing basis by staff and consultants with processes and procedures updated.

## **INDEPENDENT AUDIT**

State of Michigan statutes and the City Charter require that an independent audit be made of the City's financial statements. In addition, the City is required to undergo an annual single audit of its federal financial assistance in conformity with the provisions of the Single Audit Act of 1984 and the United States Office of Management and Budget's *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Plante & Moran, PLLC, whose reports are included, has performed the independent audit for fiscal year 2024.

## **FORM OF GOVERNMENT/CITY PROFILE**

The City of Dearborn is located in southeast Michigan and borders the City of Detroit to the east. The 2020 census reported a population of 109,976, a 12% increase from the 2010 census. It is now the seventh largest city in the state. Superior public services and facilities, a well-established employment base, proximity to Detroit and other affluent suburbs, Detroit Metropolitan Airport, and transportation systems, make Dearborn a desirable community in southeast Michigan for families and businesses.

The present City of Dearborn was incorporated in 1929, consolidating the former cities of Fordson and Dearborn. The City operates under a strong mayor, weak council form of government. Its most recent charter was adopted November 6, 2007 and was effective January 1, 2008. The City is incorporated under Michigan law as a home rule city. Additionally in November 2021, the voters elected a nine member Charter Commission to undertake a thorough and complete review, discussion and presentation of updates to the citizens.

Elected officials are comprised of the Mayor, City Clerk, and seven Council members who are elected at large. All terms of office are four years. Department Directors, Chief of Staff, Chief Operating Officer, and the Director of Strategy are appointed by, and serve at the pleasure of, the Mayor with the exception of the Human Resource (Civil Service) Director, who is appointed by the respective commission, and the Library Director who is appointed by the Library Commission. Corporation Counsel is appointed by the Mayor, subject to confirmation by the City Council. The Mayor is responsible for administration of all departments and functions of the City government not under the jurisdiction of any other elected official or commission. The City Clerk has duties related to keeping the public records. City Council is led by a Council President being the member receiving the highest number of votes in the last general election. The Council is responsible for all legislative matters including adoption of the annual budget.

Mayor Abdullah H. Hammoud and the Council of the City of Dearborn are responsive to the community. Challenges are identified, openly communicated, and action is planned and taken. Mayor Hammoud is a lifelong Dearborn resident, a distinguished graduate of the University of Michigan-Dearborn and University of Michigan-Ann Arbor, and a state and national expert in health care systems and management. The Mayor was elected to three terms to represent Dearborn in the Michigan House of Representatives, where he served as the Vice Chairman for the Department of Health and Human Services budget, totaling \$30 billion annually. Upon taking office on January 1, 2022, the Mayor began implementation of his sweeping agenda to modernize government operations with careful investments into infrastructure and technology, while ensuring quality of services, accountability and transparency. The Mayor's background in finance and health care policy as well as his advocacy for environmental sustainability and equitable economic development have resulted in a shift toward fiscally sound management practices, where public health and welfare remain at the center of all decisions made for the city. The residents of Dearborn elected the Mayor to make changes in how the city operates, how the city manages its infrastructure, and how the city embraces its residents and their diversity in all aspects of service and programming. The Mayor has embraced that mandate and secured his first two budgets with a surplus addition to fund balance while recognizing a 12% reduction in annual general fund property tax revenues upon taking office from the non-renewed supplemental millage, reducing overall property taxes for residents, and ensuring critical services continue with highest level of quality.

## **GENERAL GOVERNMENT**

The City of Dearborn is a full-service government. The Mayor, the City Clerk and City Council have department designations. Public Safety departments include Police, and Fire and Rescue. The Permits and Inspection divisions of the Economic Development Department performs the building permit and inspection work of the public safety function in addition to other core duties. The City includes the 19<sup>th</sup> District Court with the City serving as the funding unit for this State judicial operation. The Department of Public Works and Facilities



manages the infrastructure projects and general repair and maintenance of City property and includes the Housing program.

Culture and Recreation encompasses a main library and two branch libraries, a Historical Museum and a robust Recreation Department including neighborhood parks, several large community parks, a dual ice surface arena and the Ford Community & Performing Arts Center. The Recreation Department operates the 18-hole Robert Herndon Dearborn Hills Golf Course within the city limits, as well as the 27-hole Mystic Creek Golf Course within the 626-acre Camp Dearborn Park that is located in Milford, Michigan.

The City has a separate Economic Development department that is inclusive of the Planning division, Permits, Inspections and Enforcement divisions, EDDDA & WDDDA, Dix-Vernor & Warren Corridors as well as the Community Development Block Grant. Legal, Finance, Human Resources, Philanthropy & Grants, Public Relations, Communications, Assessment, and Public Health function as support-type departments. The City of Dearborn is a medium-sized community, but in many respects operates similar to a large community due to the presence of Ford Motor Company and the corresponding business environment.

### **PROPRIETARY TYPE OPERATIONS**

The City operates the water and sewer utilities. The City relies on and compensates the Great Lakes Water Authority for providing clean water and for sewage treatment. The City is responsible for complying with the federally mandated reduction in sewer overflows to the Rouge River. This mandate has resulted in substantial capital and operating costs to the community for the construction of enhanced sewer infrastructure. Retention facilities and sewer separation have both been employed depending on the service area. The waterways will be cleaner and the secondary benefit to the community is new water and sewer lines, and new roadways in the construction areas.

The 2004 Voted Combined Sewer Overflow (CSO) Debt Authority of \$314 million was fully issued with the final debt issuance in December 2017. An additional \$60 million of CSO Debt Authority was approved at the August 2018 election, with a \$23 million Unlimited Tax General Obligation (UTGO) bond issued in September 2018. The City is reviewing multiple funding options for the remaining CSO work needing to be completed.

The Housing operation manages five retirement buildings with two City-owned and three owned by the Dearborn Housing Commission under the Federal program.

A group of internal service funds are operated for asset or risk management. In addition, the Innovation & Technology department and the Public Works-Building Services operations are accounted for in the internal service funds with allocations to the various user departments.

### **FIDUCIARY FUND TYPE OPERATIONS**

The City operates three pension trust funds, including two for police and fire personnel and a third for general full-time personnel. All three pension systems were closed with the following operation durations: Policemen and Firemen April 1, 1943 to July 1, 1956, Revised Police and Fire July 1, 1956 to July 1, 2005 (Police) and May 1, 2009 (Fire), General Employees July 1, 1951 through January 1 or July 1, 2002 depending on the labor group.

City Council approves the plans for Chapter 21 (Police & Fire) and Post Employment Healthcare (PEHC), while the plans for the Chapter 22 (General) and Chapter 23 (Revised Police & Fire), are approved by the Pension Boards.

Two bonds were issued in 2018 to partially fund the Chapter 22 Pension and PEHC liabilities. A Limited Tax General Obligation Bond (LTGO) was issued in September 2018 for the Pension liabilities, while a LTGO was issued in December 2018 for the PEHC. These two bonds funded the liabilities at 86% and 49%, respectively.

Beginning in April 2009 police and fire new-hires have the option to participate in the Municipal Employees Retirement System (MERS) defined benefit program, which is a state-wide program.

All full-time personnel not covered by one of these pension plans participate in the defined contribution plan.

## **COMPONENT UNITS**

The City currently has six component units included in this section of the report. The East and West Dearborn Downtown Development Authorities (EDDDA and WDDDA) account for monies from tax increment financing districts under each authority's jurisdiction. These resources are being accumulated to pay debt service and to fund future redevelopment of both the East and West Dearborn Business Districts. The Dix-Vernor and Warren Avenue District Improvement Authorities operate in a similar method, and have completed their sixth year of operation this fiscal year.

The Brownfield Redevelopment Authority was created to account for the redevelopment of environmentally contaminated and other under-utilized property sites within the City. The Economic Development Corporation (EDC) of Dearborn was created to encourage economic development primarily through the issuance of tax-exempt financing.

## **BUDGET CONTROLS**

The City's budget is prepared in compliance with uniform budgeting provisions of Michigan law for all governmental fund types and in conformity with generally accepted accounting principles (modified accrual basis of accounting). The proposed annual budget is delivered to City Council no later than April 15<sup>th</sup>, and must be adopted no later than June 13<sup>th</sup> (per City ordinance, unless waived by the City Council in special circumstances). Budgets are adopted for all governmental and proprietary funds, and for required trust funds. Appropriations are predominantly controlled at the department level (General fund), project level (Capital Improvement fund), or fund level (all other funds), as appropriate. Appropriations lapse at fiscal year-end except for the portion related to grant or project-life appropriations, and those amounts approved for carry-forward by the City Council.

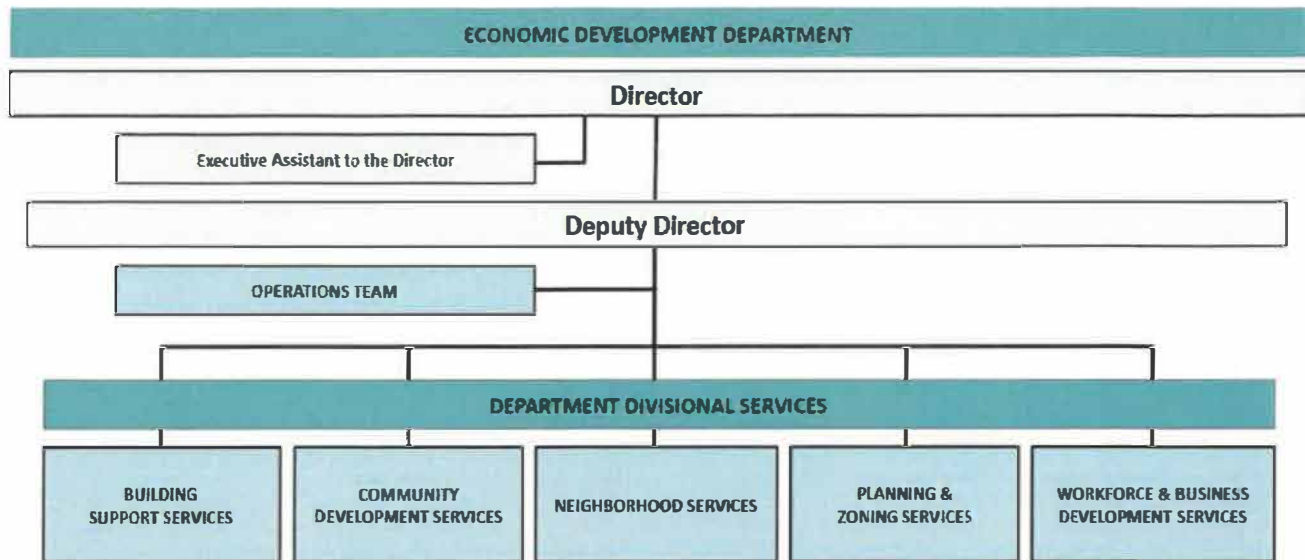
## **Economic Development and Progress**

### **One-Stop Shop: Economic Development Department Gets Organized**

The Economic Development Department has undergone a successful reorganization, bringing all development services under one roof. The new structure features an operations team dedicated to customer satisfaction and departmental administrative functions. This team focuses on improving consistency, streamlining processes, and eliminating obstacles, fostering a culture that prioritizes exceeding customer needs. Ultimately, this approach will drive investment and growth in Dearborn.

Additionally, the department empowers residents and businesses through five service divisions:

- Building Support Services: Streamlines permits and inspections
- Community Development Services: Administers federal programs
- Neighborhood Services: Ensures code compliance
- Planning & Zoning Services: Guides development
- Workforce & Business Development Services: Fosters economic growth



Key Accomplishments for FY2024

**CUSTOMER SERVICE**

- ✓ Created Process Accountability Team to oversee and supervise Plan Examination and Site Plan Review processes.
- ✓ Created and deployed standardized checklists for plan review/examination and sales inspections
- ✓ Established new protocols for daily monitoring and weekly reporting on timeliness of reviews and communication with customers
- ✓ Revamped complaint process to expedite response to tall grass and health/safety complaints within 2 business days and all other issues within 5 businesses days with constituent follow up streamlined

**COMMUNICATION & OUTREACH**

- ✓ Created bi-lingual printed and digital resource guides for residents and businesses
- ✓ Released videos explaining residential permits, home inspections, and property maintenance
- ✓ Updated Guide to Development and created a fillable application and step by step guide for site plan review process

**PRIORITY ENFORCEMENT**

- ✓ Expanded seasonal sweeps to target recurring/priority code enforcement issues
- ✓ Consolidated vector services team and contract management for weed treatment, vacant lot maintenance, and vector control resulting in 34% reduction in complaints
- ✓ Expanded property maintenance services managing maintenance of +400 city owned lots and managing vector control
- ✓ Expanded ORKIN program to treat 460 manholes to help reduce rat populations
- ✓ Coordinated the South End Cleanup with nearly \$5K in donations secured
- ✓ Spearheaded Southern Street illegal dumping clean up and mitigating future dumping in collaboration with the Police Department
- ✓ Hired a landscape & maintenance contractor to ensure consistency in services across all four commercial corridors and expanded weed treatment to 28 locations city wide
- ✓ Established zero-tolerance citing for litter based on business of origin and 24-hour tall grass abatement program

### **BUSINESS & DEVELOPMENT ASSISTANCE**

- ✓ Issued 4,906 Permits and 2,133 Certificates of Occupancy
- ✓ Developed and launched \$100,000 Council funded small business improvement grant program
- ✓ Provided technical assistance to nearly one dozen developers - more than 500 housing units in the planning pipeline
- ✓ Awarded 6 Open Door Grants in East and West Downtown Dearborn, totaling \$50,000
- ✓ Successfully obtained a \$25,000 grant via the Match on Main Grant Program from the Michigan Economic Development Corporation for exterior improvements at Green Brain Comics
- ✓ Conducted over 2,000 direct business visits to provide resources referrals and consultation on development and business needs

### **COMMUNITY & BUSINESS VITALITY**

- ✓ Relaunched the HOME Rehabilitation Program
- ✓ Completed the Dix-Vernor Shade Plaza Project
- ✓ Completed WDDDA \$100,000 investment at West Village Plaza Commons
- ✓ Established the West Village Commons Social District
- ✓ Hosted +20 community & business focused events and campaigns
- ✓ Launched Parking Demand Analysis and Master Land Use Plan update including community sessions and surveys
- ✓ Launched Warren Ave Facade Program design guidelines process
- ✓ Managed a holiday light program with over 80 businesses in East and West Downtown Dearborn and Warren Ave, spanning from November-March

### **Future Goals**

#### **🕒 Improve timeliness of reviews:**

Targeting continuous improvement tactics to achieve reviews for Single Family Homes within 5-15 days (Based on Complexity) and 15 days for Multi-Family Housing, Commercial, Industrial, and New Construction

#### **🕒 Expedited code enforcement:**

Target tall grass, rats, litter and dumping and ensure consistent weed and tall grass control

#### **🕒 Program implementation and design finalization for projects in flight:**

Master Land Use Plan, Fairlane Mall/Midtown Area Plan, East Downtown Housing Pre-development, Warren Avenue Transformation (ROW and Facades), Housing Study Recommendations, Parking Study Recommendations, CDBG-DR Project Plans (in collaboration with DPW), Porch Program, Council-Funded Small Business Grant Program, and Workforce & Business Resources Programs

#### **🕒 Expand business retention and talent attraction initiatives:**

Build out comprehensive strategy for workforce and business development initiatives based on the ground work completed during FY2024

*Community Development Block Grant set to fund hundreds of thousands of dollars in community projects; more than \$2M in Housing efforts and more than \$2M in facade improvement for the Warren corridor coupled with the \$24 million Federal DOT Safe Streets and Roads for All Warren Streetscape project.*

The City receives an annual entitlement of Community Development Block Grant (CDBG) funds from the U.S. Department of Housing and Urban Development (HUD). The 2023-24 annual CDBG allocation in the amount of \$1,754,369 was utilized over the past year with a very broad range of local government services, functions, and activities. The primary objective of the CDBG program is the development of viable urban communities by providing the following, principally for persons of low and moderate income: – Decent housing; – A suitable living

environment; and – Expanded economic opportunities. Highlighted below are several of the 2023-24 CDBG activities that were completed over the past year:

- *Wyoming-Gould Park Playground Project* – \$207,000 of CDBG funds were utilized for the installation of new playground equipment at Wyoming-Gould Park for the first time since 1992. The project included the new playground as well as the installation of approximately 3,588 square feet of playground grass academy (grass-like turf) with 3" safety foam pro to meet the requirements for 10' critical fall height.
- *Trash Receptacles at Various CDBG Eligible Parks* – \$224,000 of CDBG funds were utilized for the replacement and addition of trash receptacles at various CDBG eligible parks.
- *Fire and Rescue Equipment Replacement* – \$216,000 of CDBG funds were utilized for the replacement of fire and rescue equipment that is nearing the end of its expected service life. All equipment that was replaced will be utilized on apparatus assigned to the East and South Ends within the CDBG zone.
- *LAHC Workforce Hub* – \$200,000 of CDBG funds were utilized for the renovation of the commercial kitchen at the Community Health and Training Hub at LAHC.
- *ACCESS Social Services Program* – \$90,000 of CDBG funds were utilized to provide social services program for the low/mod which address language barriers for the City's large Arabic population, homeless and at-risk individuals and families with obtaining appropriate supportive services, health & mental health services, employment & training, legal aid services, education, and other services essential for achieving household and economic stability.
- *LAHC Youth Substance Prevention Program* – \$50,000 of CDBG funds were utilized to pay for salary and fringe benefits for two (2) Youth Prevention Specialists to administer the Life Skills Roots to Grow 10-week youth substance abuse prevention program offered in the Dearborn high schools and youths adjudicated in the 19th District Court.

#### CDBG-CV CARES Act

This upcoming year, the City will utilize the remaining \$542K from its CARES Act small business program to shift from focusing on addressing the immediate COVID-19 public health crisis to making more long-term investments by developing CDBG-CV tieback projects for small businesses focusing on interior upgrades such as HVAC improvements, HEPA Air Filtration Systems, and outdoor dining expansion.

#### HOME Partnership and Investments Program

The City received an annual HOME allocation of \$557,178 from the Wayne County HOME Consortia via the U.S. Dept. of HUD for Dearborn's Comprehensive Home Rehabilitation Program city-wide. These funds are utilized for comprehensive home repairs of up to \$90,000 per home and consists of correcting code violations such as electrical, plumbing, furnace replacement, roof, exterior siding/steps, lead hazard abatement of windows, doors, exterior siding, floor replacement, and stair replacement.

The Economic Development Department is reviewing a potential \$2M Lonyo HOME Project. The Lonyo neighborhood is bounded by Warren Avenue, Wyoming Avenue, Brandt Street, and Lonyo St. The City owns approx. 40+ parcels, consisting of residential, commercial, and green spaces. The general scope of the Lonyo HOME Project will include the development of a pattern book and design guidelines which will be utilized for the development of new construction duplexes, triplexes, and potential quadplexes.

#### CDBG-DR Disaster Recovery Grant

The U.S. Dept. of Housing and Urban Development (HUD) awarded the City of Dearborn \$26.3M to address long-term recovery and restoration of infrastructure, housing, and mitigation in the "Most Impacted and Distressed" areas in Dearborn which were devastated by the 2021 flooding disaster. The DR Action Plan was approved in May 2023. The DR projects includes: 1) Rehabilitation of the Colson-Palmer Stormwater Line; 2) Gate and Pumps Installation of Colson-Palmer Stormwater Line. The City must spend 15 percent of the DR funds toward mitigation projects and/or activities as well as incorporate mitigation measures into the recovery projects and/or activities. The DR Mitigation projects includes: 1) Permeable Pavement Street Installations; 2) Rain Gardens; and 3) Tree Installations. Additional project details will be announced in 2025.

#### 2020 Census

The City is truly grateful to the Complete Count Committee, the volunteers, workers and the community for pulling together to get as accurate of a count as possible. The Census count impacts funding received by the City from various sources.

Additional Information – In a coordinated effort by the Mayor and the Community Task Force, the City of Dearborn voters renewed in August 2016 a supplemental 3.5 operating millage for five years, to sunset after fiscal year 2022. In the November 2011 election, City of Dearborn voters approved two ballot proposals, an operating millage Charter increase of 3.5 mills, and to establish 1.0 mill for the Library. In the August 2021 election, the City of Dearborn voters passed a 1.0 mill renewal for the Library over 6 years ending June 30, 2028. On November 2, 2021 the voters were presented with a renewal option for the supplemental operating millage at a reduced amount of 2.75 mills. Outcome of that supplemental renewal was a resounding no from the citizens. As a result, beginning July 1, 2022, the City has levied only 15 mills versus the 18.5 mills that it had for each of the last several years.

For the year ended June 30, 2024, the City's General Fund actual result reflected a surplus of reserves reflected below (in millions). For fiscal year 2024, the surplus of funds added to the reserve balance was mainly attributable to a net of the following: REVENUE ITEMS OF: Variances in revenue were mainly attributable to (\$4.6) million less than the amended final budget attributable to reductions below anticipated amounts within the categories of State revenue sharing through the local community stabilization act of (\$2.7) million, (\$.6) million Public Works unreceived reimbursements, and (\$.7) million of Other revenues associated with City Holiday events that did not take place. EXPENDITURE ITEMS OF: Expenditures for actual results versus amended budget resulted in \$5.8 million in unused budget for salaries, wages and benefits and professional contractual services in the following classifications; General Government mainly from vacancies and recruitment hire timing of \$.4 million, Public Safety of \$1.1 million relating to retirements and hire timing vacancies, Public Works from retirement and turnover as well as decreased spend on road salt and other sanitation totaling \$1.8 million and Recreation and Culture of \$ 2.0 million associated with vacancy and timing of hiring on wages in addition to materials and supplies for the Holiday events that did not take place..

	<u>Adopted Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	
2022-2023	(\$1.971)	(\$.465)	\$.075	Surplus Reserve
2023-2024	\$0.371	(\$.777)	\$452.1	Surplus Reserve

**AWARDS**

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Dearborn for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2023. This was the twenty-fifth consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized ACFR. This report satisfies both Generally Accepted Accounting Principles (GAAP) and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current Annual Comprehensive Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

**ACKNOWLEDGEMENTS**

Appreciation is extended to the elected officials, department directors and other employees responsible for contributing to the sound financial position of the City. In particular, we acknowledge the special efforts of the entire Finance department staff.

Respectfully submitted,

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Michael Kennedy  
Finance Director / Treasurer



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Dearborn  
Michigan**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2023

*Christopher P. Morill*

Executive Director/CEO

## CITY OF DEARBORN MISSION STATEMENT

### PREAMBLE

Dearborn has a reputation for providing outstanding public service. For over 80 years, Dearborn citizens have benefited from a public service philosophy that has placed their well-being ahead of all other priorities. Today, because of this philosophy, providing outstanding public service is no longer a goal; it's a standard. This standard makes Dearborn a unique and special place to live and work.

Dearborn citizens have responded with a deep sense of loyalty and devotion to the City. They possess a fierce pride in its reputation and are confident in the City's ability to prosper in the future.

### MISSION

**Our mission is to deliver superior public service and earn the public's trust every day in everything we do.**

#### GUIDING PRINCIPLES

Dearborn citizens can expect:

The City's total commitment to provide the best possible service

Respect and courtesy

Fair and consistent treatment

Cooperation and honesty

Open communication and easy accessibility

Our constant readiness to help

City employees can expect:

Trust, respect, honesty, and fairness

The basic resources needed to do a good job

Clear and complete direction when necessary

A supportive environment that encourages input on what should be done and how it should be done

Recognition and reward based on merit

City employees are expected to:

Make a total commitment to provide the best possible public service

Use all available resources efficiently and effectively

Continuously seek ways to improve service delivery through innovation

Continuously seek feedback from citizens

Be responsible and accountable for their actions

Ask for training when necessary

Challenge the status quo if they believe that service delivery can be improved

Value, support, and respect co-workers as teammates

The City administration will:

Foster cooperation and teamwork between employees and citizens

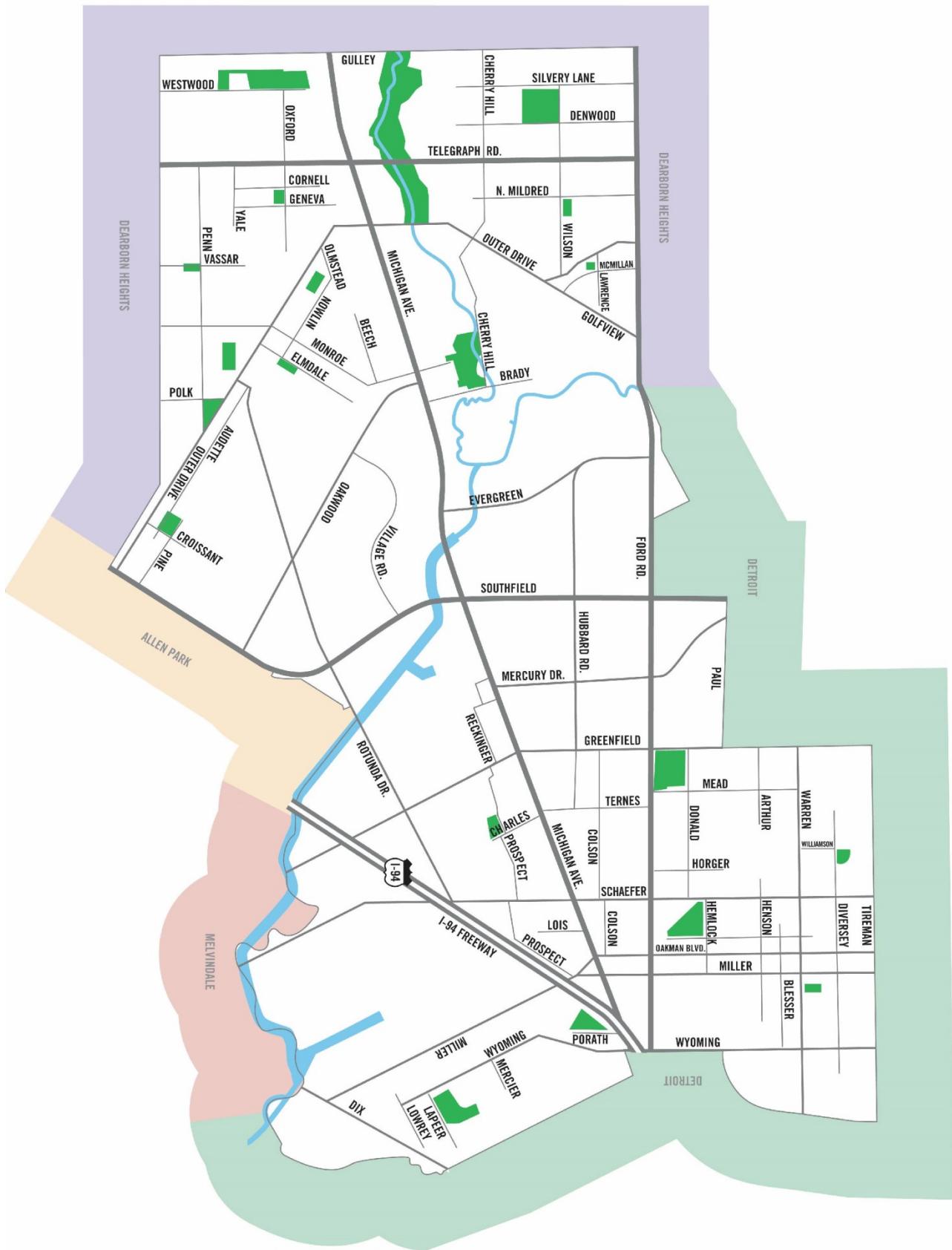
Evaluate every action based on its value to our citizens

Work with other public agencies to obtain the most benefits for our citizens

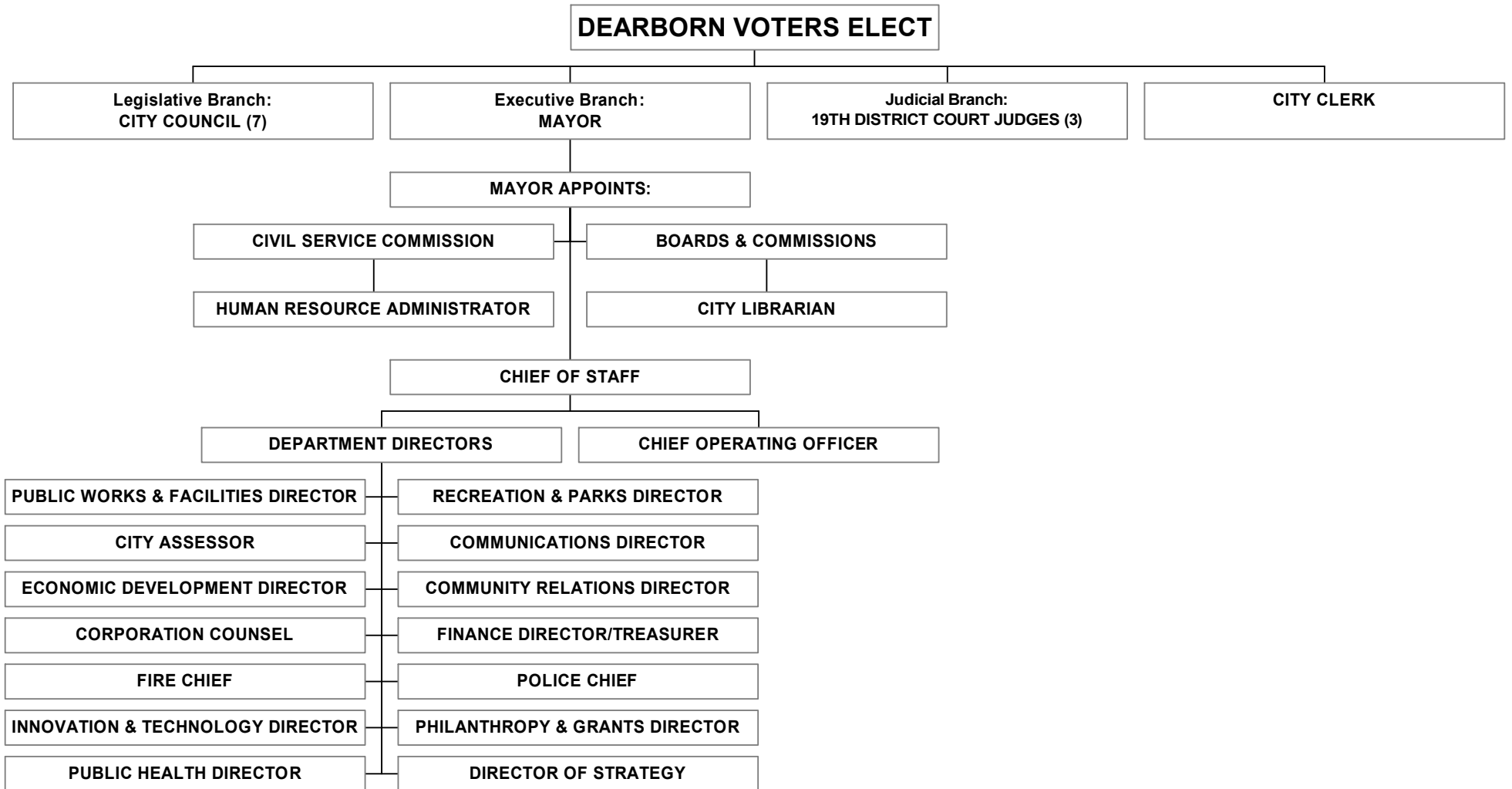
Attract citizens dedicated to Dearborn and its future

Continually strive to improve our efficiency and effectiveness





# DEARBORN'S ORGANIZATION CHART



# CITY OF DEARBORN, MICHIGAN

## List of Principal Officials

June 30, 2024

<u>TITLE</u>	<u>NAME</u>
Mayor	Abdullah H. Hammoud
City Clerk	George Darany
Council President	Michael T. Sareini
Council President Pro-Tem	Leslie C. Herrick
Council Members	Kamal M. Alsawafy
	Kenneth C. Paris
	Robert A. Abraham
	Mustapha A. Hammoud
	Gary A. Enos
Chief of Staff	Zaineb A. Hussein
Chief Operating Officer	Amanda Bright McClanahan
Director of Strategy	Mariam Jalloul
Corporation Counsel	Jeremy J. Romer
City Assessor	Jacob Thurston
City Engineer	Soud El-Jamaly
City Librarian	Betty Adams
Director of Communications	Katie Doyal
Director of Community Relations	Alia Phillips
Director of Public Health	Ali Abazeed
Economic & Community Development Director	Jordan Twardy
Finance Director/Treasurer	Michael Kennedy
Fire Chief	Joseph Murray
Human Resources Administrator	Danielle Chaney
Innovation and Technology Director	Mansour Sharha
Police Chief	Issa Shahin
Purchasing Manager	Mark Rozinsky
Public Works and Facilities Director	Tim Hawkins
Recreation Director	Sean Fletcher

## **Independent Auditor's Report**

To the Honorable Mayor and Members  
of the City Council  
City of Dearborn, Michigan

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Dearborn, Michigan (the "City") as of and for the year ended June 30, 2024 and the related notes to the financial statements, which collectively comprise the City of Dearborn, Michigan's basic financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Dearborn, Michigan as of June 30, 2024 and the respective changes in its financial position and, where applicable, its cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

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

#### ***Responsibilities of Management for the Financial Statements***

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

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

To the Honorable Mayor and Members  
of the City Council  
City of Dearborn, Michigan

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

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

To the Honorable Mayor and Members  
of the City Council  
City of Dearborn, Michigan

**Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Dearborn, Michigan's basic financial statements. The supplementary information, as identified in the table of contents; schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the "Uniform Guidance"); and the reconciliation of basic financial statements federal revenue with schedule of expenditures of federal awards are presented for the purpose of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information, the schedule of expenditures of federal awards, and the reconciliation of basic financial statements federal revenue with schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

**Other Information**

Management is responsible for the other information included in the Annual Comprehensive Financial Report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements or whether the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated November 19, 2024 on our consideration of the City of Dearborn, Michigan's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Dearborn, Michigan's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Dearborn, Michigan's internal control over financial reporting and compliance.



November 19, 2024

June 30, 2024

This section of the City of Dearborn’s annual financial report represents our discussion and analysis of the City’s financial performance during the fiscal year that ended June 30, 2024. It should be reviewed in conjunction with the preceding transmittal letter and the City’s financial statements, which follow this section.

**Using this Annual Report**

This annual report consists of a series of financial statements. The Statement of Net Position (on pages 19-20) and the Statement of Activities (on pages 21-22) provide information about the activities of the City as a whole and present a longer-term view of the City’s finances. Fund financial statements start on page 23. These statements tell how services were financed in the short term as well as what remains for future spending for governmental activities. Fund financial statements also report the City’s operations in more detail than the government-wide statements by providing information about the City’s most significant funds. The remaining 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.

**Reporting the City as a Whole**

**The Statement of Net Position and the Statement of Activities**

Our analysis of the City as a whole begins on page 19. One of the most important questions asked about the City’s finances is: “Is the City as a whole better or worse off as a result of the year’s activities”? The Statement of Net Position and the Statement of Activities report information about the City as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting method used by most private-sector companies. All of the current year’s revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the City’s net position and changes in it. You can think of the City’s net position – the difference between assets/deferred outflows and liabilities/deferred inflows – as one way to measure the City’s financial health or financial position. Over time, increases or decreases in the City’s net position are one indicator of whether its financial health is improving or deteriorating. You will need to consider other non-financial factors, such as changes in the City’s property tax base and the conditions of the City’s roads, to assess the overall health of the City.

In the Statement of Net Position and the Statement of Activities, we divide the City into three kinds of activities:

Governmental activities – Most of the City’s basic services are reported here including police, fire, public works, recreation, and the general administration. Property taxes, franchise fees, and state-shared revenues finance most of these activities.

Business-type activities – For these activities, the City charges a fee to customers to help cover all or most of the cost of certain services it provides. The City’s water and sewer systems, and housing activities are reported here.

Component units – The City includes six separate legal entities in its report – the East and West Dearborn Downtown Development Authorities, Dix-Vernor and Warren Business District Improvement Authorities, the Brownfield Development Authority, and the Economic Development Corporation. Although legally separate, these “component units” are important because the City is financially accountable for them.

## Reporting the City's Most Significant Funds

### Fund Financial Statements

Our analysis of the City's major funds begins on page 23 and provides detailed information about the most significant funds; not the City as a whole. The City's two types of funds, governmental and proprietary, use different accounting approaches.

Governmental funds – Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using the modified accrual accounting method which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. We describe the relationship (or differences) between governmental **activities** (reported in the Government-wide Statement of Net Position and the Government-wide Statement of Activities) and governmental **funds** in a reconciliation following the fund financial statements.

Proprietary funds – When the City charges customers for the services it provides, whether to outside customers or to other units of the City, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Government-wide Statement of Net Position and the Government-wide Statement of Activities. In fact, the City's enterprise funds (a component of proprietary funds) are the same as the business-type activities reported in the government-wide statements with more detail and additional information, such as cash flows, for proprietary funds. Internal service funds (the other component of proprietary funds) are used to report activities that provide supplies and services to the City's other programs and activities. The activity of the internal service funds is eliminated in the government-wide statements to avoid any "doubling up" in reporting revenues and expenses.

## The City as Trustee

### Reporting the City's Fiduciary Responsibilities

The City is the trustee, or fiduciary, for its employees' pension plans. It is also responsible for other assets that, because of a trust agreement, can be used only for the trust beneficiaries. All of the City's fiduciary activities are reported in separate Statements of Fiduciary Net Position and Changes in Fiduciary Net Position on pages 34-35. These activities are excluded from the City's other financial statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes.



**The City as a Whole**

The following table reflects the condensed Statement of Net Position compared to prior year:

**Table 1  
Net Position  
(in Millions)**

	Governmental Activities		Business-type Activities		Total Primary Government	
	FY2024	FY2023	FY2024	FY2023	FY2024	FY2023
Current and other assets	\$ 216.3	\$ 199.3	\$ 70.0	\$ 74.4	\$ 286.3	\$ 273.7
Capital assets	297.3	274.7	460.4	461.3	757.7	736.0
Total assets	513.6	474.0	530.4	535.7	1,044.0	1,009.7
Deferred outflows of resources	7.8	37.6	0.1	4.5	7.9	42.1
Long-term liabilities	241.5	269.7	160.9	181.8	402.4	451.5
Other liabilities	22.4	11.4	15.2	14.3	37.6	25.7
Total liabilities	263.9	281.1	176.1	196.1	440.0	477.2
Deferred inflows of resources	6.1	4.7	1.0	1.0	7.1	5.7
Net position:						
Net investment in capital assets	272.3	250.6	319.2	306.1	591.5	556.7
Restricted	64.4	53.3	21.5	19.3	85.8	72.6
Unrestricted (deficit)	(85.3)	(78.1)	12.7	17.7	(72.5)	(60.4)
Total net position	\$ 251.4	\$ 225.8	\$ 353.4	\$ 343.1	\$ 604.8	\$ 568.9

Net position serves as an indicator of the City's financial position. The table above indicates that the City of Dearborn’s assets and deferred outflows of resources exceeds liabilities and deferred inflows of resources by \$604.8 million as of June 30, 2024 for the Total Primary Government. The largest category of net position is represented by the net investment in capital assets (see Table 3 for a detailed breakdown). It is important to note that these assets are not available for future spending and, although they are shown here net of related debt, other resources will be needed to make the debt payments in the future.

The restricted category of net position is defined as those resources that have external restrictions that dictate how the assets are to be used. The final category of net position is unrestricted and these are the assets that are available for use in the City’s ongoing operations.

Table 1 Comments:

Total Primary Government net position increased 6 percent or \$35.9 million from \$568.9 million to \$604.8 million due primarily to the City’s changes in actual experience versus actuarial assumptions for investment earnings, number of retirements, and vital statistics. Capital assets increased as the City continues to invest heavily in its water and sewer infrastructure, other infrastructure assets, and buildings and improvements.

Total Primary Government deferred outflows related to pension and OPEB costs decreased by (\$34.2) million from the prior year while deferred inflows related to pension and OPEB cost reductions increased by \$1.4 million. The decrease in deferred outflows related to pension and OPEB costs was primarily due to net difference between projected and actual earnings on pension plan investments along with implemented changes from the previous year the City made to OPEB Health Care Plan options effectively reducing the unfunded liability and fully funding the current year actuarially determined contribution to OPEB. The increase in deferred inflows related to an increase of long-term leases of \$.40 million combined with a net increase of pension and OPEB deferred inflows of 1.0 relating to positive investment returns.

Governmental activities – Total assets increased by 8.4 percent or \$39.6 million from \$474.0 million to \$513.6 million. Total assets are reflective of both current and non-current assets. During fiscal year 2024, current assets increased \$17.0 million resulting primarily from a \$4.5 million increase in investments attributable to positive investment earnings and an increase in Due from other governments of \$7.8 million, of which \$6.4 million was a grant payment due from local government along with a \$4.8 million increase in Net Pension Assets related to strong economic performance for the fiscal year. Non-current assets increased \$22.60 million primarily due to net increases in Infrastructure assets.

Total liabilities decreased by (6.1) percent or (\$17.20) million from \$281.1 million to \$263.9 million. The current liabilities decreased (\$28.20) million. Bonds and contracts payable decreased (\$3.6) million, provisions for claims decreased (\$2.8) million relating to Note 13, Net pension liability decreased (\$14.30) million and OPEB liability decreased (\$8.0) million mainly related to positive investment performances. Other liabilities increased \$11.0 million, largely attributable to an increase in Accounts Payable of \$9.20 million of which \$5.9 million was related to a legal claim settlement at year-end and an increase of Retainage Payable to of \$700 thousand. As a result of the above activity, the total net position of governmental activities increased by \$25.6 million from \$225.8 million to \$251.4 million.

Business-type activities – Activity in the business-type activities increased net position by \$10.3 million for fiscal year 2024. The most significant changes in business-type activities were driven by a (\$5.0) million decrease in net unrestricted net position. The City is investing in the CSO project and utilizing restricted net position accordingly. Additionally, changes in assets the main change for the year was cash and investments decreased (\$4.60) million. Within Liabilities, Long term liabilities Bonds and contracts payable net of current portion decreased (\$14.9) million with the payoff of Sewer and Water debts.

Deferred Outflows, net pension liability decreased (\$1.3) million, net OPEB liability decreased (\$3.1) million largely related to positive economic returns on investments. The deferred outflows and inflows of resources changes are related to pensions and other post-employment benefits net difference between projected and actual earnings on plan investments.

Tables 3 and 4 provide more information on capital assets and long-term liabilities. Restricted net position is primarily resources associated with the CSO project.

June 30, 2024

The following table reflects the condensed Statement of Activities:

**Table 2**  
**Changes in Net Position**  
**(in Millions)**

	Governmental Activities		Business-type Activities		Total Primary Government	
	FY2024	FY2023	FY2024	FY2023	FY2024	FY2023
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 33.5	\$ 32.6	\$ 58.3	\$ 58.0	\$ 91.8	\$ 90.6
Operating grants	22.7	19.5	3.3	6.4	26.0	25.9
Capital grants	14.2	60.4	1.1	2.5	15.3	62.9
General revenues:						
Taxes	74.0	70.3	16.2	15.6	90.2	85.9
Intergovernmental revenue	29.9	33.2	-	-	29.9	33.2
Other general revenues	8.5	6.6	2.6	1.3	11.1	7.9
Total revenues	<u>182.8</u>	<u>222.6</u>	<u>81.5</u>	<u>83.8</u>	<u>264.3</u>	<u>306.4</u>
<b>Program expenses</b>						
General government	16.8	11.6	-	-	16.8	11.6
District court	3.8	3.8	-	-	3.8	3.8
Public safety	84.9	37.5	-	-	84.9	37.5
Public works	26.9	24.4	-	-	26.9	24.4
Public health	0.5	0.2	-	-	0.5	0.2
Recreation & culture	23.7	22.3	-	-	23.7	22.3
Community improvement	1.8	1.5	-	-	1.8	1.5
Housing	-	-	3.3	2.6	3.3	2.6
Sewer	-	-	44.2	40.6	44.2	40.6
Water	-	-	22.5	18.1	22.5	18.1
Total expenses	<u>158.4</u>	<u>101.3</u>	<u>70.0</u>	<u>61.3</u>	<u>228.4</u>	<u>162.6</u>
Excess (deficiency) before transfers	24.4	121.3	11.5	22.5	35.9	143.8
Transfers	1.2	(5.8)	(1.2)	5.8	-	-
<b>Increase (decrease) in net position</b>	<u>25.6</u>	<u>115.5</u>	<u>10.3</u>	<u>28.3</u>	<u>35.9</u>	<u>143.8</u>
Net position - beginning	<u>225.8</u>	<u>110.3</u>	<u>343.1</u>	<u>314.8</u>	<u>568.9</u>	<u>425.1</u>
Net position - ending	<u>\$ 251.4</u>	<u>\$ 225.8</u>	<u>\$ 353.4</u>	<u>\$ 343.1</u>	<u>\$ 604.8</u>	<u>\$ 568.9</u>

Table 2 Comments:

Governmental activities - Total revenues decreased in combination (\$42.06) million relating mainly to ARPA capital grant one-time funding in previous year. Revenue activity included increases of \$500 thousand in both Recreation and Culture and Senior Apartments Housing for a total of \$1 million in Charges for Services. Under Operating Grants and Contributions, the major changes were: \$2.40 million increase related to federal SAFER and State ATPA grants. Investment interest from the market recovery above the previous year was \$2.2 million. Property taxes saw an increase of \$3.7 million compared to previous year based on 5.5% CPI.

Within a governmental wide view, program expenses increased \$57.1 million from the previous year. The majority of overall increase was primarily due to a \$47.4 million increase in Public Safety and a \$5.1 million increase in General Government. The majority of the increase was related to required year-end government-wide recoding of GASB 74/75 adjustments for OPEB Liability, deferred Inflows and Outflows and expenses.

Business-type activities –Total revenues for business-type activities decreased (\$2.3) million primarily due to a decrease of (\$3.1) million in Local Community Stabilization authority funds allocated within the CSO Debt Service fund, which was offset by other increases.

Program expenses increased \$8.7 million for 2024. The increase is primarily due to a \$5.2 million increase in contractual services for various infrastructure projects, a \$1.8 million increase in required GASB OPEB expense adjustments along with \$500 thousand in increased wages.

**General Fund Activity**

For the year ending June 30, 2024, the General Fund fund balance increased \$452 thousand, against an adjusted budgeted fund balance use of (\$778) thousand. Revenues for the year ended (\$4.1) million under budget, but were covered with favorable operational savings of \$5.3 million.

**General Fund Budgetary Highlights**

Over the course of the year, the Mayor and City Council revised the City budget. The budget is automatically amended with the carry-forward of project-life budgets and for encumbrances rolling to the following fiscal year. The budget is also amended by resolution for specific requests, generally for items that were intended to be completed or expended in the previous fiscal year but for some extenuating circumstance was postponed. During the fiscal year, the budget is amended for unanticipated events that could not be foreseen and for opportunities that arose and were not known previously.

In review of the City's final amended budget versus actual results, variances in revenue were mainly attributable to (\$4.6) million less than the amended final budget attributable to reductions below anticipated amounts within the categories of State revenue sharing through the local community stabilization act of (\$2.7) million, (\$.6) million Public Works unreceived reimbursements, and (\$.7) millions of Other revenues associated with City Holiday events that did not take place.

Expenditures for actual results versus amended budget resulted in \$5.3 million in unused budget for salaries, wages and benefits and professional contractual services in the following classifications; General Government mainly from vacancies and recruitment hire timing of \$1.1 million, Public Safety of \$1.1 million relating to retirements and hire timing vacancies, Public Works from retirement and turnover as well as decreased spend on road salt and other sanitation totaling \$1.1 million and Recreation and Culture of \$ 2.0 million associated with vacancy and timing of hiring on wages in addition to materials and supplies for the Holiday events that did not take place.

June 30, 2024

The City’s financial position is sound and the budget provides the resources necessary for delivering the high-quality program and service mix, meeting current obligations, and includes reasonable funding for maintaining assets.

**Capital Assets and Debt Administration**

**Capital Assets**

At the end of fiscal year 2024, the City had \$757.7 million invested in a broad range of capital assets, including vehicles, Police and Fire equipment, buildings, park facilities, roads, bridges, and water and sewer lines. (See Table 3 below). The increase is due in large part to investments in the water and sewer system, infrastructure assets, and buildings and improvements.

**Table 3  
Capital Assets at Year-end  
(Net of Depreciation)**

	Governmental		Business-type		Total	
	Activities		Activities		Primary Government	
	FY2024	FY2023	FY2024	FY2023	FY2024	FY2023
Land	\$ 13,327,122	\$ 13,308,123	\$ 1,768,541	\$ 1,768,541	\$ 15,095,663	\$ 15,076,664
Right-of-ways	37,818	37,818	-	-	37,818	37,818
Construction in progress	8,337,920	718,241	6,876,970	2,881,205	15,214,890	3,599,446
Infrastructure assets	122,437,111	110,993,395	-	-	122,437,111	110,993,395
Buildings & improvements	123,833,329	127,269,536	12,936,247	11,068,936	136,769,576	138,338,472
Machinery & equipment	28,900,190	22,364,782	10,681,843	12,284,581	39,582,033	34,649,363
Right of Use Asset	441,056	41,804	-	-	441,056	41,804
Land Improvements	-	-	527,606	557,756	527,606	557,756
Water system	-	-	119,128,454	119,191,435	119,128,454	119,191,435
Sewer system	-	-	308,467,032	313,521,162	308,467,032	313,521,162
	<u>\$ 297,314,546</u>	<u>\$ 274,733,699</u>	<u>\$ 460,386,693</u>	<u>\$ 461,273,616</u>	<u>\$ 757,701,239</u>	<u>\$ 736,007,315</u>

June 30, 2024

Table 3 Comments:

This year's major changes included:

Governmental activities:

Construction in Progress:

PEACE Parks	\$ 4,106,722
FCPAC Curtainwall	2,630,072
Neighborhood Pool Renovations	422,260
Braun Ambulances (8)	269,955
FCPAC Fitness Area Remodel	231,857
Lapeer Tennis & Basketball Courts (completed)	(191,142)
DPW Facility Upgrade	188,777
Michigan Streetscapes	(156,330)
Armored Bearcat Vehicle	(150,000)
Other construction projects (in progress)	290,528
Other construction projects (completed)	(23,021)
	\$ 7,619,678

Infrastructure assets, net change due to cost less depreciation \$ 11,443,716

Buildings and improvements, net change due to complete projects and transfers less depreciation \$ (3,436,207)

Machinery and equipment, net change due to acquisitions, disposals less depreciation \$ 6,934,660

Business-type activities:

Construction in progress:

Seniors Apartment (completed)	\$ 289,420
Water system	3,730,713
Sewer system (completed)	(24,368)
	\$ 3,995,765

Buildings and improvements, net change due to complete projects and transfers less depreciation \$ 1,867,311

Machinery and equipment, net change due to acquisitions, transfers, and disposals less depreciation \$ (1,602,738)

Water system, net change due to completed projects less disposals and depreciation \$ (62,981)

Sewer system, net change due to completed projects less disposals and depreciation \$ (5,054,130)

Additional information on the City of Dearborn's capital assets can be found in Note 3 of this report.

**Debt**

At June 30, 2024 the City had approximately \$203.3 million in bonds and notes outstanding versus \$221.7 million in the prior fiscal year, a decrease of 8.3 percent, as shown in Table 4.

**Table 4  
Outstanding Debt, at Year-end**

	Governmental Activities		Business-type Activities		Total Primary Government	
	FY2024	FY2023	FY2024	FY2023	FY2024	FY2023
General obligation bonds (backed by City)	\$ 55,555,145	\$ 59,257,882	\$ 147,775,716	\$ 162,392,918	\$ 203,330,861	\$ 221,650,800
Revenue bonds and notes (backed by specific tax and fee revenue)	-	-	-	78,812	-	78,812
Total	\$ 55,555,145	\$ 59,257,882	\$ 147,775,716	\$ 162,471,730	\$ 203,330,861	\$ 221,729,612

Table 4 Comments:

Governmental activities – There was no new debt issued in fiscal year 2024; changes in outstanding debt are related to the payment of principal.

Business-type activities – The 2004 voter approved CSO debt millage currently is generating and paying the outstanding debt principal, with the final bonding issued in December 2017. An additional \$60 million of debt authority was voted in Aug 2018, with \$23 million issued in September 2018. There was no new debt issued in fiscal year 2024; changes in outstanding debt are related to the payment of principal.

Additional information on the City of Dearborn’s long-term debt can be found in Note 4 of this report.

**Fiscal Year 2025 Budgets & Rates**

**Balancing the Budget**

For fiscal year 2025, the Mayoral Administration continued with implementation of the strategic two-year, two-phase planned approach to overcome the roughly \$26 million shortfall associated with non-renewal of the supplemental 3.5 mills. The fiscal year 2025 budget finalized the strategic plan, with the adoption of a structurally balanced General Fund budget for the second year in a row. Budgeted revenues for fiscal year 2025 not only exceed budgeted expenditures, but no one-time revenues or contributions are being used to fund ongoing expenditures. Initial projections for the succeeding two fiscal years are also promising as a strong foundation has been laid to balance future year budgets moving forward.

General Fund revenues are estimated at \$148,131,186 for Fiscal Year 2025, with appropriations of \$147,957,554. The General Fund is budgeted to contribute \$173,632 to Fund Balance reserves (accumulation of revenues minus expenditures year-over-year). This includes funding the Post Employment Healthcare System at the Actuarially Determined Contribution level for the third consecutive year. The primary revenue of the General Fund is property taxes. Property tax revenue consists of two components. The first component is property values, which are market driven, and the second component is the tax rate, which is controllable within limits of law. Property market values continue to increase. However, Proposal A of 1994 limits the taxable value growth to the current State inflation rate of 5.0%.

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The State Legislature passed revisions to the business personal property tax law which phases out personal property taxation and replaces it with a state essential services assessment. The State of Michigan is distributing monies under the local community stabilization reimbursement program budget in FY2025 at \$17.7 million (Gen Gov't & Component Units) forecasted as of March 2024.

In August of 2004, the voters approved a debt millage to cover the debt service associated with the issuance of debt for the federally-mandated remediation of sewer system overflows (referred to as CSO) to the Rouge River. This millage remains consistent from the 2023 to 2024 budget at 3.82 mills, with the 2018 voter approved debt millage also remaining consistent at 0.43 mills. The remaining bonding capacity as approved with the 2018 millage totals \$36.6 million, and if bonded would increase future millage rates. City personnel are currently reviewing other funding options and project scope in an effort to avoid issuing new bonds to address the final two sewer outflows.

The City's operating millage for fiscal year 2025 is set at 15.00 mills, and the Library millage is set at 1.54 mills (both unchanged from fiscal year 2024). The garbage and rubbish millage is 2.11 mills (also unchanged from prior year). The total millage of 22.90 mills, inclusive of the CSO debt service millage, is unchanged from the prior year millage, but is 3.77 mills less than fiscal year 2022, before the current administration assumed office. Rates and fees continue to be adjusted relative to economic conditions.

The public safety operations, made up of the Police and Fire departments, have the largest subsidy at \$68.8 million, Public Works and Facilities is second with \$9.7 million in subsidy. Administrative support services is third at \$9.5 million, and the Recreation department is fourth with \$8.4 million in subsidy. These subsidies are net of departmental generated program incomes recorded through licenses, permits, intergovernmental revenues and grants, charges for services, fines, rents, royalties, reimbursements and commissions. Additionally, the City generates \$65.9 million of property tax revenue (including PILOTs, Administration Fees, and Penalties and Interest) from the levy of 15.00 mills of General Operating.

The primary expense of the General Fund is personnel, and this cost is driven by staff counts and the corresponding labor agreement provisions. Dearborn is the only community in the State that has Charter-mandated Police staffing and is one of a few communities that has Charter-mandated Fire staffing. The budget reflects a total of 153 full-time Fire positions, and 188 sworn police officers as required by the Charter-mandated staffing and Police memorandum-of-understanding.

There are 151 firefighters, 188 sworn police officers and total support staff of 50 positions, totaling 389 positions for the two departments. This represents 44% of the total full-time staffing count of 890. A commitment to providing quality City services has been made by the administration, and as such, many part-time positions have been consolidated and transitioned to full-time positions. While total full-time equivalents for fiscal year 2025 have increased, caution should be used when comparing the 2025 personnel count to highs and lows in previous fiscal years due to revamped organizational and departmental structures. Efforts have also been made to in-source contracts, when possible, for fiscal savings, which directly affects the personnel count being presented. Total full-time General Fund positions increased only by 2.2 full-time equivalents (FTE's) for the 2024-2025 budget year, when compared to the adjusted fiscal year 2024 position count.

Other than the Medicare advantage and Humana PDP fully-insured programs, the active and retiree health care programs are self-insured supported by stop-loss coverage for individuals. Controlling health care costs is a challenge as approximately \$21 million per year is expended for health care and for example a 10% increase produces \$2 million in additional costs. The active employee cost-share is 20% of the adjusted illustrative monthly rate. In fiscal year 2025, premium contributions are increasing approximately \$500 thousand from fiscal year 2024 for combined active and retiree health care.



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The traditional defined benefit and City provided retiree health care programs have been closed for many years. Employees hired after these closures participate in defined contribution retirement programs. However, the police officer and firefighter groups’ new hires can select a defined benefit program administered by the Municipal Employees Retirement System (MERS) statewide program.

Legacy costs associated with retirement programs are also a challenge. The closing of the systems accelerates funding requirements. There are currently more retirees than active employees and this situation will continue for the immediate future. The funding level (Market Value Basis) for the General Employees and Police/Fire Retirement Systems are 71.8% or higher and the combined unfunded actuarial accrued liability is \$136.7 million. Other Post-Employment Benefits is 78.4% funded leaving an unfunded actuarial accrued liability of \$42.4 million; therefore, the total legacy unfunded liability is \$179.1 million.

Total outstanding debt as of June 30, 2024 is \$216.8 million. Total debt service is \$26.1 million. A majority of the outstanding debt is CSO related to debt service paid by the voted debt millage. Additional open market bonds may be issued to complete the sewer separation and water main replacement program. Other outstanding debt includes \$2.7 million for the December 2017 issued bonds for Dunworth Pool, \$7.2 million for the 2017 issued bonds for West Downtown/Ford Woods Pool and \$11.1 million for the May 2018 issued bonds for Powerhouse HVAC upgrades.

The unassigned General Fund equity (fund balance) as of June 30, 2024 is \$35.1 million. The fiscal year 2024 amended budget recorded a use of the General Fund fund balance of \$778 thousand with projections at the time of FY25 Budget workshops and adoption showing a similar use of fund balance of \$813 thousand. The greatest threats are inflationary costs exceeding property taxable value growth as restricted by proposal A of 1994 and the Headlee Amendment, the State funding of shared revenue, and the legacy liabilities funding challenge.

**Assumptions:**

Taxable Value increase for fiscal year 2025 is 4.0% due to increased property values with residential real property values increasing 7.9% limited by the 5.0% State inflation rate for capped properties.

✓ Tax Rates and Water/Sewer Rates

Description	Fiscal Year 2023-2024	Fiscal Year 2024-2025	Difference
<b>Tax Millage Rate:</b>			
City Operating	15.00	15.00	-
Garbage & Rubbish	2.11	2.11	-
Library	1.54	1.54	-
Debt Service	4.25	4.25	-
<b>Total Millage Rate</b>	<b>22.90</b>	<b>22.90</b>	<b>-</b>
Water Rate	\$ 31.20	\$ 34.10	\$ 2.90
Sewer Rate	48.10	48.60	0.50

✓ The water and sewer bills include two rates: commodity and capacity. The commodity rate is based on water usage. The capacity rate is based on meter size. For fiscal year 2023, the rate methodology was adjusted from 35% to 28% of the rate revenue to the fixed charge, and 65% to 72% of rate revenue to the variable charge. The basis of the methodology change was to reduce the costs for customers with low usage, while shifting more costs to users with high usage in the system (namely commercial and industrial customers). This also provides customers the opportunity to have more control over their final bill amount,

June 30, 2024

as costs will be incrementally lower with reduced usage. The 2023 methodology remains the same for fiscal year 2025. A separate Capacity rate is in place for Fireline customers. These customers are charged only a water fixed rate, unless of an event when the Fireline systems are used.

The fiscal year 2025 rate calculation also includes a decrease in the estimated total system usage by about 4%. While total actual system usage continues to decrease from pre-pandemic levels, the rate of the decrease is projected to flatten. This is based on multi-year trend data, along with the usage data available for 2024. Total system usage has a direct effect on the commodity (variable) rates for system users.

The average Dearborn residential customer water and sewer bill is expected to increase by 2.8% from FY2024. Percentage changes will vary based on actual consumption. The rate changes are affected by the water and sewer services received from the Great Lakes Water Authority (GLWA), as well as funding for infrastructure projects.

- ✓ Funding for facility reinvestment is \$1,850,830 for capital, and repair and maintenance projects. The major facility projects include roof replacement at the DISC, conversion of the Bryant Library parking lot, and West Dearborn parking deck improvements.
- ✓ Funding for fleet replacement totals \$4,718,500 The fleet funding is intended to accumulate sufficient resources to replace components of the fleet as planned, but not replace the entire fleet at once.
- ✓ The technology replacement funding for computers and printers is budgeted at \$700,000 for FY2024-2025.

**MAJOR CAPITAL INITIATIVES**

The 2024-2025 funding of the Capital Improvement Plan is \$35,610,548. A classification breakdown follows with some notable projects specifically identified. The projects are supported by various funding sources including the General Fund via the General Capital Improvement Fund, Library Fund, Community Development Block Grant Fund, West Dearborn Downtown Development Authority Fund, East Dearborn Downtown Development Authority Fund, Major Street & Trunkline Fund, Local Street Fund, Water and Sewer Funds, and by federal aid for street projects, grants, FEMA and the Wayne County Parks Millage allocation. Specific details regarding the Capital Improvement Plan can be found on pages 297-349.

**Infrastructure - \$19,875,938**

◆ Streets	\$ 12,995,038
◆ Water	\$ 4,900,450
◆ Sewer	\$ 1,980,450

**Facilities - \$3,398,674**

◆ Libraries	\$ 1,380,830
◆ Public Safety	\$ 773,125
◆ Waste/Recycling Carts	\$ 434,469
◆ Facility Repair & Maintenance	\$ 300,000
◆ Recreation Facilities	\$ 70,000
◆ Other	\$ 440,250

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**Other Governmental Fund Types**

This section addresses other fund types and is not intended to be a detailed review of all funds. The Major Street & Trunkline and Local Street Funds rely on State Gas & Weight Tax revenue. The FY2025 estimated Gas & Weight Tax revenue budget for both funds combined increased \$588 thousand from FY2024.

The grant revenue from the Community Development Block Grant is estimated to be \$2,189,465 which provides federal resources to support the low to moderate income population. The revenue from the HOME Consortia Allocation is estimated to be \$557,178 which provides federal resources to the low to moderate income homeowners to complete necessary home rehabilitation projects.

The General Capital Improvement Fund is primarily financed by contributions from other funds. The Capital Improvement Plan is included in this document and presents both projects in progress and scheduled projects.

**PROPRIETARY FUND TYPES**

**HOUSING**

The Seniors Apartment Operating Fund working capital and equity of the fund are both financially stable and not funding any capital projects for fiscal year 2025.

**Utility Funds**

Water rates and sewer rates are set by ordinance and the budget revenue estimates are based on the assumptions listed in the table earlier in this memo. The revenues support operations, maintenance, and system asset replacement. The City Engineer has established a target infrastructure investment amount for each system and efforts are made to fund the capital projects at this level.

A ballot proposal was approved in August 2004 authorizing the City to issue debt (bonds and low interest State Revolving Fund (SRF) loans) in an amount not to exceed \$314.12 million to fund the federally-mandated CSO project. In FY2018, the last of the available authority was used to issue open market bonds of \$26.4 million. Overall, the debt authority was used to issue \$62 million in open market bonds and \$252 million in SRF loans. The City has the authority to issue \$36.6M of CSO Open Market Bonds to complete the CSO projects. Other funding sources and project options are being reviewed, and the City has applied for State grants and low-interest SRF loans. The tax millage rate for fiscal year 2024-2025 is 4.25 mills for debt service to pay the principal and interest payments on the voted bond debts, which has no change from 2024.

Sewer separation projects are scheduled through 2026. The final phase of the project will require additional funding.

**Insurance & Fiduciary Funds**

These funds are adequately funded in relation to their purpose and there has been some intentional spend-down or return of excess reserves.

The City has been funding for post-employment health care for nearly 30 years. The unfunded accrued liability is budgeted as lump-sum amounts charged to each department based on historical staffing levels. The City budgeted \$6.69 million this year as a contribution to the fund. The actuarially computed employer contribution is \$6.69M.

**Component Units**

The West Dearborn Downtown Development Authority (WDDDA) generates funding from tax increment capture. The General Fund contribution covers the sanitation contract for both East and West DDA. Each DDA generates additional revenue from the businesses participating in the Events that they hold throughout the year.

Business District Improvement Authorities

The Warren and Dix-Vernor Improvement Corridors generate funding from tax increment capture.

**June 30, 2024**

**Contacting the City's Financial Management**

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the Department of Finance at the City of Dearborn, 16901 Michigan Avenue, Suite 1, Dearborn, MI 48126.

June 30, 2024

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>Assets</b>				
Cash and cash equivalents (Note 2)	\$ 114,706,781	\$ 33,808,874	\$ 148,515,655	\$ 5,990,080
Investments (Note 2)	44,906,382	16,228,147	61,134,529	1,522,421
Receivables:				
Property taxes receivable	96,348	12,628	108,976	-
Customer receivables	2,484,294	14,938,747	17,423,041	11,936
Accrued interest receivable	912,651	250,422	1,163,073	44,846
Leases receivable (Note 19)	4,242,819	825,268	5,068,087	-
Other receivables	294,847	83,966	378,813	-
Due from other governments	17,081,215	971,365	18,052,580	561,000
Due from component units (Note 5)	561,000	-	561,000	-
Due from primary government (Note 5)	-	-	-	24,158
Internal balances (Note 5)	(45,488)	45,488	-	-
Inventory	717,203	819,194	1,536,397	-
Prepaid items and other assets	3,058,398	55,468	3,113,866	-
Restricted assets (Note 18)	56,344	2,000,000	2,056,344	273,030
Land held for resale	4,042,984	-	4,042,984	-
Net pension asset (Note 6)	23,185,254	-	23,185,254	-
Capital assets: (Note 3)				
Assets not subject to depreciation	21,702,860	8,645,511	30,348,371	-
Assets subject to depreciation - Net	275,611,686	451,741,182	727,352,868	-
Notes receivable - Long term	-	-	-	123,924
<b>Total assets</b>	<b>513,615,578</b>	<b>530,426,260</b>	<b>1,044,041,838</b>	<b>8,551,395</b>
<b>Deferred Outflows of Resources</b>				
Deferred charges on bond refunding	-	-	-	67,614
Deferred pension costs (Note 6)	7,767,953	57,940	7,825,893	-
Deferred OPEB costs (Note 8)	38,196	7,806	46,002	-
<b>Total deferred outflows of resources</b>	<b>7,806,149</b>	<b>65,746</b>	<b>7,871,895</b>	<b>67,614</b>
<b>Liabilities</b>				
Accounts payable:				
Accounts payable	13,135,194	4,583,845	17,719,039	83,835
Retainage payable	1,046,441	624,696	1,671,137	-
Due to other governmental units	13,567	181,118	194,685	-
Due to component units (Note 5)	24,158	-	24,158	-
Due to primary government (Note 5)	-	-	-	561,000
Refundable bonds and deposits	1,931,323	237,107	2,168,430	-
Accrued liabilities and other:				
Accrued salaries and wages	4,187,267	338,863	4,526,130	16,750
Accrued interest payable	352,121	984,053	1,336,174	62,976
Other accrued liabilities	-	8,063,184	8,063,184	-
Provision for property tax refunds	707,082	161,493	868,575	-
Unearned revenue	980,212	46,719	1,026,931	-

Statement of Net Position (Continued)

June 30, 2024

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Noncurrent liabilities:				
Due within one year:				
Compensated absences (Note 4)	\$ 2,738,869	\$ 283,770	\$ 3,022,639	\$ -
Current portion of bonds and contracts payable (Note 4)	3,933,446	14,872,851	18,806,297	644,936
Due in more than one year:				
Compensated absences (Note 4)	3,938,480	175,947	4,114,427	-
Provision for claims (Note 13)	3,525,705	-	3,525,705	-
Net pension liability (Note 6)	142,913,052	6,084,959	148,998,011	-
Net OPEB liability (Note 8)	32,418,034	6,629,528	39,047,562	-
Bonds and contracts payable - Net of current portion (Note 4)	52,045,625	132,902,865	184,948,490	13,498,591
Total liabilities	263,890,576	176,170,998	440,061,574	14,868,088
<b>Deferred Inflows of Resources</b>				
Deferred pension cost reductions (Note 6)	1,459,193	-	1,459,193	-
Deferred OPEB cost reductions (Note 8)	622,042	127,098	749,140	-
Deferred inflows from leases (Note 19)	4,089,171	832,185	4,921,356	-
Total deferred inflows of resources	6,170,406	959,283	7,129,689	-
<b>Net Position (Deficit)</b>				
Net investment in capital assets	272,309,638	319,186,821	591,496,459	-
Restricted:				
Road construction, preservation, and maintenance	28,801,284	-	28,801,284	-
Telecommunications	1,509,290	-	1,509,290	-
Debt service	-	19,454,444	19,454,444	-
Capital projects	56,344	2,000,000	2,056,344	-
Law enforcement activities	2,896,813	-	2,896,813	-
Historical museum activities	40,000	-	40,000	-
Community development	831,012	-	831,012	-
Library activities	4,884,499	-	4,884,499	-
Theatre restoration	190,054	-	190,054	-
Indigent defense	148,658	-	148,658	-
Opioid treatment	1,813,921	-	1,813,921	-
Pension benefits	23,185,254	-	23,185,254	-
Unrestricted	(85,306,022)	12,720,460	(72,585,562)	(6,249,079)
Total net position (deficit)	<u>\$ 251,360,745</u>	<u>\$ 353,361,725</u>	<u>\$ 604,722,470</u>	<u>\$ (6,249,079)</u>

# City of Dearborn, Michigan

Functions/Programs	Program Revenue			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary government:</b>				
Governmental activities:				
General government	\$ 15,944,806	\$ 2,366,010	\$ 606,722	\$ -
District court	3,972,165	4,946,937	557,702	-
Public safety	84,280,551	15,636,418	4,042,246	(35,847)
Public works	26,933,159	1,842,543	14,809,034	10,872,140
Public health	553,593	-	669,016	-
Community improvement	1,827,015	41,140	754,817	-
Recreation and culture	23,680,717	8,682,098	1,382,715	3,381,478
Interest on long-term debt	1,402,423	-	-	-
<b>Total governmental activities</b>	<b>158,594,429</b>	<b>33,515,146</b>	<b>22,822,252</b>	<b>14,217,771</b>
Business-type activities:				
Major Sewer	44,235,235	31,004,484	3,252,905	20,562
Major Water	22,444,788	23,874,177	-	1,185,092
Nonmajor Seniors Apartment Operating	3,278,948	3,315,786	-	-
<b>Total business-type activities</b>	<b>69,958,971</b>	<b>58,194,447</b>	<b>3,252,905</b>	<b>1,205,654</b>
<b>Total primary government</b>	<b>\$ 228,553,400</b>	<b>\$ 91,709,593</b>	<b>\$ 26,075,157</b>	<b>\$ 15,423,425</b>
<b>Component units:</b>				
Dix-Vernor Business District Improvement Authority	\$ 156,646	\$ -	\$ 140,300	\$ -
Warren Business District Improvement Authority	253,993	-	125,375	-
West Dearborn Downtown Development Authority	1,042,814	(3,298)	53,500	-
East Dearborn Downtown Development Authority	1,519,512	-	44,595	561,000
Brownfield Redevelopment Authority	2,701,036	-	-	-
<b>Total component units</b>	<b>\$ 5,674,001</b>	<b>\$ (3,298)</b>	<b>\$ 363,770</b>	<b>\$ 561,000</b>
<b>General revenue:</b>				
Property taxes				
Unrestricted state revenue				
Unrestricted investment income				
Cable franchise fees				
Gain on sale of capital assets				
Other miscellaneous income				
<b>Total general revenue</b>				
<b>Transfers</b>				
<b>Change in Net Position</b>				
<b>Net Position (Deficit) - Beginning of year</b>				
<b>Net Position (Deficit) - End of year</b>				

# Statement of Activities

**Year Ended June 30, 2024**

Net (Expense) Revenue and Changes in Net Position			
Primary Government			
Governmental Activities	Business-type Activities	Total	Component Units
\$ (12,972,074)	\$ -	\$ (12,972,074)	\$ -
1,532,474	-	1,532,474	-
(64,637,734)	-	(64,637,734)	-
590,558	-	590,558	-
115,423	-	115,423	-
(1,031,058)	-	(1,031,058)	-
(10,234,426)	-	(10,234,426)	-
(1,402,423)	-	(1,402,423)	-
(88,039,260)	-	(88,039,260)	-
-	(9,957,284)	(9,957,284)	-
-	2,614,481	2,614,481	-
-	36,838	36,838	-
-	(7,305,965)	(7,305,965)	-
(88,039,260)	(7,305,965)	(95,345,225)	-
-	-	-	(16,346)
-	-	-	(128,618)
-	-	-	(992,612)
-	-	-	(913,917)
-	-	-	(2,701,036)
-	-	-	(4,752,529)
73,963,857	16,228,407	90,192,264	3,621,671
29,868,132	-	29,868,132	2,176,661
6,358,924	2,574,737	8,933,661	424,797
901,662	-	901,662	-
-	7,875	7,875	-
1,317,633	-	1,317,633	28,605
112,410,208	18,811,019	131,221,227	6,251,734
1,226,037	(1,226,037)	-	-
25,596,985	10,279,017	35,876,002	1,499,205
225,763,760	343,082,708	568,846,468	(7,748,284)
<b>\$ 251,360,745</b>	<b>\$ 353,361,725</b>	<b>\$ 604,722,470</b>	<b>\$ (6,249,079)</b>



Governmental Funds  
Balance Sheet

June 30, 2024

	General Fund	Nonmajor Funds	Total Governmental Funds
<b>Assets</b>			
Cash and cash equivalents (Note 2)	\$ 24,675,605	\$ 46,287,533	\$ 70,963,138
Investments (Note 2)	14,382,919	15,618,903	30,001,822
Receivables - Net of allowances:			
Property taxes receivable	91,858	4,490	96,348
Customer receivables	2,479,451	4,843	2,484,294
Accrued interest receivable	234,209	345,348	579,557
Leases receivable (Note 19)	4,208,660	34,159	4,242,819
Other receivables	-	267,131	267,131
Due from other governments	5,917,768	8,021,658	13,939,426
Due from other funds (Note 5)	108,378	358,336	466,714
Inventory	717,203	-	717,203
Prepaid items and other assets	1,683	-	1,683
Land held for resale	-	4,042,984	4,042,984
	<b>\$ 52,817,734</b>	<b>\$ 74,985,385</b>	<b>\$ 127,803,119</b>
<b>Liabilities</b>			
Accounts payable:			
Accounts payable	\$ 1,317,632	\$ 1,640,822	\$ 2,958,454
Retainage payable	-	375,952	375,952
Due to other governmental units	13,404	163	13,567
Due to component units (Note 5)	-	24,158	24,158
Due to other funds (Note 5)	324,549	451,592	776,141
Refundable bonds and deposits	622,943	1,308,380	1,931,323
Accrued liabilities and other	3,914,253	145,154	4,059,407
Provision for property tax refunds	-	58,517	58,517
Unearned revenue	976,147	4,065	980,212
Compensated absences	41,597	-	41,597
	7,210,525	4,008,803	11,219,328
<b>Deferred Inflows of Resources</b>			
Unavailable revenue	3,171,982	4,952,536	8,124,518
Deferred inflows from leases (Note 19)	4,056,004	33,167	4,089,171
	7,227,986	4,985,703	12,213,689
Total liabilities and deferred inflows of resources	14,438,511	8,994,506	23,433,017

Governmental Funds  
Balance Sheet (Continued)

June 30, 2024

	General Fund	Nonmajor Funds	Total Governmental Funds
<b>Fund Balances</b>			
Nonspendable:			
Inventory	\$ 717,203	\$ -	\$ 717,203
Prepaid items	1,683	-	1,683
Restricted:			
Community development	-	544,537	544,537
Historical museum activities	-	40,000	40,000
Indigent defense	-	148,658	148,658
Law enforcement activities	-	2,896,813	2,896,813
Library activities	-	4,870,889	4,870,889
Road construction, preservation, and maintenance	-	28,801,284	28,801,284
Telecommunications	1,509,290	-	1,509,290
Opioid treatment	-	474,031	474,031
Committed - Designated purposes - Community programs	-	822,324	822,324
Assigned:			
Capital projects	-	27,392,343	27,392,343
Retiree death benefits	1,093,093	-	1,093,093
Unassigned	35,057,954	-	35,057,954
Total fund balances	38,379,223	65,990,879	104,370,102
Total liabilities, deferred inflows of resources, and fund balances	\$ 52,817,734	\$ 74,985,385	\$ 127,803,119

**Governmental Funds**

**Reconciliation of the Balance Sheet to the Statement of Net Position**

**June 30, 2024**

<b>Fund Balances Reported in Governmental Funds</b>	<b>\$ 104,370,102</b>
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and are not reported in the funds	162,432,346
Receivables that are not collected soon after year end are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds	8,124,518
Bonds payable and lease liabilities are not due and payable in the current period and are not reported in the funds	(32,403,986)
Accrued interest is not due and payable in the current period and is not reported in the funds	(223,736)
Some employee fringe benefits are payable over a long period of years and do not represent a claim on current financial resources; therefore, they are not reported as fund liabilities:	
Employee compensated absences	(6,373,694)
Pension benefits	(110,232,916)
Retiree health care benefits	(32,328,036)
Internal service funds are included as part of governmental activities:	
Capital asset-related items	134,882,200
Debt-related items	(23,575,085)
Employee fringe benefit and other items	46,689,032
<b>Net Position of Governmental Activities</b>	<b><u>\$ 251,360,745</u></b>

Governmental Funds

Statement of Revenue, Expenditures, and Changes in Fund Balances

Year Ended June 30, 2024

	General Fund	Nonmajor Funds	Total Governmental Funds
<b>Revenue</b>			
Property taxes	\$ 67,013,583	\$ 6,945,986	\$ 73,959,569
Intergovernmental:			
Federal grants	2,843,374	1,399,257	4,242,631
State sources:			
State-shared revenue	13,880,778	-	13,880,778
Act 51 gas and weight tax	-	14,273,119	14,273,119
Local Community Stabilization Authority	14,406,669	1,580,685	15,987,354
Other state grants	1,684,996	1,084,515	2,769,511
Local grants and contributions	651,178	129,601	780,779
Charges for services	17,848,316	181,317	18,029,633
Fines and forfeitures	4,964,425	298,249	5,262,674
Licenses and permits	5,374,784	-	5,374,784
Interest and rentals:			
Investment income	3,352,909	3,006,015	6,358,924
Rents and royalties	5,673,778	6,488	5,680,266
Other revenue:			
Private source contributions	371	193,122	193,493
Miscellaneous revenue	646,036	763,317	1,409,353
Total revenue	<u>138,341,197</u>	<u>29,861,671</u>	<u>168,202,868</u>
<b>Expenditures</b>			
Current services:			
General government	12,087,452	873,618	12,961,070
District court	3,971,901	-	3,971,901
Public safety	81,827,180	486,833	82,314,013
Public works	14,614,211	12,273,610	26,887,821
Public health	529,889	23,704	553,593
Community and economic development	1,089,814	486,685	1,576,499
Recreation and culture	17,422,512	6,413,747	23,836,259
Capital outlay	689,011	7,391,749	8,080,760
Debt service	3,302,033	224,751	3,526,784
Total expenditures	<u>135,534,003</u>	<u>28,174,697</u>	<u>163,708,700</u>
<b>Excess of Revenue Over Expenditures</b>	2,807,194	1,686,974	4,494,168
<b>Other Financing Sources (Uses)</b>			
Transfers in	793,455	10,619,588	11,413,043
Transfers out	(3,611,043)	(7,147,701)	(10,758,744)
Leases entered into	462,445	-	462,445
Sale of capital assets	-	15,514	15,514
Total other financing (uses) sources	<u>(2,355,143)</u>	<u>3,487,401</u>	<u>1,132,258</u>
<b>Net Change in Fund Balances</b>	452,051	5,174,375	5,626,426
<b>Fund Balances - Beginning of year</b>	<u>37,927,172</u>	<u>60,816,504</u>	<u>98,743,676</u>
<b>Fund Balances - End of year</b>	<u><u>\$ 38,379,223</u></u>	<u><u>\$ 65,990,879</u></u>	<u><u>\$ 104,370,102</u></u>

**Governmental Funds**

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

**Year Ended June 30, 2024**

<b>Net Change in Fund Balances Reported in Governmental Funds</b>	<b>\$</b>	<b>5,626,426</b>
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures; however, in the statement of activities, these costs are allocated over their estimated useful lives as depreciation:		
Capital outlay		24,867,850
Depreciation expense		(10,710,950)
Revenue in the statement of activities that does not provide current financial resources is not reported as revenue in the funds until it is available		3,891,654
Entering into leases provides current financial resources to governmental funds but increases long-term liabilities in the statement of net position		(462,445)
Repayment of bond and lease principal is an expenditure in the governmental funds but not in the statement of activities (where it reduces long-term debt)		2,111,283
Interest expense is recognized in the government-wide statements as it accrues		11,736
Some employee costs (pension, OPEB, and compensated absences) do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds		(4,201,489)
Internal service funds are included as part of governmental activities		<u>4,462,920</u>
<b>Change in Net Position of Governmental Activities</b>	<b>\$</b>	<b><u><u>25,596,985</u></u></b>

Proprietary Funds  
Statement of Net Position

June 30, 2024

	Business-type Activities - Enterprise Funds				Governmental
			Nonmajor	Total	Internal
	Major Sewer	Major Water	Seniors Apartment Operating	Enterprise Funds	Service Funds
<b>Assets</b>					
Current assets:					
Cash and cash equivalents (Note 2)	\$ 27,139,033	\$ 2,931,555	\$ 3,738,286	\$ 33,808,874	\$ 43,743,643
Investments (Note 2)	6,070,710	8,838,358	1,319,079	16,228,147	14,904,560
Receivables:					
Property taxes receivable	12,628	-	-	12,628	-
Customer receivables	6,867,767	8,032,306	38,674	14,938,747	-
Accrued interest receivable	201,371	19,940	29,111	250,422	333,094
Leases receivable	-	-	825,268	825,268	-
Other receivables	83,966	-	-	83,966	27,716
Due from other governments	241,089	157,058	573,218	971,365	3,141,789
Due from component units (Note 5)	-	-	-	-	561,000
Due from other funds (Note 5)	52,858	-	-	52,858	324,549
Inventory	-	819,194	-	819,194	-
Prepaid items and other assets	-	-	55,468	55,468	3,056,715
Total current assets	40,669,422	20,798,411	6,579,104	68,046,937	66,093,066
Noncurrent assets:					
Restricted assets (Note 18)	2,000,000	-	-	2,000,000	56,344
Capital assets - Net (Note 3)	327,969,390	127,436,617	4,980,686	460,386,693	134,882,200
Total noncurrent assets	329,969,390	127,436,617	4,980,686	462,386,693	134,938,544
Total assets	370,638,812	148,235,028	11,559,790	530,433,630	201,031,610
<b>Deferred Outflows of Resources</b>					
Deferred pension costs (Note 6)	12,979	36,183	8,778	57,940	30,632
Deferred OPEB costs (Note 8)	1,364	5,114	1,328	7,806	779
Total deferred outflows of resources	14,343	41,297	10,106	65,746	31,411

Proprietary Funds  
Statement of Net Position (Continued)

June 30, 2024

	Business-type Activities - Enterprise Funds				Governmental
			Nonmajor	Total	Internal
	Major Sewer	Major Water	Seniors Apartment Operating	Enterprise Funds	Service Funds
<b>Liabilities</b>					
Current liabilities:					
Accounts payable:					
Accounts payable	\$ 873,161	\$ 3,523,754	\$ 186,930	\$ 4,583,845	\$ 10,176,740
Retainage payable	248,819	372,873	3,004	624,696	670,489
Due to other governmental units	181,118	-	-	181,118	-
Due to other funds (Note 5)	-	7,370	-	7,370	60,610
Refundable bonds and deposits	-	46,000	191,107	237,107	-
Accrued liabilities and other:					
Accrued salaries and wages	95,896	174,249	68,718	338,863	127,860
Accrued interest payable	941,386	33,865	8,802	984,053	128,385
Other accrued liabilities	-	8,063,184	-	8,063,184	-
Provision for property tax refunds	161,493	-	-	161,493	648,565
Unearned revenue	-	-	46,719	46,719	-
Compensated absences (Note 4)	80,748	150,588	52,434	283,770	132,238
Current portion of bonds and contracts payable (Note 4)	14,473,171	317,403	82,277	14,872,851	1,757,394
Total current liabilities	17,055,792	12,689,286	639,991	30,385,069	13,702,281
Noncurrent liabilities:					
Compensated absences (Note 4)	43,180	101,095	31,672	175,947	129,820
Provision for claims (Note 13)	-	-	-	-	3,525,705
Net pension liability (Note 6)	1,362,990	3,799,860	922,109	6,084,959	3,216,754
Net OPEB liability (Note 8)	1,158,791	4,342,756	1,127,981	6,629,528	661,947
Bonds and contracts payable - Net of current portion (Note 4)	127,177,355	4,544,937	1,180,573	132,902,865	21,817,691
Total noncurrent liabilities	129,742,316	12,788,648	3,262,335	145,793,299	29,351,917
Total liabilities	146,798,108	25,477,934	3,902,326	176,178,368	43,054,198
<b>Deferred Inflows of Resources</b>					
Deferred OPEB cost reductions (Note 8)	22,215	83,255	21,628	127,098	12,676
Deferred inflows from leases	-	-	832,185	832,185	-
Total deferred inflows of resources	22,215	83,255	853,813	959,283	12,676
<b>Net Position</b>					
Net investment in capital assets	187,145,395	127,063,744	4,977,682	319,186,821	112,038,461
Restricted:					
Capital projects	2,000,000	-	-	2,000,000	56,344
Debt service	19,454,444	-	-	19,454,444	-
Theatre restoration	-	-	-	-	190,054
Unrestricted	15,232,993	(4,348,608)	1,836,075	12,720,460	45,711,288
Total net position	<u>\$ 223,832,832</u>	<u>\$ 122,715,136</u>	<u>\$ 6,813,757</u>	<u>\$ 353,361,725</u>	<u>\$ 157,996,147</u>

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

Year Ended June 30, 2024

	Business-type Activities - Enterprise Funds				Governmental
	Major Sewer	Major Water	Nonmajor	Total Enterprise	Internal Service
			Seniors Apartment Operating		
<b>Operating Revenue</b>					
Sales	\$ 20,764,205	\$ 14,406,019	\$ -	\$ 35,170,224	\$ -
Charges for services	9,092,081	8,552,001	973,285	18,617,367	6,999,080
Rents and royalties	-	-	2,273,015	2,273,015	5,516,121
Interest and penalty charges	896,162	889,758	-	1,785,920	-
Intergovernmental - State sources	-	-	-	-	4,250,000
City contributions for insurance premiums	-	-	-	-	22,343,447
Miscellaneous revenue	252,036	26,399	69,486	347,921	5,635,512
Employee contributions for insurance premiums	-	-	-	-	2,011,057
<b>Total operating revenue</b>	<b>31,004,484</b>	<b>23,874,177</b>	<b>3,315,786</b>	<b>58,194,447</b>	<b>46,755,217</b>
<b>Operating Expenses</b>					
Cost of sales	19,625,600	10,514,438	-	30,140,038	(185,351)
Personnel services	2,107,596	3,856,212	1,732,437	7,696,245	3,534,131
Contractual services	1,854,964	1,620,391	114,202	3,589,557	8,454,080
Claims and judgments	-	-	-	-	25,556,063
Repairs and maintenance	6,880,826	2,240,569	524,968	9,646,363	565,048
Cost of rentals	122,932	220,393	2,063	345,388	83,317
Utilities	500,084	20,438	468,755	989,277	1,255,194
Insurance and bonds	404,742	361,958	132,511	899,211	2,080,568
Other operating expenses	150,790	63,420	10,457	224,667	251,532
Supplies	260,946	686,091	79,748	1,026,785	-
Depreciation	8,363,176	2,647,215	158,660	11,169,051	7,685,211
<b>Total operating expenses</b>	<b>40,271,656</b>	<b>22,231,125</b>	<b>3,223,801</b>	<b>65,726,582</b>	<b>49,279,793</b>
<b>Operating (Loss) Income</b>	<b>(9,267,172)</b>	<b>1,643,052</b>	<b>91,985</b>	<b>(7,532,135)</b>	<b>(2,524,576)</b>
<b>Nonoperating Revenue (Expense)</b>					
Property tax revenue	16,228,407	-	-	16,228,407	-
Investment income	1,938,896	310,304	325,537	2,574,737	3,081,435
Interest expense	(3,963,579)	(213,663)	(55,147)	(4,232,389)	(801,694)
Gain (loss) on sale of assets	-	7,875	-	7,875	(16,547)
Intergovernmental - State sources	3,252,905	-	-	3,252,905	-
<b>Total nonoperating revenue</b>	<b>17,456,629</b>	<b>104,516</b>	<b>270,390</b>	<b>17,831,535</b>	<b>2,263,194</b>
<b>Income (Loss) - Before capital contributions</b>	<b>8,189,457</b>	<b>1,747,568</b>	<b>362,375</b>	<b>10,299,400</b>	<b>(261,382)</b>
<b>Capital Contributions</b>					
Capital grants - Federal	20,562	1,185,092	-	1,205,654	191,385
Capital grants - Local	-	-	-	-	3,961,179
<b>Total capital contributions</b>	<b>20,562</b>	<b>1,185,092</b>	<b>-</b>	<b>1,205,654</b>	<b>4,152,564</b>
<b>Transfers In</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,871,602</b>
<b>Transfers Out</b>	<b>(1,111,855)</b>	<b>(88,549)</b>	<b>(25,633)</b>	<b>(1,226,037)</b>	<b>(5,299,864)</b>
<b>Change in Net Position</b>	<b>7,098,164</b>	<b>2,844,111</b>	<b>336,742</b>	<b>10,279,017</b>	<b>4,462,920</b>
<b>Net Position - Beginning of year</b>	<b>216,734,668</b>	<b>119,871,025</b>	<b>6,477,015</b>	<b>343,082,708</b>	<b>153,533,227</b>
<b>Net Position - End of year</b>	<b>\$ 223,832,832</b>	<b>\$ 122,715,136</b>	<b>\$ 6,813,757</b>	<b>\$ 353,361,725</b>	<b>\$ 157,996,147</b>



Proprietary Funds  
Statement of Cash Flows

Year Ended June 30, 2024

	Business-type Activities - Enterprise Funds				Governmental
				Total Enterprise	Internal Service
	Major Sewer	Major Water	Nonmajor Seniors Apartment Operating	Funds	Funds
<b>Cash Flows from Operating Activities</b>					
Receipts from customers	\$ 30,982,764	\$ 24,013,487	\$ 2,945,838	\$ 57,942,089	\$ 2,618,648
Receipts from interfund services and reimbursements	-	-	-	-	38,779,568
Payments to suppliers	(30,797,845)	(14,136,497)	(1,188,608)	(46,122,950)	(3,007,945)
Payments to employees and fringes	(2,488,768)	(4,945,063)	(1,934,387)	(9,368,218)	(3,725,624)
Payments to other funds	(125,940)	(225,884)	(23,289)	(375,113)	-
Claims paid	-	-	-	-	(27,942,816)
Other (payments) receipts	(43,456)	(139,536)	5,620	(177,372)	4,369,566
Net cash and cash equivalents (used in) provided by operating activities	(2,473,245)	4,566,507	(194,826)	1,898,436	11,091,397
<b>Cash Flows from Noncapital Financing Activities</b>					
Transfers from other funds	-	-	-	-	756,131
Principal and interest paid on pension and OPEB bonds	(72,320)	(317,403)	(135,159)	(524,882)	(205,590)
Transfers to other funds	(1,111,855)	(88,549)	(25,633)	(1,226,037)	(5,299,864)
Net cash and cash equivalents used in noncapital financing activities	(1,184,175)	(405,952)	(160,792)	(1,750,919)	(4,749,323)
<b>Cash Flows from Capital and Related Financing Activities</b>					
Receipt of capital grants	55,362	1,185,092	-	1,240,454	4,152,564
Transfers from other funds	-	-	-	-	5,115,471
Proceeds from sale of capital assets	-	7,875	-	7,875	-
Property taxes and state revenue restricted for capital items	19,557,826	-	-	19,557,826	-
Purchase of capital assets	(420,890)	(6,764,913)	(2,854,136)	(10,039,939)	(15,603,888)
Principal and interest paid on capital debt	(18,192,840)	(284,234)	-	(18,477,074)	(2,311,674)
Net cash and cash equivalents provided by (used in) capital and related financing activities	999,458	(5,856,180)	(2,854,136)	(7,710,858)	(8,647,527)
<b>Cash Flows from Investing Activities</b>					
Interest received on investments	1,932,132	323,546	339,529	2,595,207	2,682,686
Purchases of investment securities	-	(577,303)	-	(577,303)	(2,425,199)
Proceeds from sale and maturities of investment securities	348,575	-	592,617	941,192	1,323,282
Net cash and cash equivalents provided by (used in) investing activities	2,280,707	(253,757)	932,146	2,959,096	1,580,769
<b>Net Decrease in Cash and Cash Equivalents</b>	(377,255)	(1,949,382)	(2,277,608)	(4,604,245)	(724,684)
<b>Cash and Cash Equivalents - Beginning of year</b>	29,516,288	4,880,937	6,015,894	40,413,119	44,524,671
<b>Cash and Cash Equivalents - End of year</b>	<u>\$ 29,139,033</u>	<u>\$ 2,931,555</u>	<u>\$ 3,738,286</u>	<u>\$ 35,808,874</u>	<u>\$ 43,799,987</u>

Proprietary Funds  
Statement of Cash Flows (Continued)

Year Ended June 30, 2024

	Business-type Activities - Enterprise Funds				Governmental
	Major Sewer	Major Water	Nonmajor Seniors Apartment Operating	Total Enterprise Funds	Internal Service Funds
<b>Classification of Cash and Cash Equivalents</b>					
Cash and cash equivalents	\$ 27,139,033	\$ 2,931,555	\$ 3,738,286	\$ 33,808,874	\$ 43,743,643
Restricted assets	2,000,000	-	-	2,000,000	56,344
<b>Total cash and cash equivalents</b>	<b>\$ 29,139,033</b>	<b>\$ 2,931,555</b>	<b>\$ 3,738,286</b>	<b>\$ 35,808,874</b>	<b>\$ 43,799,987</b>
<b>Reconciliation of Operating (Loss) Income to Net Cash from Operating Activities</b>					
Operating (loss) income	\$ (9,267,172)	\$ 1,643,052	\$ 91,985	\$ (7,532,135)	\$ (2,524,576)
Adjustments to reconcile operating (loss) income to net cash from operating activities:					
Depreciation	8,363,176	2,647,215	158,660	11,169,051	7,685,211
Changes in assets and liabilities:					
Receivables	51,302	(226)	(344,453)	(293,377)	(3,696,252)
Due to and from other funds	(55,051)	3,457	(602)	(52,196)	2,732,875
Inventories	-	(172,986)	-	(172,986)	-
Prepaid and other assets	-	-	-	-	161,188
Accounts payable	(1,184,328)	1,534,846	101,534	452,052	9,303,376
Estimated claims liability	-	-	-	-	(2,386,753)
Net pension and OPEB liabilities	(1,263,705)	(3,974,026)	(923,597)	(6,161,328)	(1,383,814)
Deferrals related to pension and OPEB	878,116	2,870,466	712,715	4,461,297	1,103,414
Accrued and other liabilities	4,417	14,709	8,932	28,058	96,728
<b>Total adjustments</b>	<b>6,793,927</b>	<b>2,923,455</b>	<b>(286,811)</b>	<b>9,430,571</b>	<b>13,615,973</b>
<b>Net cash and cash equivalents (used in) provided by operating activities</b>	<b>\$ (2,473,245)</b>	<b>\$ 4,566,507</b>	<b>\$ (194,826)</b>	<b>\$ 1,898,436</b>	<b>\$ 11,091,397</b>
<b>Significant Noncash Transactions - Capital-related items included in accounts payable and retainage payable as of fiscal year end</b>					
	\$ 248,819	\$ 372,873	\$ 3,004	\$ 624,696	\$ 1,748,054

**Fiduciary Funds  
Statement of Fiduciary Net Position**

**June 30, 2024**

	<u>Pension and Other Postemployment Benefits</u>	<u>Custodial Funds</u>
<b>Assets</b>		
Cash and cash equivalents (Note 2)	\$ 661,278	\$ 158,787
Investments: (Note 2)		
Other short-term investments	7,395,932	-
Negotiable CDs	140,036	-
Stocks	383,472,100	-
Fixed-income funds	192,905,682	-
Real estate	42,043,277	-
Mutual funds	65,045,596	-
Receivables:		
Property taxes receivable	-	754
Accrued interest receivable	578,931	-
Other receivables	692,878	-
Due from other governments	-	33,187
Total assets	692,935,710	192,728
<b>Liabilities</b>		
Accounts payable	650,398	137,698
Due to other governmental units	-	55,030
Total liabilities	650,398	192,728
<b>Net Position - Restricted</b>		
Pension	532,088,678	-
Postemployment benefits other than pension	160,196,634	-
Total net position	<b>\$ 692,285,312</b>	<b>\$ -</b>

Fiduciary Funds  
Statement of Changes in Fiduciary Net Position

Year Ended June 30, 2024

	Pension and Other Postemployment Benefits	Custodial Funds
<b>Additions</b>		
Investment income (loss):		
Interest and dividends	\$ 9,931,483	\$ -
Net increase in fair value of investments	66,590,877	-
Investment-related expenses	(2,059,862)	-
Net investment income	74,462,498	-
Contributions:		
Employer contributions	22,265,720	-
Employee contributions	748,378	-
Total contributions	23,014,098	-
Fines and fees	-	2,762,609
Property tax collections	-	126,850,156
Total additions	97,476,596	129,612,765
<b>Deductions</b>		
Benefit payments	52,959,327	-
Refunds of contributions	1,164,863	-
Administrative expenses	296,387	-
Claims and judgments	25,516	-
Distributions to other governments	-	129,612,765
Total deductions	54,446,093	129,612,765
<b>Net Increase in Fiduciary Net Position</b>	43,030,503	-
<b>Net Position - Beginning of year</b>	649,254,809	-
<b>Net Position - End of year</b>	<b>\$ 692,285,312</b>	<b>\$ -</b>

Component Units  
Statement of Net Position

June 30, 2024

	Dix-Vernor Business District Improvement Authority	Warren Business District Improvement Authority	West Dearborn Downtown Development Authority	East Dearborn Downtown Development Authority	Brownfield Redevelopment Authority	Economic Development Corporation	Total
<b>Assets</b>							
Cash and cash equivalents (Note 2)	\$ 83,981	\$ 1,047,255	\$ 1,148,773	\$ 928,954	\$ 2,639,447	\$ 141,670	\$ 5,990,080
Investments (Note 2)	29,660	369,862	405,713	328,077	339,075	50,034	1,522,421
Receivables:							
Customer receivables	150	150	2,580	9,056	-	-	11,936
Accrued interest receivable	655	8,163	8,954	7,240	18,729	1,105	44,846
Due from other governments	-	-	-	561,000	-	-	561,000
Due from primary government (Note 5)	24,158	-	-	-	-	-	24,158
Restricted assets (Note 18)	-	-	-	-	273,030	-	273,030
Notes receivable - Long term	-	-	-	123,924	-	-	123,924
<b>Total assets</b>	<b>138,604</b>	<b>1,425,430</b>	<b>1,566,020</b>	<b>1,958,251</b>	<b>3,270,281</b>	<b>192,809</b>	<b>8,551,395</b>
<b>Deferred Outflows of Resources</b> - Deferred charges on bond refunding	-	-	-	-	67,614	-	67,614
<b>Liabilities</b>							
Accounts payable	-	14,770	29,399	27,916	11,750	-	83,835
Due to primary government (Note 5)	-	-	-	561,000	-	-	561,000
Accrued liabilities and other	1,679	2,897	6,085	6,089	62,976	-	79,726
Noncurrent liabilities - Bonds and contracts payable:							
Due within one year	-	-	-	14,203	630,733	-	644,936
Due in more than one year	-	-	-	56,812	13,441,779	-	13,498,591
<b>Total liabilities</b>	<b>1,679</b>	<b>17,667</b>	<b>35,484</b>	<b>666,020</b>	<b>14,147,238</b>	<b>-</b>	<b>14,868,088</b>
<b>Net Position (Deficit) - Unrestricted</b>	<b>\$ 136,925</b>	<b>\$ 1,407,763</b>	<b>\$ 1,530,536</b>	<b>\$ 1,292,231</b>	<b>\$ (10,809,343)</b>	<b>\$ 192,809</b>	<b>\$ (6,249,079)</b>

# City of Dearborn, Michigan

	Program Revenue			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Functions/Programs</b>				
Dix-Vernor Business District Improvement Authority - Community improvement	\$ 156,646	\$ -	\$ 140,300	\$ -
Warren Business District Improvement Authority - Community improvement	253,993	-	125,375	-
West Dearborn Downtown Development Authority - Community improvement	1,042,814	(3,298)	53,500	-
East Dearborn Downtown Development Authority - Community improvement	1,519,512	-	44,595	561,000
Brownfield Redevelopment Authority - Community improvement	2,701,036	-	-	-
Economic Development Corporation - Community improvement	-	-	-	-
Total component units	<b>\$ 5,674,001</b>	<b>\$ (3,298)</b>	<b>\$ 363,770</b>	<b>\$ 561,000</b>

General revenue:

- Property taxes
- Unrestricted state revenue
- Unrestricted investment income
- Other miscellaneous income

Total general revenue

**Change in Net Position**

**Net Position (Deficit) - Beginning of year**

**Net Position (Deficit) - End of year**

## Component Units Statement of Activities

**Year Ended June 30, 2024**

Net (Expense) Revenue and Changes in Net Position							
Dix-Vernor Business District Improvement Authority	Warren Business District Improvement Authority	West Dearborn Downtown Development Authority	East Dearborn Downtown Development Authority	Brownfield Redevelopment Authority	Economic Development Corporation	Total	
\$ (16,346)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (16,346)	
-	(128,618)	-	-	-	-	(128,618)	
-	-	(992,612)	-	-	-	(992,612)	
-	-	-	(913,917)	-	-	(913,917)	
-	-	-	-	(2,701,036)	-	(2,701,036)	
-	-	-	-	-	-	-	
(16,346)	(128,618)	(992,612)	(913,917)	(2,701,036)	-	(4,752,529)	
44,334	355,232	1,029,350	897,079	1,295,676	-	3,621,671	
-	-	-	46,425	2,130,236	-	2,176,661	
5,278	69,884	81,613	69,469	188,905	9,648	424,797	
-	-	-	28,605	-	-	28,605	
49,612	425,116	1,110,963	1,041,578	3,614,817	9,648	6,251,734	
33,266	296,498	118,351	127,661	913,781	9,648	1,499,205	
103,659	1,111,265	1,412,185	1,164,570	(11,723,124)	183,161	(7,748,284)	
<b>\$ 136,925</b>	<b>\$ 1,407,763</b>	<b>\$ 1,530,536</b>	<b>\$ 1,292,231</b>	<b>\$ (10,809,343)</b>	<b>\$ 192,809</b>	<b>\$ (6,249,079)</b>	

**Note 1 - Significant Accounting Policies**

***Accounting and Reporting Principles***

The City of Dearborn, Michigan (the "City") was incorporated in 1929 under Michigan law as a home rule city. The City operates under a strong mayor, weak council form of government. The most recent charter was adopted on November 6, 2007 and was effective on January 1, 2008.

The financial statements of the City have been prepared in accordance with generally accepted accounting principles (GAAP), as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting. Below is a summary of the City's more significant policies:

***Reporting Entity***

The City is governed by an elected seven-member council. The accompanying financial statements present the City and its component units, entities for which the City is considered to be financially accountable. Blended component units are, in substance, part of the city operations, even though they are separate legal entities. Thus, blended component units are appropriately presented as funds of the City. Discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the City. The City's blended, discretely presented, and fiduciary component units are listed below:

***Blended Component Unit***

The 19th District Court is governed by a chief judge. Although it is legally separate from the City, the 19th District Court is reported as if it were part of the primary government because its sole purpose is to perform court-related activities on behalf of the City.

***Discretely Presented Component Units***

***Warren Business District Improvement Authority (WBDIA)***

The WBDIA was formed in fiscal year 2017 to encourage business improvement and development along the City's Warren Avenue Corridor. The WBDIA has no current outstanding debt, and the City has no obligation for any future debt incurred by the WBDIA. The City Council must approve the WBDIA's budget.

***Dix-Vernor Business District Improvement Authority (DBDIA)***

The DBDIA was formed in fiscal year 2017 to encourage business improvement and development along the City's Dix-Vernor Corridor. The DBDIA has no current outstanding debt, and the City has no obligation for any future debt incurred by the DBDIA. The City Council must approve the DBDIA's budget.

***Brownfield Redevelopment Authority (BRA)***

The Brownfield Redevelopment Authority was created to account for the redevelopment of environmentally contaminated and other underutilized sites within the City. The authority's governing body consists of the mayor and six individuals appointed by the mayor. The City Council must approve the BRA's budget.

***Economic Development Corporation (EDC)***

The EDC's purpose is to encourage economic development, primarily through the issuance of tax-exempt financing. Although the City has no involvement in the determination of the EDC's budget nor any obligation for the EDC's outstanding debt, the City Council must approve designation of project areas and must approve each project plan.



**Note 1 - Significant Accounting Policies (Continued)**

*East Dearborn Downtown Development Authority (EDDDA)*

The EDDDA was formed to encourage development within the City's eastern central business district. The City has no obligation for the EDDDA's outstanding debt. The City Council must approve the EDDDA's budget.

*West Dearborn Downtown Development Authority (WDDDA)*

The WDDDA was formed to encourage development within the City's western central business district. The City has no obligation for the WDDDA's outstanding debt. The City Council must approve the WDDDA's budget.

The primary government is financially accountable for, imposes its will on, and appoints the voting majority of all of the above component units' boards. Financial information for the discretely presented component units is available during office hours at the City of Dearborn, Michigan, Dearborn Administrative Center, 16901 Michigan Avenue, Dearborn, MI 48126-2899.

**Fiduciary Component Units**

The General Employees' Retirement System is governed by a five-member board that includes one member appointed by the mayor, the City Council, and the civil service commissioner. The Policemen's and Firemen's Retirement System and the Postemployment Health Care Plan are governed by the City Council. Although they are legally separate from the City, they are reported as fiduciary component units because the City governs the plans or appoints a voting majority to the board, and the plans impose a financial burden on the City. The City does not appoint a voting majority to the Police and Fire Revised Retirement System, but the plan does impose a financial burden on the City, and the City believes it would be misleading to exclude the plan from the financial statements.

***Report Presentation***

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

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

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

The City does not allocate indirect costs. An administrative fee is charged by the General Fund to the other operating funds to recover the direct costs of General Fund services provided (finance, human resources, purchasing, legal, etc.). The effect of this fee and all other internal activity has been eliminated from the government-wide financial statements.

**Note 1 - Significant Accounting Policies (Continued)**

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

***Basis of Accounting***

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

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

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

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

***Fund Accounting***

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

**Governmental Funds**

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

***General Fund***

The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

***Special Revenue Funds***

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

***Capital Projects Fund***

The City has one capital projects fund. The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities other than those financed by business-type/proprietary funds.

**Note 1 - Significant Accounting Policies (Continued)**

**Proprietary Funds**

The focus of proprietary fund measurement is on determination of operating income, changes in net position, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector.

Proprietary funds distinguish operating revenue and expenses from nonoperating items. Operating revenue and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of proprietary funds relates to charges to customers for sales and service. The water and sewer funds also recognize the portion of tap fees intended to recover current costs (e.g., labor and materials to hook up new customers) as operating revenue. The portion intended to recover the cost of the infrastructure is recognized as nonoperating revenue. Property taxes are collected for the payment of Combined Sewer Overflow (CSO) debt and are nonoperating. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenue and expenses.

The following is a description of the two proprietary fund types of the City:

**Enterprise Funds**

Enterprise funds are required to be used to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenue; (b) has third-party requirements that the cost of providing services, including capital costs, be recovered with fees and charges; or (c) establishes fees and charges based on a pricing policy designed to recover similar costs. The government reports the following enterprise funds:

- **Major Water Fund**: This fund accounts for operation of the City's water supply system. Purified water is purchased from the Great Lakes Water Authority.
- **Major Sewer Fund**: This fund accounts for operation of the City's sewage system. Sewage treatment is purchased from the Great Lakes Water Authority.
- **Nonmajor Seniors Apartment Operating Fund**: This fund accounts for operation of the City's housing department, which administers the Senior Citizen Housing Program. The fund also directly accounts for operation of two senior citizen apartment buildings, Hubbard Manor East and Hubbard Manor West, which consist of a total of 351 apartments. Administrative and other costs are billed to the Dearborn Housing Commission based on services provided.

**Internal Service Funds**

Internal service funds are used to account for the financing of goods or services provided by an activity to other departments, funds, or component units of the City on a cost-reimbursement basis. Internal service funds include fleet replacement, workers' compensation and employee insurance, fleet and general liability insurance, information systems, and facilities.

**Fiduciary Funds**

Fiduciary funds are used to report assets held in an agency capacity for others and, therefore, are not available to support city programs. The reporting focus is on net position and changes in net position and is reported using accounting principles similar to proprietary funds. Fiduciary pension and other postemployment benefits funds include the General Employees' Retirement System, the Police and Fire Revised Retirement System, the Policemen's and Firemen's Retirement System, and the Postemployment Healthcare Fund. Fiduciary custodial funds include the District Court and Tax Collection funds.

**Note 1 - Significant Accounting Policies (Continued)**

**Interfund Activity**

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

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

**Specific Balances and Transactions**

**Cash and Investments**

Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value. Investments and certificates of deposit are purchased with pooled cash and are generally held to maturity. Interest is allocated on the basis of time-and-dollar-weighted participation.

The purchase and sale of proprietary fund investments have been netted for cash flow purposes, as the nature of the investments is highly liquid because there is an active market readily available.

**Accounts Receivable and Revenue**

Revenue is reported net of uncollectible amounts. The amount in the allowance for uncollectibles in the General Fund at June 30, 2024 is \$1,601,218 and represents potentially uncollectible ambulance billings. Most city service billings, if not paid, are assessed as a lien against the serviced property.

**Inventories**

Materials and supplies inventories are recorded at cost. Cost is measured using the weighted-average method with the exception of enterprise funds' inventories, which are recorded on a first-in, first-out basis.

**Land Held for Sale**

Land for resale is recorded at the lower of cost or market based on individual parcels.

**Restricted Assets**

The Designated Purposes Fund receives donations for which the purpose is restricted for the historical museum. The bonds of the Sewer Fund and internal services funds require amounts to be set aside for capital projects. The Brownfield Redevelopment Authority requires amounts to be set aside for debt service. These amounts have been classified as restricted assets. See Note 18 for additional information.

**Capital Assets**

Capital assets purchased or acquired with an original cost of \$5,000 or more and a useful life of greater than one year are capitalized at historical cost or estimated historical cost. Donated capital assets are valued at the estimated acquisition value on the date received.

**Note 1 - Significant Accounting Policies (Continued)**

Capital assets are depreciated using the straight-line method over the following useful lives:

	Depreciable Life - Years
Equipment	2-40
Land improvements	8-45
Infrastructure assets (roads, bridges, and sidewalks)	15-40
Building and improvements	5-50
Water system	75
Sewer system	75

The City has a collection of artwork presented for public exhibition and education that is being preserved for future generations. The City has an internal policy stating that the proceeds for the sale of these assets would be used to acquire other items for the collection. Therefore, the collection is not capitalized or depreciated as part of capital assets.

**Prepays**

Prepays are payments made in the current fiscal year for services in the next fiscal year. Prepays are recorded as expenditures when consumed rather than when purchased.

**Compensated Absences**

The City accrues vested or accumulated sick, vacation, and paid time off (PTO) leave when earned by the employee. These liabilities are reported in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only for outstanding employee terminations as of year end.

**Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to future periods and will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time.

The City reports the following deferred outflows of resources and deferred inflows of resources:

	Outflows	Inflows
Unavailable revenue (those not collected within the period of availability) - Reported only at the modified accrual level		✓
Deferred charge on bond refunding	✓	
Deferred pension costs (or cost reductions)	✓	✓
Deferred OPEB costs (or cost reductions)	✓	✓
Deferred lease revenue		✓

**Note 1 - Significant Accounting Policies (Continued)**

**Net Position Flow Assumption**

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

**Property Tax Revenue**

Properties are assessed as of December 31, and the related property taxes become a lien on December 31 and are billed in two separate billings, July 1 and December 1 of the following year. Taxable valuations are established annually by the city assessor and are based on assessed valuations (established at 50 percent of true cash value), with the annual growth of each property's taxable value limited by inflation. Real and personal property in the City subject to the 2023 levy that financed operations for the fiscal year ended June 30, 2024 had a taxable value of approximately \$3.9 billion.

In August 2021, the voters approved a six-year library millage. The city millage for the fiscal year ended June 30, 2024 was 22.9 mills, consisting of 15.00 mills for operating, 1.54 mills for the library, 2.11 mills for garbage and rubbish, and 4.25 mills for debt service. The City is legally empowered by Section 13.2 of the City Charter and PAs 298 and 164 for a maximum limit of 24.5 mills for each fiscal year, exclusive of debt millages. The rollbacks required by Michigan law of 1917, as amended, are 24.5 mills of authorization with an annual maximum limit of 24.5 mills for each fiscal year. The rollbacks required by Michigan law are applied to the authorized 24.5 mills. The maximum potential millage for the fiscal year ended June 30, 2024 was 20.7254 mills after applicable rollbacks.

The July tax billing is payable without penalty in three equal installments due on September 14 and every two months thereafter, with the final installment due on January 14. The December tax billing is due in full on February 14. Both summer and winter taxes become delinquent if they remain unpaid on March 1. Unpaid real property taxes are returned to the Wayne County treasurer as delinquent for collection. The amounts of delinquent real property taxes become available to finance expenditures through operation of a County Tax Revolving fund. The city treasurer is responsible for collection of delinquent personal property taxes. Delinquent personal property taxes and associated penalties not collected within 60 days of fiscal year end are recorded as deferred inflows of resources.

**Encumbrances**

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is employed as an extension of the formal budgetary control in the General, special revenue, and Capital Projects funds. Grant revenue will be recognized in future periods when these encumbrances are expended. The amount of encumbrances outstanding at year end relating to the General Fund was \$537,204, and all other nonmajor governmental funds had total encumbrances of \$13,439,815 at year end.

**Pension and Other Postemployment Benefit Costs**

The City offers pension benefits to retirees. The City records a net pension asset or liability for the difference between the total pension liability calculated by the actuary and the pension plan's fiduciary net position. For the purpose of measuring the net pension asset or liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the pension plan and additions to/deductions from the pension plan's fiduciary net position have been determined on the same basis as they are reported by the pension plan. For this purpose, benefit payments, including refunds of employee contributions, are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.



**Note 1 - Significant Accounting Policies (Continued)**

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

Net pension and OPEB liabilities attributable to the governmental activities will be liquidated primarily by the General, Library, Facilities, and Information Systems funds.

**Leases**

The City is a lessee for noncancelable leases of various assets including golf carts for use at the Mystic Creek Golf Course. The City recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the applicable governmental activities column in the government-wide financial statements. The City recognizes lease assets and liabilities with an initial value of \$5,000 or more.

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

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

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

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

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

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

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the City determines the discount rate it uses to discount the expected lease receipts to present value, lease term, and lease receipts.

- The City uses the actual rate charged to lessees as the discount rate for leases.

**Note 1 - Significant Accounting Policies (Continued)**

- The lease term includes the noncancelable period of the lease. Lease receipts included in the measurement of the lease receivable are composed of fixed payments from the lessee.

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

**Use of Estimates**

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

**Fund Balance**

In the fund financial statements, governmental funds report the following components of fund balance:

- **Nonspendable:** Amounts that are not in spendable form or are legally or contractually required to be maintained intact
- **Restricted:** Amounts that are legally restricted by outside parties, constitutional provisions, or enabling legislation for use for a specific purpose
- **Committed:** Amounts that have been formally set aside by the City Council for use for specific purposes. Commitments are made and can be rescinded only via resolution of the City Council.
- **Assigned:** Intent to spend resources on specific purposes expressed by the City Council or the finance director/treasurer, who is authorized by resolution approved by the City Council to make assignments
- **Unassigned:** Amounts that do not fall into any other category above. This is the residual classifications for amounts in the General Fund and represents fund balance that has not been assigned to other funds and has not been restricted, committed, or assigned to specific purposes in the General Fund. In other governmental funds, only negative unassigned amounts are reported, if any, and represent expenditures incurred for specific purposes exceeding the amounts previously restricted, committed, or assigned to those purposes.

When an expense is incurred for purposes for which both restricted and unrestricted fund balance is available, the City's policy is to first apply restricted resources. When an expense is incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, it is the City's policy to spend funds in this order: committed, assigned, and unassigned. Other accounting policies are disclosed in other notes to the financial statements.

**Upcoming Accounting Pronouncements**

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



## Note 1 - Significant Accounting Policies (Continued)

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

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

## Note 2 - Deposits and Investments

Michigan Compiled Laws Section 129.91 (Public Act 20 of 1943, as amended) authorizes local governmental units to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations that have offices in Michigan. In addition, bank deposits in the form of Certificate of Deposit Account Registry Service (CDARS) are allowed to include out-of-state certificates of deposit. The local unit is allowed to invest in bonds, securities, and other direct obligations of the United States or any agency or instrumentality of the United States; repurchase agreements; bankers' acceptances of United States banks; commercial paper rated within the two highest classifications that matures no more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions that are rated as investment grade; mutual funds composed of investment vehicles that are legal for direct investment by local units of government in Michigan; and investment pools of financial institutions. The City does not engage in reverse repurchase agreements or in repurchase agreements without a master repurchase agreement and delivery of collateral to a third-party custodian.

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

The City deposits all funds in either Comerica bank accounts, investment CDs with Flagstar Bank, or investments with Yousif Capital Management backed by federal government securities. The investment policy adopted by the board in accordance with Public Act 196 of 1997 has authorized investment in bonds and securities of the United States government and bank accounts and CDs, but not the remainder of state statutory authority, as listed above. The City's deposits and investments are in accordance with statutory authority.

There are no limitations or restrictions on participant withdrawals for the investment pools that are recorded at amortized cost.

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

### **Custodial Credit Risk of Bank Deposits**

Custodial credit risk is the risk that, in the event of a bank failure, the City's deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk. At year end, the City and component units had bank deposits of \$1,648,541 (certificates of deposit and checking and savings accounts) that were uninsured and uncollateralized. The City believes that, due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits.

**Note 2 - Deposits and Investments (Continued)**

***Custodial Credit Risk of Investments***

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City does not have a policy for custodial credit risk. At year end, the City did not have custodial credit risk.

***Interest Rate Risk***

Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. The City's investment policy minimizes interest rate risk by structuring the portfolio to meet investment requirements and by investing funds in shorter-term securities, money market mutual funds, or similar investment pools. The City's investment policy does not restrict investment maturities other than commercial paper, which can only be purchased with a 270-day maturity. The weighted-average maturity is based on maturity date or contracted modified maturity date as applicable. At year end, the average maturities of investments are as follows:

Primary Government	Fair Value	Weighted- average Maturity
U.S. Treasury	\$ 52,916,016	1.25
Fiduciary Funds	Fair Value	Weighted- average Maturity
U.S. Treasury	\$ 516,879	1.25
Fixed-income mutual funds	173,295,618	*

\*The weighted-average maturity for \$173,295,618 of fixed-income mutual funds is not known based on the information available to the City as of June 30, 2024.

***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 minimizes credit risk by limiting investments to the safest types of securities. Financial institutions, broker/dealers, intermediaries, and advisers need to be prequalified to do business with the City. The policy also states that the investment portfolio will be diversified to minimize potential losses on individual securities. As of June 30, 2024, the credit quality ratings of debt securities (other than the U.S. government) are as follows:

Primary Government Investment Types	Fair Value	Rating
Comerica Government Cash Investment Fund	\$ 50,460,595	N/R
Fiduciary Funds	Fair Value	Rating
Fixed-income mutual funds	\$ 173,295,618	*

\*The credit quality ratings for \$173,295,618 of fixed-income mutual funds are not known based on the information available to the City as of June 30, 2024.

June 30, 2024

**Note 2 - Deposits and Investments (Continued)**

**Concentration of Credit Risk**

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The City places no limit on the amount that may be invested in any single issuer. At June 30, 2024, the City had more than 5.00 percent of its investments and cash in the following:

Fiduciary Funds	Percentage
Vanguard	22.18 %
Baird	8.96
Loomis Sayles Credit Asset Trust	5.73

**Component Units**

The component units did not have bank deposits subject to custodial credit risk (uninsured and uncollateralized). Investment securities held by the counterparty (or the counterparty's trust department) were not in the component units' names.

**Fair Value Measurements**

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

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

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

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at June 30, 2024
<b>Governmental and Proprietary Investment Types by Fair Value Measure</b>				
U.S. Treasurys	\$ -	\$ 52,916,016	\$ -	\$ 52,916,016
Investments measured at NAV - Comerica Government Cash Investment Fund				<u>50,460,595</u>
Total assets				<u>\$ 103,376,611</u>

June 30, 2024

**Note 2 - Deposits and Investments (Continued)**

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at June 30, 2024
<b>Fiduciary Investment Types by Fair Value Measure</b>				
Common stock:				
ADR	\$ 848,527	\$ -	\$ -	\$ 848,527
Equity	99,053,755	-	-	99,053,755
Foreign equity	9,255,908	-	-	9,255,908
U.S. equity	143,513,441	-	-	143,513,441
Real estate trust funds	4,145,613	-	-	4,145,613
Partnerships	35,447	-	2,135,195	2,170,642
Fixed income - U.S. Treasuries	469,649	48,715	-	518,364
Mutual funds:				
Fixed income	85,547,142	-	-	85,547,142
Foreign equity	-	14,534,804	-	14,534,804
Equity	105,432,935	-	-	105,432,935
Total mutual funds	<u>190,980,077</u>	<u>14,534,804</u>	<u>-</u>	<u>205,514,881</u>
Total	<u>\$ 448,302,417</u>	<u>\$ 14,583,519</u>	<u>\$ 2,135,195</u>	465,021,131
Investments measured at NAV:				
Equity funds				109,047,331
Fixed-income funds				87,748,476
Real estate funds				22,168,082
Other investments				<u>7,678,880</u>
Total assets				<u>\$ 691,663,900</u>

Component unit investments as of June 30, 2024 include \$1,522,421 of U.S government bonds whose fair value is measured using Level 1 inputs.

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

The fair value of U.S. Treasuries and mutual funds noted as Level 2 above was estimated using other inputs, such as interest rates and yield curves, that are observable at commonly quoted intervals.

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

**Investments in Entities that Calculate Net Asset Value per Share**

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

At June 30, 2024, the City had no unfunded commitments or redemption restrictions other than the notice periods noted below:

	Fair Value	Redemption Notice Period
Real estate	\$ 22,168,082	90 days

**Note 2 - Deposits and Investments (Continued)**

The Comerica Government Investment Fund is not registered with the SEC and does not issue a separate report. The fair value of the position in the pool is not the same as the value of the pool of shares since the pool does not meet the requirements under GASB 79 to report its value for financial reporting purposes at amortized cost. The equity funds class includes investments in commingled equity funds and limited partnerships and limited liability companies. The fixed-income class includes investments in commingled fixed-income funds. Both the equity funds fixed income investments include funds with various strategies designed to provide the plans with an overall diversified portfolio. The real estate funds class includes several real estate funds that invest primarily in U.S. commercial real estate and is composed primarily of real estate investments owned either directly or through partnership interests and mortgage and other loans on income-producing real estate. The other investments include liquid assets, such as money market funds. The fair values of the investments in these classes have been estimated using net asset value of the City's ownership interest in partners' capital.

**Note 3 - Capital Assets**

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

**Governmental Activities**

	Balance July 1, 2023	Transfers	Additions	Disposals and Adjustments	Balance June 30, 2024
Capital assets not being depreciated:					
Land	\$ 13,308,122	\$ -	\$ 31,969	\$ (12,969)	\$ 13,327,122
Right of ways	37,818	-	-	-	37,818
Construction in progress	718,242	(1,266,098)	9,048,189	(162,413)	8,337,920
Subtotal	14,064,182	(1,266,098)	9,080,158	(175,382)	21,702,860
Capital assets being depreciated:					
Infrastructure assets	211,430,641	-	20,501,134	-	231,931,775
Buildings and improvements	221,460,419	895,360	535,100	(80,721)	222,810,158
Machinery and equipment	63,337,736	393,419	10,668,676	(47,950)	74,351,881
Right-to-use assets - Equipment	292,634	-	463,789	(292,635)	463,788
Subtotal	496,521,430	1,288,779	32,168,699	(421,306)	529,557,602
Accumulated depreciation:					
Infrastructure assets	100,437,246	-	9,057,418	-	109,494,664
Buildings and improvements	94,190,883	-	4,876,246	(90,300)	98,976,829
Machinery and equipment	40,972,954	22,681	4,483,791	(27,735)	45,451,691
Right-to-use assets - Equipment	250,830	-	64,536	(292,634)	22,732
Subtotal	235,851,913	22,681	18,481,991	(410,669)	253,945,916
Net capital assets being depreciated	260,669,517	1,266,098	13,686,708	(10,637)	275,611,686
Net governmental activities capital assets	\$ 274,733,699	\$ -	\$ 22,766,866	\$ (186,019)	\$ 297,314,546

June 30, 2024

**Note 3 - Capital Assets (Continued)**

***Business-type Activities***

	Balance July 1, 2023	Transfers	Additions	Disposals and Adjustments	Balance June 30, 2024
Capital assets not being depreciated:					
Land	\$ 1,768,541	\$ -	\$ -	\$ -	\$ 1,768,541
Construction in progress	2,881,205	(4,713,460)	8,756,163	(46,938)	6,876,970
Subtotal	4,649,746	(4,713,460)	8,756,163	(46,938)	8,645,511
Capital assets being depreciated:					
Buildings	30,169,487	2,388,362	56,872	-	32,614,721
Machinery and equipment	46,761,064	8,431	1,516,031	-	48,285,526
Land improvements	979,479	-	-	-	979,479
Water system	175,435,537	2,293,986	-	-	177,729,523
Sewer system	382,938,948	-	-	-	382,938,948
Subtotal	636,284,515	4,690,779	1,572,903	-	642,548,197
Accumulated depreciation:					
Buildings	19,100,551	-	577,923	-	19,678,474
Machinery and equipment	34,476,483	(22,681)	3,149,881	-	37,603,683
Land improvements	421,723	-	30,150	-	451,873
Water system	56,244,102	-	2,356,967	-	58,601,069
Sewer system	69,417,786	-	5,054,130	-	74,471,916
Subtotal	179,660,645	(22,681)	11,169,051	-	190,807,015
Net capital assets being depreciated	456,623,870	4,713,460	(9,596,148)	-	451,741,182
Net business-type activities capital assets	\$ 461,273,616	\$ -	\$ (839,985)	\$ (46,938)	\$ 460,386,693

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

Governmental activities:	
General government	\$ 739,325
Public safety	2,459,391
Public works	11,525,826
Recreation and culture	2,810,794
Community improvement	946,655
Total governmental activities	<u>\$ 18,481,991</u>
Business-type activities:	
Water	\$ 2,647,215
Sewer	8,363,176
Housing	158,660
Total business-type activities	<u>\$ 11,169,051</u>

**Note 3 - Capital Assets (Continued)**

***Construction Commitments***

**Proprietary Funds**

The current National Pollution Discharge Elimination System (NPDES) permit M10025542 issued by the Michigan Department of Environmental Quality (MDEQ) specifies the schedule for the design and construction of the Combined Sewer Overflow (CSO) projects for various CSO outfalls. As required by the NPDES permit, no untreated CSO discharges to the Rouge River will be allowed past the date specified in the permit for specific outfalls. The City is aggressively working to meet the MDEQ deadlines for the CSO project. Four underground sinking caissons were constructed and are in operation to address CSO capture and overflow for part of the City (C4, C6, C7, and C8). For the remaining part of the City, the City is addressing the CSO control with sewer separation.

The structure for the Caisson C5, located at the intersection of Palmer Street and Colson Avenue, to address Outfall 016 had been abandoned, and the concrete walls below the ground had been demolished. The sewer separation alternative is being implemented in two phases, Phase 1 and Phase 2, to address Outfall 016. Phase 1 of construction is complete, which involved placement of larger diameter collector sewers on Ternes Street, within Ford Woods Park, and on Yinger Street. Phase 2 of construction is broken down as Phases 2A, 2B, 2C, and 2D. Construction for Phase 2A was completed in 2018, Phases 2B and 2D were completed in 2019. Construction for Phase 2C was completed in 2022.

The structure for the Caisson C3 located along the Rouge River, north of Rotunda Drive, to address Outfall 014 had been abandoned and the concrete walls below the ground had been demolished. The structure of the Caisson C2 located within the Greenfield Village Property along Southfield Service Drive, remains unfinished. Extensive ground freezing would be required to finish construction. The City is working with the Michigan Department of Environmental Quality (EGLE) to address both Outfalls 013 and 014. The structure of the unfinished Caisson C2 will be abandoned in a similar way as structures C3 and C5.

Construction in West Dearborn for Outfall 003 and 005 and CSO Control Program Phases 1, 2, and 4 sewer separations are complete. Phase 3 of the project was completed in 2022. Construction to address part of the drainage area for the Outfall 002 was completed in 2018. Construction for the remainder of Outfall 001 and Outfall 004 was completed in 2022.

So far, the City has completely addressed CSO Outfalls 001, 002, 003/005 Phase 3, 004, 005 to 012, 015, and 017 to 020.

The Sewer Fund cash and cash equivalents balance of \$27.1 million as of June 30, 2024 includes \$433 thousand earmarked for CSO projects.

The total cost of construction, including engineering and construction for the City's CSO project, is estimated at \$550 million. This amount does not include any litigation costs or other costs associated with contractor claims. The City has issued all of the authorized \$314.12 million in bonds to finance this project, in combination with Rouge River Wet Weather Demonstration grants and other grants. An additional \$60 million in financing authority was voted in August 2018.

As of June 30, 2024, approximately \$252.2 million in SRF low-interest loan bonds and \$80.2 million in general obligation bonds have been issued. This general obligation bond total includes an issuance of \$23.4 million in September 2018. The City uses the Sewer Fund to partially fund the separation projects. The water main portion of the project is funded by the Water Fund and/or open market bonds. In addition to the above special construction projects, the City expects to invest approximately \$750,000 annually in sewer rehabilitation projects.



**Note 3 - Capital Assets (Continued)**

The Public Works Engineering Division has a comprehensive water main replacement program under both the CSO Control Program and the annual water main replacement program. Deep excavation associated with sewer construction in CSO areas will impact the performance of the existing aged water mains; therefore, it is important that they be replaced as part of the CSO projects. In addition to replacing aged water mains in the CSO Control Program areas, Engineering plans to replace 12,000 to 15,000 linear feet of aging water mains, related gate valves, and fire hydrants with construction expenditures to be in the range of \$5 million annually.

Updates to the city campus powerhouse facility and related HVAC systems are still underway. Once complete, the updates will increase efficiency and lower utility costs. The total project estimate is \$21 million, with \$18.2 million exhausted and \$47 thousand committed as of fiscal year end.

The roof at the Ford Community and Performing Arts Center is also being replaced. The project is estimated to cost \$2.1 million and work began in 2023. The project is nearing completion, with two sections remaining. The project will be finalized after the glass curtainwall repairs are completed, scheduled for early 2025.

As previously mentioned, prior to the final two sections of the roof being replaced, the glass curtainwall at the Ford Community and Performing Arts Center is being repaired. The work began in 2024, with an estimated project cost of \$3.6 million, and is expected to be completed in early 2025.

The City has also embarked on creating three new PEACE parks with a total estimated design and construction cost of \$7.1 million. Construction has begun on PEACE Parks #1 and #2 in fiscal year 2024, with \$4.0 million exhausted and \$3.1 million committed as of fiscal year end. PEACE Park #1 is expected to be completed in the fall of calendar year 2024.

**Note 4 - Long-term Debt**

Long-term debt activity for the year ended June 30, 2024 can be summarized as follows:

**Governmental Activities**

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Bonds and notes payable - Other debt - General obligations	\$ 59,257,882	\$ -	\$ (3,702,737)	\$ 55,555,145	\$ 3,822,086
Leases	76,754	462,445	(115,273)	423,926	111,360
Compensated absences	6,509,263	5,016,674	(4,848,588)	6,677,349	2,738,869
Total governmental activities long-term debt	<u>\$ 65,843,899</u>	<u>\$ 5,479,119</u>	<u>\$ (8,666,598)</u>	<u>\$ 62,656,420</u>	<u>\$ 6,672,315</u>



June 30, 2024

**Note 4 - Long-term Debt (Continued)**

***Business-type Activities***

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Bonds and contracts payable					
Direct borrowings and direct placements:					
Clean Water and Drinking Water Revolving Fund bonds	\$ 85,044,835	\$ -	\$ (12,195,000)	\$ 72,849,835	\$ 12,365,000
Special assessment bonds	78,812	-	(78,812)	-	-
Total direct borrowings and direct placements	85,123,647	-	(12,273,812)	72,849,835	12,365,000
Other debt - General obligations	77,348,083	-	(2,422,202)	74,925,881	2,507,851
Total bonds and contracts payable	162,471,730	-	(14,696,014)	147,775,716	14,872,851
Compensated absences	439,588	539,783	(519,654)	459,717	283,770
Total business-type activities long-term debt	<u>\$ 162,911,318</u>	<u>\$ 539,783</u>	<u>\$ (15,215,668)</u>	<u>\$ 148,235,433</u>	<u>\$ 15,156,621</u>

***Component Units***

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Bonds and contracts payable					
Direct borrowings and direct placements - Loan due to DCC	\$ 85,217	\$ -	\$ (14,203)	\$ 71,014	\$ 14,203
Other debt - General obligations	14,688,246	-	(615,733)	14,072,513	630,733
Total component units long-term debt	<u>\$ 14,773,463</u>	<u>\$ -</u>	<u>\$ (629,936)</u>	<u>\$ 14,143,527</u>	<u>\$ 644,936</u>

By statute, the City's general obligation debt is restricted to 10 percent of the equalized value of all property in the City. At June 30, 2024, the City's general obligation debt margin amounted to approximately \$519,475,000.

***Description of Long-term Debt - Governmental Activities***

On May 18, 2017, the City issued \$10,780,000 in Limited Tax General Obligation Bonds with an interest rate of 3.00 percent. A total of \$2,300,000 of these proceeds was used to build a new aquatic facility at Ford Woods Park, and the remaining \$8,480,000 was used to redevelop infrastructure in West Downtown Dearborn related to the Wagner Place redevelopment project by Ford Motor Company. The first principal payment was due on May 1, 2020, and payments will continue to be due on May 1 through 2032.

On December 7, 2017, the City issued \$3,543,318 in Limited Tax General Obligation Bonds with an interest rate of 3.00 percent. The proceeds from the bonds will be used for the construction of the Dunworth pool dive well conversion and bath house replacement. The first principal payment was due on May 1, 2019, and payments will continue to be due on May 1 through 2038.

**Note 4 - Long-term Debt (Continued)**

On May 3, 2018, the City issued \$14,500,000 in Limited Tax General Obligation Bonds with an interest rate of 3.366 percent. The proceeds from the bonds will be used for the construction of the powerhouse improvement project. The first principal payment was due on May 1, 2019, and payments will continue to be due on May 1 through 2038.

On September 25, 2018, the City issued \$20,000,000 in Limited Tax General Obligation Bonds with an interest rate of 3.922 percent. The proceeds from the bonds were split between governmental activities and business-type activities. Of the \$20,000,000 in issued bonds, \$16,212,000 relates to governmental activities. The proceeds from the bonds were contributed to the City's General Employees' Retirement System, Chapter 22 Plan to pay a part of its unfunded pension liability. The first principal payment was due on May 1, 2019, and payments will continue to be due on May 1 through 2035.

On December 20, 2018, the City issued \$35,000,000 in Limited Tax General Obligation Bonds with an interest rate of 4.35 percent. The proceeds from the bonds were split between governmental activities and business-type activities. Of the \$35,000,000 in issued bonds, \$29,260,000 relates to governmental activities. The proceeds from the bonds were contributed to the City's Retiree Health Care Plan Trust to pay a part of its unfunded accrued health care liability. The first principal payment was due on May 1, 2019, and payments will continue to be due on May 1 through 2037.

***Description of Long-term Debt - Business-type Activities***

On September 23, 2004, the City and the Michigan Municipal Bond Authority entered into an agreement whereby the City would issue, and the Michigan Municipal Bond Authority would purchase, up to \$61,640,000 in principal of General Obligation Sewer Bonds, Series 2004A (Unlimited Tax General Obligation) for the construction of the Combined Sewer Overflow project. The City is obligated to pay interest at 1.625 percent per annum commencing on April 1, 2005 and semiannually thereafter. The first principal payment was due on April 1, 2008, and payments will continue to be due on April 1 through 2027.

On September 22, 2005, the City and the Michigan Municipal Bond Authority entered into an agreement whereby the City would issue, and the Michigan Municipal Bond Authority would purchase, up to \$72,895,000 in principal of General Obligation Sewer Bonds, Series 2005 (Unlimited Tax General Obligation) for the construction of the Combined Sewer Overflow project. The City is obligated to pay interest at 1.625 percent per annum commencing on April 1, 2006 and semiannually thereafter. The first principal payment was due on April 1, 2009, and payments will continue to be due on April 1 through 2028.

On June 22, 2006, the City and the Michigan Municipal Bond Authority entered into an agreement whereby the City would issue, and the Michigan Municipal Bond Authority would purchase, up to \$7,450,000 in principal of General Obligation Sewer Bonds, Series 2006 (Unlimited Tax General Obligation) for the construction of the Combined Sewer Overflow project. As of December, 2010, this portion of the project was administratively complete, and the final loan amount was \$7,182,942. The City is obligated to pay interest at 1.625 percent per annum commencing on October 1, 2006 and semiannually thereafter. The first principal payment was due on April 1, 2008, and payments will continue to be due on April 1 through 2027.

On September 20, 2007, the City and the Michigan Municipal Bond Authority entered into an agreement whereby the City would issue, and the Michigan Municipal Bond Authority would purchase, up to \$99,360,000 in principal of General Obligation Sewer Bonds, Series 2007 (Unlimited Tax General Obligation) for the construction of the Combined Sewer Overflow project. The City is obligated to pay interest at 1.625 percent per annum commencing on October 1, 2007 and semiannually thereafter. The first principal payment was due on April 1, 2011, and payments will continue to be due on April 1 through 2030.

**Note 4 - Long-term Debt (Continued)**

On September 28, 2009, the City and the Michigan Municipal Bond Authority entered into an agreement whereby the City would issue, and the Michigan Municipal Bond Authority would purchase, up to \$9,460,000 in principal of General Obligation Sewer Bonds, Series 2009 (Unlimited Tax General Obligation) for the construction of the Combined Sewer Overflow project. The City is obligated to pay interest at 2.50 percent per annum commencing on April 1, 2010 and semiannually thereafter. The first principal payment was due on April 1, 2012, and payments will continue to be due on April 1 through 2031. Of the authorized amount, \$3,784,000 is considered an American Recovery and Reinvestment Act (ARRA) grant. The maximum principal repayment will be \$5,676,000.

On September 28, 2009, the City and the Michigan Municipal Bond Authority entered into an agreement whereby the City would issue, and the Michigan Municipal Bond Authority would purchase, up to \$1,655,000 in principal of Water Supply System Revenue Bonds, Series 2009 (Limited Tax General Obligation) for the construction and installation of improvements to the City's water supply system. The revised final loan amount was \$1,453,020. The City is obligated to pay interest at 2.50 percent per annum commencing on April 1, 2010 and semiannually thereafter. The first principal payment was due on April 1, 2011, and payments will continue to be due on April 1 through 2024. Of the final loan amount, \$581,208 is considered an American Recovery and Reinvestment Act grant. The maximum principal repayment will be \$871,812.

On June 26, 2012, the City and the Michigan Municipal Bond Authority entered into an agreement whereby the City would issue, and the Michigan Municipal Bond Authority would purchase, up to \$7,465,000 in principal of General Obligation Sewer Bonds, Series 2009 (Unlimited Tax General Obligation) for the construction of the Combined Sewer Overflow project. The City is obligated to pay interest at 2.5 percent per annum commencing on October 1, 2012 and semiannually thereafter. The first principal payment was due on October 1, 2014, and payments will continue to be due on October 1 through 2033.

On April 9, 2013, the City and the Michigan Municipal Bond Authority entered into an agreement whereby the City would issue, and the Michigan Municipal Bond Authority would purchase, up to \$8,105,000 in principal of General Obligation Sewer Bonds, Series 2009 (Unlimited Tax General Obligation) for the construction of the Combined Sewer Overflow project. The City is obligated to pay interest at 2.5 percent per annum commencing on October 1, 2013 and semiannually thereafter. The first principal payment was due on October 1, 2015, and payments will continue to be due on October 1 through 2034. The amount drawn as of June 30, 2024 is \$7,980,889.

On July 15, 2014, the City issued \$20,085,000 in Unlimited Tax General Obligation Sewer Refunding Bonds, with interest rates ranging from 3.00 to 3.75 percent. The proceeds from these bonds were used to refinance the 2004 Series B Unlimited Tax General Obligation Sewer Bonds. The proceeds were used to purchase U.S. Certificates of Indebtedness - State and Local Government Securities (SLGS). Those securities were deposited into an irrevocable trust with an escrow agent and subsequently used to pay off the bonds, including a call premium, on August 15, 2014. The advance refunding reduces total debt service payments over 20 years by approximately \$2,423,000, which represents an economic gain of approximately \$1,919,000.

On December 12, 2014, the City and the Michigan Finance Authority entered into an agreement whereby the City would issue, and the Michigan Finance Authority would purchase, up to \$12,000,000 in principal of General Obligation Sewer Bonds, Series 2014 (Unlimited Tax General Obligation) for the construction of the Combined Sewer Overflow project. The City is obligated to pay interest at 2.50 percent per annum commencing on April 1, 2015 and semiannually thereafter. The first principal payment was due on October 1, 2017, and payments will continue to be due on October 1 through 2036. The amount drawn as of June 30, 2024 is \$12,000,000.

On May 18, 2017, the City issued \$10,700,000 in Unlimited Tax General Obligation Bonds with interest rates ranging from 3.00 to 3.50 percent. The proceeds from the bonds were used for the construction of the Combined Sewer Overflow project. The first principal payment was due on April 1, 2019, and payments will continue to be due on April 1 through 2043.

**Note 4 - Long-term Debt (Continued)**

On December 7, 2017, the City issued \$26,710,931 in Unlimited Tax General Obligation Bonds with interest rates ranging from 3.00 to 4.00 percent. The proceeds from the bonds were used for the construction of the Combined Sewer Overflow project. The first principal payment was due on April 1, 2020, and payments will continue to be due on April 1 through 2043.

On September 20, 2018, the City issued \$23,000,000 in Unlimited Tax General Obligation Bonds with an interest rate of 4.00 percent. The proceeds from the bonds were used for the construction of the Combined Sewer Overflow project. The first principal payment was due on April 1, 2020, and payments will continue to be due on April 1 through 2044.

On September 25, 2018, the City issued \$20,000,000 in Limited Tax General Obligation Bonds with an interest rate of 3.922 percent. The proceeds from the bonds were split between governmental activities and business-type activities. Of the \$20,000,000 in issued bonds, \$3,788,000 relates to business-type activities. The proceeds from the bonds were contributed to the City's General Employees' Retirement System, Chapter 22 Plan to pay a part of its unfunded pension liability. The first principal payment was due on May 1, 2019, and payments will continue to be due on May 1 through 2035.

On December 20, 2018, the City issued \$35,000,000 in Limited Tax General Obligation Bonds with an interest rate of 4.35 percent. The proceeds from the bonds were split between governmental activities and business-type activities. Of the \$35,000,000 in issued bonds, \$5,740,000 relates to business-type activities. The proceeds from the bonds were contributed to the City's Retiree Health Care Plan Trust to pay a part of its unfunded accrued health care liability. The first principal payment was due on May 1, 2019, and payments will continue to be due on May 1 through 2037.

***Description of Long-term Debt - Component Units***

On May 18, 2017, the Brownfield Redevelopment Authority issued \$7,655,000 in Limited Tax General Obligation Bonds with interest rates ranging from 3.00 to 3.75 percent. The proceeds from the bonds will be used to build a parking deck in West Downtown Dearborn related to the Wagner Place redevelopment project by Ford Motor Company. The first principal payment was due on May 1, 2020, and payments will continue to be due on May 1 through 2046.

On September 23, 2021, the Brownfield Redevelopment Authority issued \$8,325,000 in Limited Tax General Obligation Bonds with interest rates ranging from 2.00 to 2.125 percent. The proceeds from the bonds were used to advance refund \$8,570,000 of outstanding General Obligation Limited Tax Redevelopment Bonds.

June 30, 2024

**Note 4 - Long-term Debt (Continued)**

The following is a summary of the debt outstanding of the City as of June 30, 2024:

Purpose	Date Issued	Interest Rates	Outstanding
<b>Governmental Activities</b>			
2017 General Obligation Limited Tax Capital Improvement Bonds	May 18, 2017	3.00%	\$ 7,245,362
2017 General Obligation Limited Tax Capital Improvement Bonds	December 7, 2017	3.00%	2,720,323
2018 General Obligation Limited Tax Capital Improvement Bonds	May 3, 2018	3.366%	11,130,000
2018 General Obligation Limited Tax Pension Bonds	September 25, 2018	3.922%	11,753,700
2018 General Obligation Limited Tax OPEB Bonds	December 20, 2018	4.351%	<u>22,705,760</u>
Total governmental activities			<u>\$ 55,555,145</u>
<b>Business-type Activities</b>			
2004 Sewage Disposal System Clean Water Revolving Fund Bonds	September 23, 2004	2.125%	\$ 6,174,705
2005 Sewage Disposal System Clean Water Revolving Fund Bonds	September 22, 2005	1.625%	12,476,299
2006 Sewage Disposal System Clean Water Revolving Fund Bonds	June 22, 2006	1.625%	1,227,941
2007 Sewage Disposal System Clean Water Revolving Fund Bonds	September 20, 2007	1.625%	33,240,000
2009 Sewage Disposal System Clean Water Revolving Fund Bonds	September 28, 2009	2.50%	2,310,000
2012 Sewage Disposal System Clean Water Revolving Fund Bonds	June 26, 2012	2.50%	4,200,000
2013 Sewage Disposal System Clean Water Revolving Fund Bonds	April 9, 2013	2.50%	4,765,889
2014 Sewage Disposal System General Obligation Unlimited Tax Refunding Bonds	July 15, 2014	3.00% to 3.75%	12,322,866
2014 Sewage Disposal System Clean Water Revolving Fund Bonds	December 12, 2014	2.50%	8,455,000
2017 Sewage Disposal System General Obligation Unlimited Tax Bonds	May 18, 2017	3.00% to 3.50%	8,949,968
2017 Sewage Disposal System General Obligation Unlimited Tax Bonds	December 7, 2017	3.00% to 4.00%	24,432,508
2018 Sewage Disposal System General Obligation Unlimited Tax Bonds	September 20, 2018	4.00%	22,020,000
2018 General Obligation Limited Tax Pension Bonds	September 25, 2018	3.922%	2,746,300
2018 General Obligation Limited Tax OPEB Bonds	December 20, 2018	4.351%	<u>4,454,240</u>
Total business-type activities			<u>\$ 147,775,716</u>
<b>Component Units</b>			
2021 Limited Tax General Obligation Development Refunding Bonds	September 23, 2021	2.00%	\$ 7,425,583
2017 General Obligation Limited Tax Redevelopment Bonds	May 18, 2017	3.00%	6,646,930
Loan due to DCC (Note 16)	March 1, 2012	0%	<u>71,014</u>
Total component units			<u>\$ 14,143,527</u>

**Note 4 - Long-term Debt (Continued)**

**Other Long-term Liabilities**

Compensated absences attributable to the governmental activities will be liquidated primarily by the General, Library, Facilities, and Information Systems funds.

**Debt Service Requirements to Maturity**

The annual requirements to service all debt outstanding as of June 30, 2024 (excluding sick, vacation, and PTO benefits), including both principal and interest, are as follows:

Years Ending June 30	Governmental Activities		Business-type Activities			
	Other Debt		Direct Borrowings and Direct Placements		Other Debt	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 3,822,086	\$ 2,112,726	\$ 12,365,000	\$ 1,347,912	\$ 2,507,851	\$ 2,672,842
2026	4,059,671	1,982,990	12,550,000	1,124,205	2,600,266	2,591,937
2027	4,101,435	1,844,008	12,922,647	896,962	2,698,502	2,506,630
2028	4,247,252	1,700,419	10,606,299	663,170	3,717,685	2,416,127
2029	4,401,429	1,548,972	7,470,000	477,168	4,293,508	2,289,300
2030-2034	22,559,452	5,191,062	14,260,000	910,208	24,326,393	9,053,273
2035-2039	12,363,820	1,065,615	2,675,889	88,133	18,350,169	5,018,582
2040-2044	-	-	-	-	16,431,507	1,738,343
2045-2048	-	-	-	-	-	-
<b>Total</b>	<b>\$ 55,555,145</b>	<b>\$ 15,445,792</b>	<b>\$ 72,849,835</b>	<b>\$ 5,507,758</b>	<b>\$ 74,925,881</b>	<b>\$ 28,287,034</b>

**Component Units**

Years Ending June 30	Direct Borrowings and Direct Placements		Other Debt	
	Principal	Interest	Principal	Interest
	2025	\$ 14,203	\$ -	\$ 630,733
2026	14,203	-	645,733	363,409
2027	14,203	-	660,733	348,609
2028	14,203	-	690,733	333,459
2029	14,202	-	705,733	317,509
2030-2034	-	-	3,778,663	1,332,696
2035-2039	-	-	4,263,663	845,623
2040-2044	-	-	1,856,802	373,530
2045-2048	-	-	839,720	47,811
<b>Total</b>	<b>\$ 71,014</b>	<b>\$ -</b>	<b>\$ 14,072,513</b>	<b>\$ 4,340,505</b>

**Note 5 - Interfund Receivables, Payables, and Transfers**

The composition of interfund balances is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor governmental funds	\$ 108,378
Nonmajor governmental funds	Nonmajor governmental funds	297,726
	Internal service funds	60,610
	Total nonmajor governmental funds	358,336
Major Sewer Fund	Nonmajor governmental funds	45,488
	Water Fund	7,370
	Nonmajor governmental funds	52,858
Internal service funds	General Fund	324,549
	Total	<u>\$ 844,121</u>

The balance of amounts loaned to (borrowed from) discretely presented component units is as follows:

Receivable	Payable	Amount
Dix-Vernor Business District Improvement Authority	Nonmajor governmental funds	\$ 24,158
Internal service funds	East Dearborn Downtown Development Authority	561,000
	Total	<u>\$ 585,158</u>

These balances result from the time lag between the dates that goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system, and payments between funds/component units are made. The East Dearborn Downtown Development Authority will reimburse the internal service funds once grant reimbursed is received.



**Note 5 - Interfund Receivables, Payables, and Transfers (Continued)**

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

Receiving Fund (Transfer In)	Paying Fund (Transfer Out)	Amount
General Fund	Nonmajor governmental funds	\$ 25,000
	Major Sewer Fund	768,455
	Total General Fund	793,455
Nonmajor governmental funds	General Fund	383,086
	Nonmajor governmental funds	4,952,747
	Major Sewer Fund	300,000
	Internal service funds	4,983,755
	Total nonmajor governmental funds	10,619,588
Internal service funds	General Fund	3,227,957
	Nonmajor governmental funds	2,169,954
	Nonmajor enterprise funds	25,633
	Major Sewer Fund	43,400
	Major Water Fund	88,549
	Internal service funds	316,109
	Total internal service funds	5,871,602
	Total	\$ 17,284,645

The transfers from the nonmajor governmental funds and Major Sewer Fund to the General Fund were for the return of unused project funds. The transfers to internal service funds were to use revenue collected in one fund to finance various programs accounted for in the other fund in accordance with budgetary authorizations. The transfers from nonmajor governmental funds to other nonmajor governmental funds were to move revenue from the fund that statute requires to collect them to the funds that statute requires to expend them. The transfers from the General Fund and internal service funds to nonmajor governmental funds were to use unrestricted revenue collected in one fund to finance various programs accounted for in the other fund in accordance with budgetary authorizations. The transfer from the Major Sewer Fund to the nonmajor governmental funds represents the contribution for the purchase of land.

**Note 6 - Pension Plans**

***Plan Description***

The City of Dearborn, Michigan provides various retirement benefits to employees who meet the eligibility requirements, including age and years of service. The benefits are provided through the Municipal Employees' Retirement System of Michigan (MERS), an agent multiple-employer plan, administered by MERS; the Policemen's and Firemen's Retirement System (Chapter 21), a single-employer plan administered by the City; the General Employees' Retirement System (Chapter 22), a single-employer plan administered by the Chapter 22 Pension Board; the Police and Fire Revised Retirement System (Chapter 23), a single-employer plan administered by the Chapter 23 Pension Board; and the City of Dearborn Defined Contribution Plan, a defined contribution plan administered by the City.

The City accounts for the Chapters 21, 22, and 23 pension plans as pension trust funds. Management of the plans is vested in the pension board for Chapters 22 and 23 and with the City for Chapter 21. The Chapter 22 Pension Board consists of five members - two elected by plan members, one appointed by the mayor, one appointed by the City Council, and one appointed by the Civil Service Commission. The Chapter 23 Pension Board consists of seven members - four elected by plan members, two appointed by the mayor, and one appointed by the City Council. The Chapters 21, 22, and 23 pension plans do not issue separate stand-alone financial statements.



**Note 6 - Pension Plans (Continued)**

The Chapters 21, 22, and 23 plans are all closed to newly hired employees. Employees not covered by these plans are eligible for either the City's defined contribution plan or, for police and fire, the optional Municipal Employees' Retirement System of Michigan defined benefit plan.

In 2009, the City of Dearborn, Michigan began participation in an agent multiple-employer defined benefit pension plan administered by the Municipal Employees' Retirement System of Michigan that covers police employees hired on or after July 1, 2005 and fire employees hired on or after May 1, 2009. MERS was established as a statewide public employee pension plan by the Michigan Legislature under PA 135 of 1945 and is administered by a nine-member retirement board. MERS issues a publicly available financial report that includes the financial statements and required supplementary information of this defined benefit plan. This report can be obtained at [www.mersofmich.com](http://www.mersofmich.com) or in writing to MERS at 1134 Municipal Way, Lansing, MI 48917.

The City established a defined contribution plan under Sections 401(a) and 457 of the Internal Revenue Code for general employees who were hired on or after January 1, 2002, depending on bargaining unit. New police officers were added to the plan as of July 1, 2005. The plan became optional for new police officers and firefighters hired in or after 2009.

In addition, the plan covers all general employees who elected to transfer from the City's defined benefit pension plan.

The defined contribution plan is administered by Prudential Retirement. The plan is established by authority of the City Council. The City Council has the authority to amend the plan's provisions.

***Benefits Provided***

**Chapter 21 Benefits**

The last active member retired in the plan year ended June 30, 1995. The plan contains an "unlimited escalator" provision, which calls for annuity payments to be changed automatically whenever the active member pay schedule changes for Chapter 23. If a member had elected an optional form of benefit and the beneficiary were to predecease the member, the amount payable to the member would "pop up" to the amount that would have been payable if the optional form had not been elected. This "pop-up" benefit was provided at no cost to the retiring member.

**Chapter 22 Benefits**

A member may retire after either attaining age 55 (age 50 for police dispatch members) and completing 25 years of service or after attaining age 60 and completing 10 years of service.

Benefits are calculated at 2.50 percent of final average earnings times the first 26 years of credited service plus 1.75 percent of final average earnings times the next 3 years of credited service and 2.25 percent for the 30th year of service. Final average earnings means the average of the member's highest annual pays received during any 3 consecutive years of service contained within the last 10 years of credited service.

***Optional Forms of Benefit***

Retiring members may elect to receive a reduced retirement allowance with the provision that a portion (100 percent, 75 percent, or 50 percent) of the reduced amount will continue to a beneficiary after the death of the retiree. The reduction amount is based upon 7.00 percent; the Pub-2010 Mortality Table projected to 2030 using mortality improvement scale MP-2019; and the ages of the retiree and beneficiary on the member's voluntary retirement date. If a member elects an optional form and the beneficiary predeceases the member, the amount payable to the member "pops up" to the amount that would have been payable if the optional form had not been elected. This "pop-up" benefit is provided at no cost to the retiring member.

**Note 6 - Pension Plans (Continued)**

*Deferred Retirement*

A member with 10 or more years of service who leaves city employment before retirement receives an annuity computed in the same manner as an age and service annuity, with payments beginning upon application at voluntary retirement age.

*Disability Retirement*

A member who becomes totally and permanently disabled from duty-connected causes before attaining age 60 receives, subject to offsetting for workers' compensation, Social Security, and other remuneration, a duty disability annuity computed in the same manner as an age and service annuity, including service credit for the period from disability to age 60.

A member with 10 or more years of service who becomes totally and permanently disabled from other than duty-connected causes receives, subject to offsetting for workers' compensation, Social Security, and other remuneration, a nonduty disability annuity computed in the same manner as an age and service annuity.

*Death of a Member*

Upon the death of a member, the surviving dependents receive, subject to offsetting for workers' compensation and Social Security, the following benefits:

(a) The spouse receives an annuity equal to the Option B-100 annuity (joint and 100 percent survivor actuarial equivalent benefit), which would have been payable had the deceased member retired at the time of death and elected Option B-100. The minimum annuity payable to the spouse is 20 percent of the member's final average earnings.

(b) The dependent children under age 18 (23 if they are full-time students) each receive an annuity of 15 percent of the member's final average earnings until they reach age 18 (23 if they are full-time students). If there are four or more dependent children, each child receives an equal share of 50 percent of the member's final average earnings until they reach the above ages.

(c) If there is neither a spouse nor dependent children, each dependent parent receives an annuity equal to 15 percent of final average earnings.

**Chapter 23 Benefits**

A member may retire after either completing 25 years of service regardless of age or completing 10 years of service and attaining age 55. A member must retire upon attaining age 60, except that, under certain conditions, a member may be extended in service to age 65.

Fire members - Benefits are calculated at final average earnings times the sum of 2.8 percent times the first 26 years of service plus 2.2 percent times the next 1 year of service plus 1 percent times the next 3 years of service, with a maximum of 78 percent.

Police nonsupervisory members - Benefits are calculated at final average earnings times the sum of 2.8 percent times the first 25 years of service plus 2.5 percent times the next 26 and 27 years of service, with a maximum of 75 percent, and 1.0 percent times the next 3 years, with a maximum of 78 percent.

Police supervisory and command staff members - Benefits are calculated at final average earnings times the sum of 2.8 percent times the first 24 years of service plus 3.8 percent times the next 1 year of service plus 1.4 percent times the next 5 years of service, with a maximum of 78 percent.

**Note 6 - Pension Plans (Continued)**

*Annuity Withdrawal*

Upon retirement, a member may withdraw a lump sum not to exceed the amount of his or her accumulated member contributions (not including interest) at time of retirement. The life allowance otherwise payable is not reduced to reflect the withdrawal of contributions. A member may also make an annuity withdrawal after 25 years of credited service.

*Optional Forms of Benefit*

Retiring members may elect to receive a reduced retirement allowance with the provision that a portion (100 percent, 75 percent, or 50 percent) of the reduced amount will continue to a beneficiary after the death of the retiree. The reduction amount is based upon 7.00 percent, the Pub-2010 Mortality Table projected to 2030 with mortality improvement scale MP-2019 with a 95 percent unisex blend; a 2 percent compound cost of living allowance (COLA) with a 2-year delay; and the ages of the retiree and beneficiary on the retirement date or the member's 25-year service anniversary if earlier. If a member elects an optional form and the beneficiary predeceases the member, the amount payable to the member "pops up" to the amount that would have been payable if the optional form had not been elected. This "pop-up" benefit is provided at no cost to the retiring member.

*Deferred Retirement*

A member with 10 or more years of service who leaves city employment before retirement is entitled to receive an allowance computed in the same manner as an age and service allowance, with payments beginning upon the member's application at age 55 or when the member would have attained 25 years of service, whichever is earlier.

*Disability Retirement*

A member who becomes totally and permanently disabled from duty-connected causes receives, subject to offsetting for workers' compensation, Social Security, and other remuneration, a duty disability allowance equal to 70 percent of final average earnings.

A member with 10 or more years of service who becomes totally and permanently disabled from other than duty-connected causes receives, subject to offsetting for workers' compensation, Social Security, and other remuneration, a nonduty disability allowance computed in the same manner as an age and service allowance.

*Death of a Member*

Upon the death of a member, the surviving dependents receive, subject to offsetting for workers' compensation and Social Security, the following benefits:

(a) The spouse receives an annuity equal to the Option B-100 annuity (joint and 100 percent survivor actuarial equivalent benefit), which would have been payable had the deceased member retired at the time of death and elected Option B-100. The minimum annuity payable to the spouse is 20 percent of the member's final average earnings.

(b) The dependent children under age 18 (23 if they are full-time students) each receive an annuity of 15 percent of the member's final average earnings until they reach age 18 (or 23). If there are four or more dependent children, each child receives an equal share of 50 percent of the member's final average earnings until they reach the above ages.

(c) If there is neither a spouse nor dependent children, each dependent parent receives an annuity equal to 15 percent of final average earnings.

**Note 6 - Pension Plans (Continued)**

**MERS Plan Benefits**

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

	Police Hired after July 1, 2005
	2023 Valuation
Benefit multiplier	2.80% Multiplier for Svc < 25 yrs 2.50% Multiplier for 26-27 yrs 1.00% Multiplier for 28-30 yrs 0.00% Multiplier for Svc > 30 yrs (78% max)
Normal retirement age	60
Vesting	10 years
Early retirement (unreduced)	Age 50/25 years of service
Early retirement (reduced)	Age 55/15 years of service
Final average compensation	3 years
Employee contributions	6.00%
D-2	D2 (25%)
Act 88	No
	Fire Hired on or after May 1, 2009
	2023 Valuation
Benefit multiplier	Bridged benefit: 2.50% multiplier (80% max) Termination FAC 2.80% multiplier for service < 26 years 2.20% multiplier for year 27 1.00% multiplier for 28-30 years 0% multiplier for service > 30 years (78% max)
Bridged benefit data	3/31/2017
Normal retirement age	60
Vesting	10 years
Early retirement (unreduced)	Age 50/25 years of service
Early retirement (reduced)	Age 55/15 years of service
Final average compensation	3 years
Employee contributions	5.00%
D-2	D2 (25%)
Act 88	No

Police hired after December 31, 2016 have the same benefit provisions as the table above with the exception of having an employee contribution rate of 7.50 percent.

Employees are eligible for nonduty disability benefits after 10 years of service and for duty-connected disability benefits upon hire. An employee who leaves service may withdraw his or her contributions plus any accumulated interest.

***Disability Retirement***

A member who becomes totally and permanently disabled from duty-connected causes receives, subject to offsetting for workers' compensation, Social Security, and other remuneration, a duty disability allowance. The member shall be paid a retirement allowance in an amount that is the greater of the following:

- (a) 25 percent of the member's final average compensation, or as determined by the Defined Benefits Formula

**Note 6 - Pension Plans (Continued)**

(b) 10 years of credited service in addition to the member's actual period of credited service provided that the total years of credited service may not exceed the greater of 30 years or the member's actual period of credited service. In all cases where the retirement allowance benefit program in effect imposes a limitation on the maximum amount of retirement allowance payable, then the Benefit Program D-2 allowance shall not exceed such limitation.

A member with 10 or more years of service who becomes totally and permanently disabled from other than duty-connected causes receives, subject to offsetting for workers' compensation, Social Security, and other remuneration, a nonduty disability allowance computed in the same manner as an age and service allowance.

*Death of a Member - Duty*

Upon the death of a member that is the result of a work-related injury or illness, the surviving dependents receive, subject to offsetting for workers' compensation and Social Security, the following benefits:

(a) The amount of retirement allowance paid a surviving spouse shall not be less than 25 percent of the deceased member's final average compensation.

(b) The amount of retirement allowance paid a surviving child shall not be less than an equal share of 25 percent of the deceased member's final average compensation.

(c) Under Benefit Program D-2, the amount of retirement allowance paid a surviving spouse or surviving child shall not be less than the amount computed as if the member had acquired 10 years of credited service in addition to the member's actual period of credited service, provided that the total years of credited service may not exceed the greater of 30 years or the member's actual period of credited service. In all cases where the retirement allowance Benefit Program in effect imposes a limitation on the maximum amount of retirement allowance payable, then the Benefit Program D-2 allowance shall not exceed such limitation.

Vesting is not required.

*Death of a Member - Nonduty*

Upon the death of a member that is the result of a non-work-related injury or illness, the surviving dependents will receive, subject to offsetting for workers' compensation and Social Security, the following benefits:

(a) The surviving spousal beneficiary will receive the greater of a lifetime benefit of at least 85 percent of the defined benefit formula or the survivor benefit payment option.

(b) Children (not named as survivor beneficiary) would equally share a total of 50 percent of the employees straight life benefit until they are age 21 or married.

Vesting is required based on the member's collective bargaining agreement. There are no provisions for benefit changes after retirement.

Benefit terms, within the parameters established by MERS, are generally established and amended by authority of the City Council, usually after negotiation of these terms with the associated unions. Police and fire employees' benefit terms may be subject to binding arbitration in certain circumstances.

**Defined Contribution Plan Benefits**

In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings.

**Note 6 - Pension Plans (Continued)**

***Benefit Changes after Retirement***

**Chapter 21**

The plan contains an "unlimited escalator" provision that calls for annuity payments to be changed automatically whenever the active member pay schedule changes for Chapter 23.

**Chapter 22**

There are no provisions for benefit changes after retirement.

**Chapter 23**

The cap on all raises is the lower of the rate of inflation or 2 percent. The provision provides compound increases after retirement.

***Fire***

Retirements after July 1, 2002 provide increases each January 1 or July 1, beginning with the January 1 or July 1 that is at least 24 full months after retirement. Persons retired prior to July 1, 2002 are covered by different provisions. All increases are based on each retiree's applicable collective bargaining agreement.

***Police***

Nonsupervisory members retiring after July 1, 2004 receive raises starting on the January 1 or July 1 two years after retirement. Persons retired prior to July 1, 2004 are covered by different provisions. Police supervisory and command staff members retiring after July 1, 2001 receive raises starting 24 full months after retirement. Persons retired prior to July 1, 2001 are covered by different provisions. All increases are based on each retiree's applicable collective bargaining agreement.

There are no changes to benefits after retirement for employees in the MERS plan.

***Employees Covered by Benefit Terms***

The following members were covered by the benefit terms:

	Chapter 21	Chapter 22	Chapter 23	MERS
Date of member count	June 30, 2023	June 30, 2023	June 30, 2023	December 31, 2023
Retirees and beneficiaries currently receiving benefits	21	575	460	1
Terminated employees entitled to benefits but not yet receiving them	-	28	3	5
Active plan members	-	51	90	240

***Contributions***

The financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to the plan are recognized when due pursuant to legal requirements. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. All plan investments are recorded at fair value. Please refer to Note 1 for further significant accounting policies.

**Note 6 - Pension Plans (Continued)**

**Chapters 21, 22, and 23 Plans**

The obligation to contribute to and maintain the systems for these employees was established by negotiations with the City's collective bargaining units. Police and fire employees participating in the Police and Fire Revised Retirement System contribute a refundable 5 percent of covered wages. Effective January 1, 2013, as established by the City through collective bargaining agreements, general employees participating in the General Employees' Retirement System are required to make a 5 percent nonrefundable contribution into their pension system. Effective February 9, 2023, general employees participating in the General Employee's Retirement System are required to make a 6 percent nonrefundable contribution into their pension system. Effective July 1, 2023, general employees are required to make a 7 percent nonrefundable contribution into their pension system.

Article 9, Section 24 of the State of Michigan constitution requires that financial benefits arising on account of employee service rendered in each year be funded during that year. Accordingly, the pension boards retain an independent actuary to determine the annual contribution. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. The City's contribution rate was 71.3 percent of covered payroll for Chapter 22, and the Chapter 23 contribution rate was an average 124.9 percent for police and fire members combined. Employer contributions are made primarily by the City's General Fund where the majority of pension plan members are employed. Other funds that make contributions include certain special revenue funds, enterprise funds, and internal service funds that also have employees who are members of the pension plans.

**MERS Plan**

Article 9, Section 24 of the State of Michigan constitution requires that financial benefits arising on account of employee service rendered in each year be funded during that year. Accordingly, MERS retains an independent actuary to determine the annual contribution. The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by the MERS retirement board. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. The employer may establish contribution rates to be paid by its covered employees. For the year ended December 31, 2023, the average active employee contribution rate was 5 percent of annual pay for fire and 6 percent for police in Division 2 and 7.50 percent for police in Division 20 (new hires), and the City's average contribution rate was 11.74 percent (police) and 12.39 percent (fire) of annual payroll.

**Defined Contribution Plan**

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

	<u>General Employees</u>		<u>Police and Fire Employees</u>	
	<u>Employee Contribution (Minimum Amount)</u>	<u>Employer Contribution</u>	<u>Employee Contribution (Minimum Amount)</u>	<u>Employer Contribution</u>
401 plan (required)	2.00 %	2.00 %	5.00 %	5.00 %
457 plan (up to amount)	6.00	6.00	5.00	5.00

The City's contributions for each employee (plus interest allocated to the employee's account) are fully vested after five years of service and are vested immediately for employees transferring from the existing defined benefit pension plan.

In accordance with the above requirements, the City contributed \$633,175 during the current year, and employees contributed \$1,617,459.



**Note 6 - Pension Plans (Continued)**

**Reserves**

In accordance with legal requirements, the following reserves are required to be set aside within the Chapters 21, 22, and 23 pension plans:

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

The employee reserve is credited as employee contributions are received throughout the year; the plan maintains a record of the amount contributed by each employee. For employees who terminate before vesting in the plan, their balances are returned to them; for those who stay until retirement, the balance is transferred into the retiree reserve.

The balances of the reserve accounts at June 30, 2024 are as follows:

	Chapter 21	Chapter 22	Chapter 23
Retiree reserve	\$ 26,914,609	\$ 161,527,129	\$ 337,140,021
Employee reserve	-	86,055	6,420,864
Total	<u>\$ 26,914,609</u>	<u>\$ 161,613,184</u>	<u>\$ 343,560,885</u>

**Net Pension (Asset) Liability**

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

	Chapter 21	Chapter 22	Chapter 23	MERS
Measurement date used for the City's net pension (asset) liability	June 30, 2024	June 30, 2024	June 30, 2024	December 31, 2023
Based on a comprehensive actuarial valuation as of	June 30, 2023	June 30, 2023	June 30, 2023	December 31, 2023

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

**Chapter 21**

Changes in Net Pension Asset	Increase (Decrease)		
	Total Pension Liability	Plan Net Position	Net Pension Asset
<b>Balance at July 1, 2023</b>	\$ 5,068,417	\$ 23,447,969	\$ (18,379,552)
Changes for the year:			
Interest	277,627	-	277,627
Differences between expected and actual experience	(734,099)	-	(734,099)
Net investment income	-	4,419,324	(4,419,324)
Benefit payments, including refunds	(882,590)	(882,590)	-
Administrative expenses	-	(70,094)	70,094
Net changes	<u>(1,339,062)</u>	<u>3,466,640</u>	<u>(4,805,702)</u>
<b>Balance at June 30, 2024</b>	<u>\$ 3,729,355</u>	<u>\$ 26,914,609</u>	<u>\$ (23,185,254)</u>



**Note 6 - Pension Plans (Continued)**

The plan's fiduciary net position represents 721.7 percent of the total pension liability.

**Chapter 22**

Changes in Net Pension Liability	Increase (Decrease)		
	Total Pension Liability	Plan Net Position	Net Pension Liability
<b>Balance at July 1, 2023</b>	\$ 191,879,343	\$ 157,766,410	\$ 34,112,933
Changes for the year:			
Service cost	429,946	-	429,946
Interest	12,884,519	-	12,884,519
Differences between expected and actual experience	2,345,459	-	2,345,459
Contributions - Employer	-	2,552,753	(2,552,753)
Contributions - Employee	-	249,948	(249,948)
Net investment income	-	17,213,526	(17,213,526)
Benefit payments, including refunds	(16,089,590)	(16,089,590)	-
Administrative expenses	-	(79,863)	79,863
Net changes	(429,666)	3,846,774	(4,276,440)
<b>Balance at June 30, 2024</b>	<b>\$ 191,449,677</b>	<b>\$ 161,613,184</b>	<b>\$ 29,836,493</b>

The plan's fiduciary net position represents 84.4 percent of the total pension liability.

**Chapter 23**

Changes in Net Pension Liability	Increase (Decrease)		
	Total Pension Liability	Plan Net Position	Net Pension Liability
<b>Balance at July 1, 2023</b>	\$ 447,971,537	\$ 323,251,327	\$ 124,720,210
Changes for the year:			
Service cost	3,413,716	-	3,413,716
Interest	30,520,390	-	30,520,390
Changes in benefits	309,620	-	309,620
Differences between expected and actual experience	1,666,852	-	1,666,852
Contributions - Employer	-	12,697,501	(12,697,501)
Contributions - Employee	-	498,430	(498,430)
Net investment income	-	34,609,941	(34,609,941)
Benefit payments, including refunds	(27,345,659)	(27,345,659)	-
Administrative expenses	-	(125,139)	125,139
Miscellaneous other charges	-	(25,516)	25,516
Net changes	8,564,919	20,309,558	(11,744,639)
<b>Balance at June 30, 2024</b>	<b>\$ 456,536,456</b>	<b>\$ 343,560,885</b>	<b>\$ 112,975,571</b>

The plan's fiduciary net position represents 75.3 percent of the total pension liability.

**Note 6 - Pension Plans (Continued)**

**MERS**

Changes in Net Pension Liability	Increase (Decrease)		
	Total Pension Liability	Plan Net Position	Net Pension Liability
<b>Balance at December 31, 2022</b>	\$ 40,909,950	\$ 35,163,060	\$ 5,746,890
Changes for the year:			
Service cost	3,491,760	-	3,491,760
Interest	3,085,519	-	3,085,519
Differences between expected and actual experience	1,078,494	-	1,078,494
Changes in assumptions	640,239	-	640,239
Contributions - Employer	-	2,447,355	(2,447,355)
Contributions - Employee	-	1,277,048	(1,277,048)
Net investment income	-	4,219,438	(4,219,438)
Benefit payments, including refunds	(193,886)	(193,886)	-
Administrative expenses	-	(86,886)	86,886
Net changes	8,102,126	7,663,069	439,057
<b>Balance at December 31, 2023</b>	<u>\$ 49,012,076</u>	<u>\$ 42,826,129</u>	<u>\$ 6,185,947</u>

The plan's fiduciary net position represents 87.4 percent of the total pension liability.

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

For the year ended June 30, 2024, the City recognized pension expense of \$19,588,264 from all plans, which includes defined contribution expense of \$633,175.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 1,560,226	\$ 493,168
Changes in assumptions	2,923,957	-
Net difference between projected and actual earnings on pension plan investments	1,984,707	966,025
Employer contributions to the plan subsequent to the measurement date	1,357,003	-
Total	<u>\$ 7,825,893</u>	<u>\$ 1,459,193</u>

**Note 6 - Pension Plans (Continued)**

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows. These amounts are exclusive of the employer contributions to the MERS plan of \$1,357,003 subsequent to the measurement date, which will impact the net pension liability in fiscal year 2025 rather than pension expense:

Years Ending June 30	Amount
2025	\$ (6,105,594)
2026	16,862,476
2027	(3,741,561)
2028	(4,252,524)
2029	436,029
Thereafter	<u>1,810,871</u>
Total	<u>\$ 5,009,697</u>

**Actuarial Assumptions**

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

	Chapter 21	Chapter 22	Chapter 23	MERS
Price inflation	2.75%	2.5%	2.5%	2.5%
Salary increases (including inflation)	N/A	3.15% to 6.05%	2.75% - 6.25%	3.00% - 9.70%
Investment rate of return (gross of investment expenses)	6%	7%	7%	7.18%
Mortality rates	Pub-2010	Pub-2010	Pub-2010	Pub-2010

The Chapter 22 actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period from 2013 through 2018 conducted by the City's actuary and adopted by the Chapter 22 Pension Board in July 2019.

The Chapter 23 actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period from 2013 through 2018 conducted by the City's actuary and adopted by the Chapter 23 Pension Board in July 2019.

The MERS actuarial assumptions used in the December 31, 2023 valuation were based on the results of an actuarial experience study for the period from 2014 through 2018.

**Discount Rate**

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

	Chapter 21	Chapter 22	Chapter 23	MERS
Assumed investment rate of return	6.0%	7.0%	7.0%	7.18%
Are contributions expected to be sufficient to allow fiduciary net position to pay future benefits?	Yes	Yes	Yes	Yes
Discount rate used to measure total pension liability	6.0%	7.0%	7.0%	7.18%

**Note 6 - Pension Plans (Continued)**

***Investment Rate of Return***

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return as of the June 30, 2024 measurement date (December 31, 2023 for MERS) for each major asset class included in the pension plan's target asset allocation, as disclosed in the investment note, are summarized in the following tables:

**Chapter 21**

Asset Class	Target Allocation	Long-term Expected Real Rate of Return*
Large-cap equity	25.00 %	5.76 %
Small/Mid-cap equity	15.00	5.56
International equity	13.00	4.68
Emerging international equity	7.00	5.66
Core bonds	17.00	1.17
Emerging market debt	6.00	4.10
Diversified credit	5.00	1.17
Absolute return fixed income	5.00	2.63
Real estate - Core	4.00	4.39
Private equity	3.00	10.24

\*Real rate of return is based on investment manager inflation assumption of 2.5 percent.

**Chapter 22**

Asset Class	Target Allocation	Long-term Expected Real Rate of Return*
Large-cap equity	22.00 %	5.76 %
Small/Mid-cap equity	12.00	5.56
International equity	13.00	4.68
Emerging international equity	5.00	5.66
Core bonds	20.00	1.17
Emerging market debt	4.00	4.10
Diversified credit	4.00	1.17
Absolute return fixed income	5.00	2.63
Real estate - Core	8.00	4.39
Private debt	3.00	6.34
Private equity	4.00	10.24

\*Real rate of return is based on investment manager inflation assumption of 2.5 percent.

**Note 6 - Pension Plans (Continued)**

**Chapter 23**

Asset Class	Target Allocation	Long-term Expected Real Rate of Return*
Large-cap equity	20.00 %	5.76 %
Small/Mid-cap equity	12.00	5.56
International equity	13.00	4.59
Emerging international equity	5.00	5.76
Core bonds	15.00	1.27
Emerging market debt	4.00	4.10
Diversified credit	4.00	1.27
Absolute return fixed income	5.00	2.63
Real estate - Core	12.00	4.78
Private debt	5.00	6.15
Private equity	5.00	10.15

\*Real rate of return is based on investment manager inflation assumption of 2.5 percent.

**MERS**

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Global equity	60.00 %	4.50 %
Global fixed income	20.00	2.00
Private investments	20.00	7.00

For the year ended June 30, 2024, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 18.87 percent for Chapter 21, 11.26 percent for Chapter 22, and 10.88 percent for Chapter 23. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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

The following presents the net pension (asset) liability of the City, calculated using the discount rates of 6.00, 7.00, 7.00, and 7.18 percent for the Chapter 21 plan, Chapter 22 plan, Chapter 23 plan, and MERS plan, respectively, as well as what the City's net pension (asset) liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1 Percentage Point Decrease	Current Discount Rate	1 Percentage Point Increase
Net pension asset of the Chapter 21 plan	\$ (23,030,047)	\$ (23,185,254)	\$ (23,327,921)
Net pension liability of the Chapter 22 plan	47,815,214	29,836,493	14,450,921
Net pension liability of the Chapter 23 plan	168,337,605	112,975,571	66,696,206
Net pension liability (asset) of the MERS plan	16,513,490	6,185,947	(3,098,888)

***Pension Plan Fiduciary Net Position***

Detailed information about the plans' fiduciary net position for the Chapters 21, 22, and 23 pension plans is available in the supplementary information schedules in this ACFR.

Detailed information about the MERS plan's fiduciary net position is available in the separately issued financial report found at [www.mersofmich.com](http://www.mersofmich.com).

**Note 6 - Pension Plans (Continued)**

The plans' fiduciary net position has been determined on the same basis used by the plans. The plans use the economic resources measurement focus and the full accrual basis of accounting. Investments are stated at fair value. Contribution revenue is recorded as contributions are due, pursuant to legal requirements. Benefit payments and refunds of employee contributions are recognized as expense when due and payable in accordance with the benefit terms.

**Assumption Changes**

Beginning with the December 31, 2023 valuation, the MERS plan reduced the assumed rate of return from 7.25 percent to 7.18 percent.

**Benefit Changes**

Chapter 23 - All department heads and at-will employees appointed by the mayor meeting normal retirement eligibility conditions are eligible for the Deferred Retirement Option Plan.

**Note 7 - Pension Allocations**

Pension amounts for each pension plan are as follows:

	Chapter 21	Chapter 22	Chapter 23	MERS	Total
Pension (cost recovery) expense	\$ (2,051,890)	\$ 4,748,946	\$ 13,014,679	\$ 3,243,354	\$ 18,955,089
Deferred outflows of resources representing difference between expected and actual experience	-	-	-	1,560,226	1,560,226
Deferred outflows of resources representing assumption changes	-	-	-	2,923,957	2,923,957
Deferred outflows of resources representing contributions subsequent to the measurement date	-	-	-	1,357,003	1,357,003
Deferred outflows of resources representing the net difference between projected and actual earnings on pension plan investments	-	336,530	47,285	1,600,892	1,984,707
Deferred inflows of resources representing the net difference between projected and actual earnings on pension plan investments	966,025	-	-	-	966,025
Deferred inflows of resources representing difference between expected and actual experience	-	-	-	493,168	493,168
Amortization of deferred amounts:					
2025	\$ (352,122)	\$ (2,061,993)	\$ (4,415,664)	\$ 724,185	\$ (6,105,594)
2026	608,721	5,522,360	9,701,439	1,029,956	16,862,476
2027	(614,419)	(1,849,106)	(2,741,930)	1,463,894	(3,741,561)
2028	(608,205)	(1,274,731)	(2,496,560)	126,972	(4,252,524)
2029	-	-	-	436,029	436,029
Thereafter	-	-	-	1,810,871	1,810,871
<b>Total</b>	<b>\$ (966,025)</b>	<b>\$ 336,530</b>	<b>\$ 47,285</b>	<b>\$ 5,591,907</b>	<b>\$ 5,009,697</b>

**Note 8 - Other Postemployment Benefit Plan**

***Plan Description***

The City of Dearborn, Michigan established and administers the Retiree Health Care Plan Trust (the "Plan") pursuant to State of Michigan Public Act 149 of 1999 to provide for future payments of medical benefits for eligible employees and their spouses and dependents. Prior to Public Act 149, in June 1991, the City established and began making annual contributions to a postemployment health insurance fund for the purpose of accumulating money designated for payment of the City's health care benefits obligation.

The Plan is a single-employer defined benefit OPEB plan established to provide postemployment benefits other than pensions for eligible full-time general and public safety employees of the City. Management, funding, and fiduciary responsibility of the Plan are vested with the City. The Plan does not issue a separate stand-alone financial statement.

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

***Benefits Provided***

The Plan provides for future payments of medical benefits for eligible retirees and their dependents. Qualified employees become eligible for these benefits through age and years of service provisions of the applicable salary plans or union contracts. Benefits are provided through a third-party insurer, and the full cost of benefits is covered by the Plan. The Plan was closed in phases by employee group starting on July 1, 2001 and was completely closed to all employees hired after August 26, 2013.

***Employees Covered by Benefit Terms***

The following members were covered by the benefit terms:

	<u>Retiree Health Care Plan Trust</u>
Date of member count	June 30, 2022
Inactive plan members or beneficiaries currently receiving benefits	840
Inactive plan members entitled to but not yet receiving benefits	5
Active plan members	<u>265</u>
Total plan members	<u><u>1,110</u></u>

***Contributions***

Employees are not required to contribute to the trust. The City has no obligation to make contributions in advance of when incurred costs are due for payment, and the Plan may be financed on a pay-as-you-go basis. The City may make contributions to advance-fund these benefits, as determined by the City Council through the annual budget adoption resolutions and supplemental City Council resolutions. In the current year, the City contributed \$7,015,466 into the Retiree Health Care Plan Trust.

Contributions are made primarily by the City's General Fund where the majority of employees covered by the OPEB plan are employed. Other funds that make contributions include certain special revenue funds, enterprise funds, and internal service funds that also have employees that are covered by the OPEB plan.

***Net OPEB Liability***

The City has chosen to use June 30 as its measurement date for the net OPEB liability. The June 30, 2024 fiscal year end reported net OPEB liability was determined using a measure of the total OPEB liability and the OPEB net position as of the June 30, 2024 measurement date. The June 30, 2024 total OPEB liability was determined by an actuarial valuation performed as of June 30, 2022, which used update procedures to roll forward the estimated liability to June 30, 2024.

**Note 8 - Other Postemployment Benefit Plan (Continued)**

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

Changes in Net OPEB Liability	Increase (Decrease)		
	Total OPEB Liability	Plan Net Position	Net OPEB Liability
<b>Balance at July 1, 2023</b>	\$ 196,651,364	\$ 144,789,103	\$ 51,862,261
Changes for the year:			
Service cost	1,871,702	-	1,871,702
Interest	11,560,980	-	11,560,980
Changes in benefits	(1,033,499)	-	(1,033,499)
Contributions - Employer	-	7,015,466	(7,015,466)
Net investment income	-	18,219,707	(18,219,707)
Benefit payments, including refunds	(9,806,351)	(9,806,351)	-
Administrative expenses	-	(21,291)	21,291
Net changes	2,592,832	15,407,531	(12,814,699)
<b>Balance at June 30, 2024</b>	<u>\$ 199,244,196</u>	<u>\$ 160,196,634</u>	<u>\$ 39,047,562</u>

The plan's fiduciary net position represents 80.4 percent of the total OPEB liability.

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

For the year ended June 30, 2024, the City recognized OPEB expense from all of the OPEB plans of \$8,233,327, which is net of retiree life insurance expense of \$64,000.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 525,346
Changes in assumptions	46,002	-
Net difference between projected and actual earnings on OPEB plan investments	-	223,794
Total	<u>\$ 46,002</u>	<u>\$ 749,140</u>

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

Years Ending June 30	Amount
2025	\$ (1,143,586)
2026	4,850,100
2027	(2,486,295)
2028	(1,923,357)
Total	<u>\$ (703,138)</u>



**Note 8 - Other Postemployment Benefit Plan (Continued)**

**Actuarial Assumptions**

The total OPEB liability in the June 30, 2024 actuarial valuation was determined using an inflation assumption of 2.75 percent; assumed salary increases (including inflation) of 2.75-7.55 percent; an investment rate of return (net of investment expenses) of 6.0 percent; a health care cost trend rate of 7.50 percent for 2024, decreasing to an ultimate rate of 3.5 percent for 2032 and later years; and the Pub-2010 mortality tables. These assumptions were applied to all periods included in the measurement.

**Discount Rate**

The discount rate used to measure the total OPEB liability was 6.0 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that city contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate.

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

**Investment Policy**

The Plan's Investment Policy Statement is established, and may be amended, by the City Council's resolution. It is the policy of the City to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio. The Plan's Investment Policy Statement discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans.

**Investment Rate of Return**

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and adding expected inflation. Best estimates of arithmetic real rates of return as of the June 30, 2024 measurement date for each major asset class included in the OPEB plan's target asset allocation, as disclosed in the investment footnote, are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic - Large cap	22.00 %	5.40 %
Domestic - Small/Mid-cap equity	12.00	5.30
International - Established	14.00	4.33
Emerging international equity	7.00	5.50
Investment grade bonds	24.00	1.02
Emerging market debt	5.00	3.84
High yield/floating rate	4.00	2.58
Absolute return fixed income	7.00	2.38
Real estate - Core	5.00	4.53

For the year ended June 30, 2024, the annual money-weighted rate of return on plan investments, net of investment expense, was 12.68 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**Note 8 - Other Postemployment Benefit Plan (Continued)**

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

The following presents the net OPEB liability of the City, calculated using the discount rate of 6.0 percent, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1 Percentage Point Decrease (5.0%)	Current Discount Rate (6.0%)	1 Percentage Point Increase (7.0%)
Net OPEB liability	\$ 64,249,920	\$ 39,047,562	\$ 18,305,074

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

The following presents the net OPEB liability of the City, calculated using the health care cost trend rate of 7.5 percent decreasing to 3.5 percent, as well as what the City's net OPEB liability would be if it were calculated using a health care cost trend rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1 Percentage Point Decrease (6.5% Decreasing to 2.5%)	Current Health Care Cost Trend Rate (7.5% Decreasing to 3.5%)	1 Percentage Point Increase (8.5% Decreasing to 4.5%)
Net OPEB liability	\$ 15,919,804	\$ 39,047,562	\$ 67,215,404

***OPEB Plan Fiduciary Net Position***

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

***Benefit Changes***

Effective January 1, 2022, for certain members, medical insurance coverage was provided through a self-insured HRA (Health Retirement Account) Plan. The impact of this change was initially recognized in fiscal year 2023.

**Note 9 - Retiree Life Insurance**

Retiree life insurance benefits are paid from the City's General Fund. Retirees electing such coverage pay premiums that, when combined with amounts contributed by the City, pay the cost of benefits. The cost of claims paid for life insurance benefits for the year ended June 30, 2024 was \$64,000.

**Note 10 - Pension and Other Employee Benefit Trust Funds**

The following are condensed financial statements for the individual pension plans and postemployment health care plans:

	General Employees' Retirement System	Police and Fire Revised Retirement System	Policemen's and Firemen's Retirement System	Postemployment Healthcare	Total Pension and Other Employee Benefit Funds
<b>Statement of Net Position</b>					
Cash and cash equivalents	\$ 367,120	\$ 58,840	\$ 58,134	\$ 177,184	\$ 661,278
Other short-term investments	1,592,354	3,934,957	198,386	1,670,235	7,395,932
Negotiable CDs	77,650	12,466	12,329	37,591	140,036
Stocks	73,195,718	203,157,027	6,361,278	100,758,077	383,472,100
Fixed-income funds	48,010,605	84,092,109	9,513,762	51,289,206	192,905,682
Real estate	7,650,637	28,429,355	-	5,963,285	42,043,277
Mutual funds	30,666,466	23,632,304	10,746,826	-	65,045,596
Accrued interest receivable	97,356	234,492	30,613	216,470	578,931
Other receivables	175,379	390,275	503	126,721	692,878
Accounts payable	(220,101)	(380,940)	(7,222)	(42,135)	(650,398)
Net position	<u>\$ 161,613,184</u>	<u>\$ 343,560,885</u>	<u>\$ 26,914,609</u>	<u>\$ 160,196,634</u>	<u>\$ 692,285,312</u>
<b>Statement of Changes in Net Position</b>					
Interest and dividends	\$ 2,121,211	\$ 3,874,838	\$ 739,072	\$ 3,196,362	\$ 9,931,483
Net increase in fair value of investments	15,432,158	32,314,116	3,711,259	15,133,344	66,590,877
Investment-related expenses	(339,843)	(1,579,013)	(31,007)	(109,999)	(2,059,862)
Employer contributions	2,552,753	12,697,501	-	7,015,466	22,265,720
Employee contributions	249,948	498,430	-	-	748,378
Benefit payments	(16,085,191)	(26,185,195)	(882,590)	(9,806,351)	(52,959,327)
Refunds of contributions	(4,399)	(1,160,464)	-	-	(1,164,863)
Administrative expenses	(79,863)	(125,139)	(70,094)	(21,291)	(296,387)
Claims and judgments	-	(25,516)	-	-	(25,516)
Net change in net position	<u>\$ 3,846,774</u>	<u>\$ 20,309,558</u>	<u>\$ 3,466,640</u>	<u>\$ 15,407,531</u>	<u>\$ 43,030,503</u>

**Note 11 - Health Care Savings Plan (HCSP)**

The City established a Health Care Savings Plan for eligible employees in fiscal year 2010. These funds are to be used by the employee, spouse, or dependents to offset the cost of health care during retirement or separation of service. These accounts are for city employees who are not eligible for postemployment health care.

All general employees hired on or after July 1, 2010 are required to participate in the plan as determined by labor contracts. All police employees hired on or after June 20, 2012 and all fire employees hired on or after August 26, 2013 are also required to participate. Employees may also elect to convert into the plan in lieu of retiree health care provided by the City.

The plan is established by the authority of the City Council. The benefits are established under provisions of applicable salary plans or union contracts. Benefits depend solely on amounts contributed to the plan and investment performance.

Participating employees are required to contribute \$25 per pay pretax withholding from 24 pays per year, and the City contributes \$1,500 per year (to be paid monthly at \$125) during employment. Effective in April 2017, participating fire employees are required to contribute \$32.50 per pay pretax withholding from 24 pays, with the City contributing \$1,800 per year (\$150 monthly) during employment. City contributions cease at normal retirement age or termination.

**Note 11 - Health Care Savings Plan (HCSP) (Continued)**

Employee contributions are 100 percent vested, while city contributions vest at five or more years of service.

The HCSP is administered by the Municipal Employees' Retirement System of Michigan.

In accordance with the above requirements, the City contributed \$434,322 during the current year and employees contributed \$912,650.

**Note 12 - Deferred Compensation**

The City offers its employees a deferred compensation plan established in accordance with Internal Revenue Code Section 457. The plan is available to all city employees and permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. All assets of the plan are, until paid or made available to the employee or other beneficiary, held in trust and are not subject to claims of the City's general creditors. Therefore, the assets of the plan are not reported.

The City's liability to each participant is equal to the participant's deferred compensation, adjusted by an amount equal to the investment performance in the related asset account. The City has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor. Investments are managed by a trustee, and investment decisions are made by individual employees.

**Note 13 - Risk Management**

***Commercial Insurance***

The City purchases commercial medical and hospitalization insurance coverage for its employees and eligible retirees. The primary providers are Health Alliance Plan, Blue Cross Blue Shield, and Humana Insurance Company. The Health Alliance Plan and a portion of the Blue Cross Blue Shield groups are self-insured and under administrative service contracts. Many new-hire employees have the option to participate in health savings accounts and may not have access to city-provided retiree health care. A retiree medical savings account is available to employees as an option for funding retirement health care. The amount of settlements has not exceeded insurance or reserve coverage for any of the past three fiscal years.

***Unemployment Compensation***

Unemployment compensation is on a reimbursement basis with the Unemployment Insurance Agency. Claims are managed by the City's human resources department, with payment for the preceding calendar year's claims due in August of the following year. Funding for unemployment compensation is paid by each department equal to claims paid on its behalf in the prior year.

***Workers' Compensation***

The City has excess liability coverage that satisfies statutory requirements. The City maintains a self-insured retention in the amount of \$600,000 for general employees and \$700,000 for police and fire employees. Funding for the workers' compensation program for the excess premium is based upon a rate applied per \$100 of gross payroll.

**Note 13 - Risk Management (Continued)**

***Fleet and General Liability Insurance Fund***

The City has been self-insured for civil and fleet liability at various times. Currently, the City maintains excess liability coverage for fleet, general, boiler and machinery, property, crime, contractor’s equipment, electronic data processing, public officials’ errors and omissions, and ambulance attendants’ liability. The City has a self-insured retention of \$1,000,000 for each general liability claim. The first layer of insurance is \$5,000,000 per occurrence, the second layer is \$5,000,000, and the third layer is \$2,000,000. The City has increased funding of its insurance program as a result of the City’s past claims and industry conditions. The City estimates liability for claims based on the law department’s evaluation of potential exposure, historical experience, and future development of the claims. Retained earnings are designated for anticipated future catastrophic losses.

The City estimates liability for those claims that have been incurred through the end of the fiscal year, including both those claims that have been reported and those that have not been reported. Estimates are prepared for both general liabilities and at-risk tax claims. Estimates are recorded in the internal service fund type.

	Unemployment Compensation	Workers' Compensation	Employee Insurance	Fleet and General Liability
Claims liability, June 30, 2022	\$ -	\$ 885,095	\$ 893,467	\$ 1,953,757
Claims incurred during the year	1,157	26,117	20,961,140	3,964,002
Changes in estimates for claims of prior periods	-	(87,904)	(36,835)	(1,167,167)
Payments on claims	(1,157)	(15,517)	(20,961,140)	146,009
Claims liability, June 30, 2023	-	807,791	856,632	4,896,601
Claims incurred during the year	42,360	36,373	20,620,230	2,982,503
Changes in estimates for claims of prior periods	-	(305,302)	(129,271)	2,822,150
Payments on claims	(42,360)	(15,517)	(20,620,230)	(7,777,689)
Claims liability, June 30, 2024	<u>\$ -</u>	<u>\$ 523,345</u>	<u>\$ 727,361</u>	<u>\$ 2,923,565</u>

**Note 14 - Claims, Litigation, and Potential Contract Disallowances**

Provisions for certain claims (see Note 13) and assessments asserted against the City, estimable in amount and probable of payment, have been made in the applicable funds.

In addition, the City is a defendant in certain other lawsuits and claims that have resulted from the ordinary course of its activities. The ultimate effect on the combined financial statements of the resolution of these matters is, in the opinion of Corporation Counsel, not expected to be material considering available insurance coverage, legal defenses, and reserves.

The City receives funds from other governmental units to finance specific programs. The final determination of allowable amounts is subject to financial and compliance audit by the responsible agencies. As of June 30, 2024, the audits of certain programs were not completed. Accordingly, the City’s compliance with applicable grant requirements and the amount, if any, of expenditures that may be disallowed by the granting agencies cannot be determined at this time. The City believes that amounts disallowed, if any, from pending or future audits would not be material.

**Note 15 - Stewardship, Compliance, and Accountability**

***Excess of Expenditures Over Appropriations in Budgeted Funds***

During the year, the City incurred expenditures in the General Fund, which were in excess of the amounts budgeted, as follows:

	Budget	Actual
General government - Central garage	\$ (221,552)	\$ (37,350)
General government - Nondepartmental insurance, tax refunds, and other miscellaneous	584,000	598,000
Capital outlay	297,843	689,011
Debt service	3,185,254	3,302,033

***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. Beginning on January 1, 2000, the law requires that collection of these fees be used only for construction code costs, including an allocation of estimated overhead costs. A summary of the current year activity and the cumulative surplus or shortfall generated since January 1, 2000 is as follows:

Cumulative shortfall at July 1, 2023		\$ (3,798,948)
Total code enforcement revenue		4,097,733
Related expenses:		
Direct costs	\$ 2,212,225	
Estimated indirect costs	88,489	2,300,714
Current year surplus		1,797,019
Cumulative shortfall at June 30, 2024		\$ (2,001,929)

**Note 16 - Tax Abatements**

***Brownfield Redevelopment Authority***

Brownfield Redevelopment Financing Act 381 of 1996 authorizes municipalities to create a brownfield redevelopment authority to facilitate the implementation of brownfield plans; to create brownfield redevelopment zones; to promote the revitalization, redevelopment, and reuse of certain property, including, but not limited to, remediating environmental contamination or tax-reverted, blighted, or functionally obsolete property; to prescribe the powers and duties of brownfield redevelopment authorities; to permit the issuance of bonds and other evidences of indebtedness by an authority; to authorize the acquisition and disposal of certain property; to authorize certain funds; to prescribe certain powers and duties of certain state officers and agencies; and to authorize and permit the use of certain tax increment financing.

The City enters into property tax abatement agreements with local businesses under Public Act 381 of 1996. Under the act, taxes are captured from various taxing authorities and then used to reimburse the taxpayer. The taxpayer's property tax is reimbursed for eligible expenses, as defined in the Brownfield Redevelopment Act plan agreement.

For the fiscal year ended June 30, 2024, the City of Dearborn, Michigan's Brownfield Redevelopment Authority abated property taxes totaling \$517,771 under this program.



**Note 16 - Tax Abatements (Continued)**

In October 2007, the City Council approved BRA Plan #7, the Redico Redevelopment project. BRA Plan #7 allowed the BRA to borrow \$600,000 interest free from the Downriver Community Conference (DCC) and to use the BRA local site remediation revolving fund to repay this loan. The DCC authorized loan amount was increased by \$300,000 in fiscal year 2009 and another \$140,000 in fiscal year 2010. The actual remediation costs covered by the DCC loan were \$1,017,931. Upon completion of this project, the DCC converted \$200,000 of the loan amount into a grant. The BRA made an early loan payment of \$81,793 in 2012 and \$81,793 in 2015. The remaining eight annual payments were paid in years 2016-2023.

Another key aspect of BRA Plan #7 was the approval by the Michigan Economic Development Corporation (MEGA Board) for tax increment capture to cover eligible activities initially financed by the BRA bond issue (\$10,820,000) that occurred in November 2009. This bond was refinanced in September 2021 and will still mature in May 2039. In addition, the East Dearborn Downtown Development Authority has pledged its local tax capture generated from the Redico Redevelopment project in the amount needed annually for the bond repayment.

Severstal International (Severstal) initiated a major modernization strategy involving an investment of over \$1 billion. The first amended BRA Plan #9 allows tax increment revenue to be reimbursed to Severstal to cover the cost of eligible activities. In addition, the BRA assisted Severstal in obtaining Michigan Business Tax credits. Severstal was sold to AK Steel Corporation-Dearborn Works (now Cleveland Cliffs Corporation) in September 2014. The BRA requirements will continue with the new owners per the first amended BRA Plan #9 agreement.

In July 2016, the City Council approved BRA Plan #13 Wagner Place Redevelopment project, in partnership with Ford Motor Land Development Corporation, to create and fund eligible activities of \$23,937,630 for a West Dearborn mixed-use private and public redevelopment. This project promotes and supports the revitalization, redevelopment, and reuse of functionally obsolete and contaminated property in the west downtown area of the City. The tax capture committed to fund the project will be provided by the WDDDA, the BRA, and the State's commitment of school taxes. This tax capture began in fiscal year 2020. It is estimated that the capture time period to pay for eligible activities associated with the plan is 30 years with capture not to exceed \$11,965,500, plus the principal and interest of \$7,655,000 in Limited Tax General Obligation bonds with interest rate ranging from 3.00 to 3.75 percent for a 30-year bonded debt service. The proceeds from the bonds were used to build a parking deck in West Downtown Dearborn to support the Wagner Place redevelopment project.

Another key aspect of BRA Plan #13 was the approved agreement between the City Council and Ford Motor Land Development Corporation for tax increment capture to cover eligible activities initially financed by the BRA bond issue that occurred in May 2017.

In the event that the project does not generate sufficient tax revenue to pay for bonds issued by the BRA, the City has the right to impose a special assessment on the property owners to cover the cost of the bonds and other eligible expenditures for that year.

The deficit in the Brownfield Redevelopment Authority resulted when the BRA issued the bonds in November 2009 to finance the construction of an East Dearborn parking deck and in May 2017 to finance the construction of the West Dearborn parking deck. The fund deficit will be eliminated, as the bonds are paid off using tax captures derived from Ford Motor Land Development Corporation and Redico.

**Industrial Facilities Tax Abatement**

The Plant Rehabilitation and Industrial Development Districts Public Act 198 of 1974 allows the City to enter into agreements with local businesses to encourage them to construct new industrial facilities or rehabilitate historical facilities. Under the program, the City grants reductions of 50 percent of the property tax bill for new property and freezes the taxable value for rehabilitation properties for up to 12 years.

**Note 16 - Tax Abatements (Continued)**

For the fiscal year ended June 30, 2024, the City's total industrial abatements with Ford Motor Company, Cleveland Cliffs Inc., Link Testing, and Carhartt under this program totaled \$217,614. There are no provisions to recapture taxes; however, the abatement may be eliminated if taxes are not paid timely. There are no significant abatements made by other governments that reduce the City's tax revenue.

**State Housing Development Authority Act**

The State Housing Development Authority Act 346 of 1996 is an act to create a state housing development authority; to define the powers and duties of the authority; to establish a housing development revolving fund; to establish a land acquisition and development fund; to establish a rehabilitation fund; to establish a conversion condominium fund; to create certain other funds and provide for the expenditure of certain funds; to authorize the making and purchase of loans, deferred payment loans, and grants to qualified developers, sponsors, individuals, mortgage lenders, and municipalities; to establish and provide acceleration and foreclosure procedures; to provide tax exemption; to authorize payments in lieu of taxes (PILOT) by nonprofit housing corporations, consumer housing cooperatives, limited dividend housing corporations, mobile home park corporations, and mobile home park associations; and to prescribe criminal penalties for violations of this act.

The City of Dearborn, Michigan partnered with the Artspace organization to establish sustainable artist live-and-work lofts in the community. City Hall Artspace Lofts opened in 2016 and is based on a 20-year tax abatement of all ad valorem taxes replaced by a PILOT to cover the cost of local services.

The PILOT is calculated at 4 percent of sheltered rents. The City Hall Artspace Lofts project resulted in an abated amount in the fiscal year ended June 30, 2024 of \$36,745 under this program.

**Note 17 - Related Party Transactions**

The City's housing department and the Dearborn Housing Commission were established in 1963 for developing subsidized housing for low-income residents. The housing department's staff operate and administer the Senior Citizen Housing Program, which includes two city-owned buildings and the Housing and Urban Development (HUD) buildings Sisson Manor, Kennedy Plaza, and Townsend Towers. The Dearborn Housing Commission reports the financial information for the HUD programs separately. The Housing Commission was billed \$847,673 for reimbursement of direct salary and benefits relating to the HUD rental assistance program for the fiscal year ended June 30, 2024. In addition, the Housing Commission was billed \$125,613 for reimbursement of shared costs and operating expenses, which represent indirect *de minimis* fees.

**Note 18 - Restricted Assets**

At June 30, 2024, restricted assets are composed of the following:

Description	Governmental Activities	Business-type Activities	Component Units
Bond debt service reserve	\$ -	\$ -	\$ 273,030
Operation and maintenance reserve	56,344	2,000,000	-
Total	<u>\$ 56,344</u>	<u>\$ 2,000,000</u>	<u>\$ 273,030</u>

**Note 19 - Leases**

The City leases certain assets from third parties including golf carts for use at the Mystic Creek Golf Course. Payments are fixed monthly and are made from May through October each year in alignment with the golf season.

Lease asset activity of the City is included in Note 3.



**Note 19 - Leases (Continued)**

Future principal and interest payment requirements related to the City’s lease liability at June 30, 2024 are as follows.

<u>Years Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 111,360	\$ 10,855	\$ 122,215
2026	113,276	7,487	120,763
2027	116,585	4,045	120,630
2028	80,537	548	81,085
2029	2,168	6	2,174
<b>Total</b>	<b>\$ 423,926</b>	<b>\$ 22,941</b>	<b>\$ 446,867</b>

The City leases certain assets to various third parties. The assets leased include land and building space. Payments are generally fixed monthly with certain variable payments not included in the measurement of the lease receivable required based on future Consumer Price Index rate adjustments unknown at the time of the lease receivable measurement.

During the year ended June 30, 2024, the City recognized the following related to its lessor agreements:

Lease revenue	\$ 395,351
Interest income related to its leases	138,974

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## Required Supplementary Information

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Year Ended June 30, 2024

	Original Budget (Unaudited)	Final Budget (Unaudited)	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>				
<b>Taxes and Penalties on Taxes</b>				
Current property taxes	\$ 64,209,900	\$ 64,209,900	\$ 62,806,568	\$ (1,403,332)
Property tax administration fee	2,555,065	2,555,065	2,234,758	(320,307)
Penalties and interest on taxes	1,254,000	1,254,000	1,218,465	(35,535)
Payments in lieu of taxes	808,422	808,422	753,792	(54,630)
Total taxes and penalties on taxes	68,827,387	68,827,387	67,013,583	(1,813,804)
<b>Licenses and Permits</b>				
Business licenses and permits	269,250	269,250	243,270	(25,980)
Franchise fees	1,035,324	1,035,324	901,662	(133,662)
Liquor licenses	60,000	60,000	56,580	(3,420)
Operators' licenses	3,000	3,000	-	(3,000)
Nonbusiness licenses and permits	4,201,432	4,201,432	4,173,272	(28,160)
Total licenses and permits	5,569,006	5,569,006	5,374,784	(194,222)
<b>Intergovernmental Revenues</b>				
State sources:				
Sales and use tax	14,002,877	14,002,877	13,880,778	(122,099)
Local Community Stabilization Act	17,165,300	17,165,300	14,406,669	(2,758,631)
Judges' salaries	137,172	137,172	137,172	-
Alcohol caseload rebate	13,000	13,000	4,844	(8,156)
Other state sources	682,747	1,827,502	1,542,980	(284,522)
Total state sources	32,001,096	33,145,851	29,972,443	(3,173,408)
Other governmental:				
Federal sources	2,138,460	3,021,880	2,843,374	(178,506)
Local sources	624,420	653,836	651,178	(2,658)
Total other governmental	2,762,880	3,675,716	3,494,552	(181,164)
Total intergovernmental revenues	34,763,976	36,821,567	33,466,995	(3,354,572)
<b>Charges for Services</b>				
General government:				
Birth and death records	295,000	295,000	268,442	(26,558)
City service fee	1,418,016	1,418,016	1,418,016	-
Other general government charges	117,260	117,260	56,500	(60,760)
Total general government	1,830,276	1,830,276	1,742,958	(87,318)
Public safety:				
Inspections	1,230,575	1,230,575	840,391	(390,184)
Property maintenance / code enforcement	185,515	185,515	99,165	(86,350)
Ambulance services	2,827,000	2,827,000	4,176,034	1,349,034
Additional police patrols	565,350	565,350	724,511	159,161
Other public safety charges	5,340,121	5,340,121	5,443,429	103,308
Total public safety	10,148,561	10,148,561	11,283,530	1,134,969
Public works:				
Debris and rubbish pickup	182,589	182,589	62,480	(120,109)
Parking fees	12,500	12,500	6,274	(6,226)
Parking lot maintenance	474,304	474,304	-	(474,304)
Total public works	669,393	669,393	68,754	(600,639)
Recreation and culture:				
Programs and activities sales	527,111	527,111	557,400	30,289
Sales	953,251	1,002,826	1,033,484	30,658
Use and admission fees	3,332,691	3,332,691	3,162,190	(170,501)
Total recreation and culture	4,813,053	4,862,628	4,753,074	(109,554)
Total charges for services	17,461,283	17,510,858	17,848,316	337,458

Year Ended June 30, 2024

	Original Budget (Unaudited)	Final Budget (Unaudited)	Actual	Variance Favorable (Unfavorable)
<b>Fines and Forfeitures</b>				
Parking fines	1,200,000	1,200,000	1,329,132	129,132
19th District Court fines	3,805,800	3,805,800	3,609,821	(195,979)
Other fines and forfeits	1,500	1,500	25,472	23,972
Total fines and forfeitures	5,007,300	5,007,300	4,964,425	(42,875)
<b>Miscellaneous Revenue</b>				
Private source contributions	136,750	136,750	5,024	(131,726)
Reimbursements	61,595	61,595	50,966	(10,629)
Other revenue	1,293,854	1,318,354	590,417	(727,937)
Total miscellaneous revenue	1,492,199	1,516,699	646,407	(870,292)
<b>Interest and Rentals</b>				
Investment Income	2,158,627	2,158,627	3,352,909	1,194,282
Rents and lease agreements	5,499,616	5,499,616	5,673,778	174,162
Total interest and rentals	7,658,243	7,658,243	9,026,687	1,368,444
Total revenues	140,779,394	142,911,060	138,341,197	(4,569,863)
<b>Other Financing Sources</b>				
Leases entered into	-	-	462,445	462,445
Transfers In	40,000	793,455	793,455	-
Total other financing sources	40,000	793,455	1,255,900	462,445
<b>Total revenues and other sources</b>	<b>\$ 140,819,394</b>	<b>\$ 143,704,515</b>	<b>\$ 139,597,097</b>	<b>\$ (4,107,418)</b>
<b>Expenditures</b>				
<b>General Government</b>				
Charter Commission	\$ -	\$ 53,733	\$ 32,110	\$ 21,623
Council	513,005	498,005	460,501	37,504
District Court	4,185,774	4,311,922	3,971,901	340,021
Mayor	1,239,947	1,239,947	1,213,964	25,983
City Clerk	1,181,495	1,555,095	1,379,398	175,697
Law	1,836,970	1,836,969	1,725,097	111,872
Philanthropy and Grants	264,890	264,890	261,223	3,667
Community Relations	971,114	971,114	893,006	78,108
Human resources	986,761	1,103,211	993,844	109,367
Building services and maintenance	293,107	293,107	293,107	-
Central garage	(266,986)	(221,552)	(37,350)	(184,202)
Assessment	1,119,544	1,119,544	871,307	248,237
Public Information	1,071,179	1,071,179	1,020,474	50,705
Finance:				-
Accounting	1,030,468	1,033,163	984,453	48,710
Purchasing	687,604	687,604	682,998	4,606
Treasurer	753,095	744,595	715,320	29,275
Nondepartmental insurance, tax refunds, and other miscellaneous	50,000	584,000	598,000	(14,000)
Total general government	15,917,967	17,146,526	16,059,353	1,087,173
<b>Public Safety</b>				
Police:				
Police operations	44,735,556	45,709,327	45,419,312	290,015
Ordinance enforcement	1,061,724	966,867	953,563	13,304
Fire:				
Fire operations	32,280,636	32,892,119	32,345,398	546,721
Civil preparedness	233,391	263,768	256,041	7,727
Property maintenance & development services	3,288,511	3,135,560	2,852,866	282,694
Total public safety	81,599,818	82,967,641	81,827,180	1,140,461

Year Ended June 30, 2024

	Original Budget (Unaudited)	Final Budget (Unaudited)	Actual	Variance Favorable (Unfavorable)
<b>Public Works</b>				
Public works administrative	436,294	514,669	441,818	72,851
Parking system	807,591	763,591	386,091	377,500
Highways	5,929,099	5,860,235	5,711,907	148,328
Train station	321,171	460,962	457,581	3,381
Sanitation	6,794,835	6,867,478	6,448,174	419,304
Neighborhood services	855,143	1,084,522	995,116	89,406
Line	211,538	189,019	173,524	15,495
Total public works	<u>15,355,671</u>	<u>15,740,476</u>	<u>14,614,211</u>	<u>1,126,265</u>
<b>Health and Welfare</b>				
Public health	603,919	739,689	529,889	209,800
<b>Recreation and Culture</b>				
Public works	3,130,497	3,948,417	3,516,267	432,150
Recreation:				
Recreation administrative	1,475,423	1,409,517	1,389,143	20,374
Programs	1,468,067	1,234,667	1,164,321	70,346
Outdoor pools	1,287,087	1,411,161	1,263,956	147,205
Community center:				
Administration / athletics	2,980,887	2,938,105	2,765,909	172,196
Cultural arts	832,592	829,238	796,075	33,163
Senior services	638,137	556,021	469,423	86,598
Sports arena	1,223,698	1,226,516	1,184,821	41,695
Camp Dearborn	2,785,874	2,997,667	2,417,590	580,077
Mystic Creek Golf Course	2,009,066	2,009,066	1,759,521	249,545
Dearborn Hills Golf Course	812,503	883,203	695,486	187,717
Total recreation and culture	<u>18,643,831</u>	<u>19,443,578</u>	<u>17,422,512</u>	<u>2,021,066</u>
<b>Community Improvement</b>				
Economic & community development	1,388,745	1,350,081	1,089,814	260,267
<b>Capital Outlay</b>	159,698	297,843	689,011	(391,168)
<b>Debt Service</b>	3,185,251	3,185,254	3,302,033	(116,779)
Total expenditures	<u>136,854,900</u>	<u>140,871,088</u>	<u>135,534,003</u>	<u>5,337,085</u>
<b>Other Financing Uses</b>				
Transfers out	3,593,388	3,611,043	3,611,043	-
Total expenditures and other uses	<u>140,448,288</u>	<u>144,482,131</u>	<u>139,145,046</u>	<u>5,337,085</u>
<b>Net Change in Fund Balances</b>	371,106	(777,616)	452,051	1,229,667
<b>Fund Balances - Beginning of Year</b>	37,927,172	37,927,172	37,927,172	-
<b>Fund Balances - End of Year</b>	<u>\$ 38,298,278</u>	<u>\$ 37,149,556</u>	<u>\$ 38,379,223</u>	<u>\$ 1,229,667</u>

Required Supplementary Information  
Schedule of Pension Contributions  
Chapter 21 Policemen's and Firemen's Retirement System

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the actuarially determined contribution	-	-	-	-	-	-	-	-	-	-
<b>Contribution Excess</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Covered Payroll</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Contributions as a Percentage of Covered Payroll</b>	<b>- %</b>	<b>- %</b>	<b>- %</b>	<b>- %</b>	<b>- %</b>	<b>- %</b>	<b>- %</b>	<b>- %</b>	<b>- %</b>	<b>- %</b>

The system had no required contributions or covered payroll for the last 10 years.

**Notes to Schedule of Pension Contributions**

Actuarial valuation information relative to the determination of contributions:

Valuation date June 30, 2023

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Fully funded retiree-only plan
Amortization method	Level dollar
Remaining amortization period	0 years
Asset valuation method	5-year smoothed market
Investment rate of return	6 percent
Mortality	Healthy Post-Retirement: The PubS-2010, Amount-Weighted, Healthy Retiree Mortality Tables, with a base year of 2010 and future mortality improvements projected using scale MP-2019
	Disability Retirement: The PubS-2010, Amount-Weighted, Disabled Mortality Table, with a base year of 2010 and future mortality improvements projected using scale MP-2019

Required Supplementary Information  
 Schedule of Changes in the Net Pension Asset and Related Ratios  
 Chapter 21 Policemen's and Firemen's Retirement System

	<b>Last Ten Fiscal Years</b>									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Total Pension Liability</b>										
Interest	\$ 277,627	\$ 302,013	\$ 362,844	\$ 416,688	\$ 446,870	\$ 500,424	\$ 584,705	\$ 843,395	\$ 968,468	\$ 990,509
Differences between expected and actual experience	(734,099)	253,757	(266,246)	(95,295)	514,407	272,190	(248,496)	(942,664)	(767,527)	34,361
Changes in assumptions	-	-	-	-	(22,030)	-	-	(359,820)	-	832,813
Benefit payments, including refunds	(882,590)	(1,041,696)	(1,179,456)	(1,257,928)	(1,626,763)	(1,703,422)	(1,778,459)	(1,910,207)	(2,065,187)	(2,279,928)
<b>Net Change in Total Pension Liability</b>	(1,339,062)	(485,926)	(1,082,858)	(936,535)	(687,516)	(930,808)	(1,442,250)	(2,369,296)	(1,864,246)	(422,245)
<b>Total Pension Liability - Beginning of year</b>	5,068,417	5,554,343	6,637,201	7,573,736	8,261,252	9,192,060	10,634,310	13,003,606	14,867,852	15,290,097
<b>Total Pension Liability - End of year</b>	<b>\$ 3,729,355</b>	<b>\$ 5,068,417</b>	<b>\$ 5,554,343</b>	<b>\$ 6,637,201</b>	<b>\$ 7,573,736</b>	<b>\$ 8,261,252</b>	<b>\$ 9,192,060</b>	<b>\$ 10,634,310</b>	<b>\$ 13,003,606</b>	<b>\$ 14,867,852</b>
<b>Plan Fiduciary Net Position</b>										
Net investment income (loss)	\$ 4,419,324	\$ 1,386,464	\$ (4,427,179)	\$ 6,194,987	\$ 1,088,350	\$ 1,461,421	\$ 1,013,365	\$ 2,161,183	\$ 278,885	\$ 181,557
Administrative expenses	(70,094)	(14,997)	(13,902)	(13,511)	(16,448)	(18,580)	(12,446)	(11,830)	(13,288)	(14,444)
Benefit payments, including refunds	(882,590)	(1,041,696)	(1,179,456)	(1,257,928)	(1,626,763)	(1,703,422)	(1,778,459)	(1,910,207)	(2,065,187)	(2,279,928)
<b>Net Change in Plan Fiduciary Net Position</b>	3,466,640	329,771	(5,620,537)	4,923,548	(554,861)	(260,581)	(777,540)	239,146	(1,799,590)	(2,112,815)
<b>Plan Fiduciary Net Position - Beginning of year</b>	23,447,969	23,118,198	28,738,735	23,815,187	24,370,048	24,630,629	25,408,169	25,169,023	26,968,613	29,081,428
<b>Plan Fiduciary Net Position - End of year</b>	<b>\$ 26,914,609</b>	<b>\$ 23,447,969</b>	<b>\$ 23,118,198</b>	<b>\$ 28,738,735</b>	<b>\$ 23,815,187</b>	<b>\$ 24,370,048</b>	<b>\$ 24,630,629</b>	<b>\$ 25,408,169</b>	<b>\$ 25,169,023</b>	<b>\$ 26,968,613</b>
<b>City's Net Pension Asset - Ending</b>	<b>\$ (23,185,254)</b>	<b>\$ (18,379,552)</b>	<b>\$ (17,563,855)</b>	<b>\$ (22,101,534)</b>	<b>\$ (16,241,451)</b>	<b>\$ (16,108,796)</b>	<b>\$ (15,438,569)</b>	<b>\$ (14,773,859)</b>	<b>\$ (12,165,417)</b>	<b>\$ (12,100,761)</b>
<b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	721.70 %	462.63 %	416.22 %	432.99 %	314.44 %	294.99 %	267.96 %	238.93 %	193.55 %	181.39 %

Required Supplementary Information  
 Schedule of Pension Investment Returns  
 Chapter 21 Policemen's and Firemen's Retirement System

	<b>Last Ten Fiscal Years</b>									
	<b>Years Ended June 30</b>									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Annual money-weighted rate of return - Net of investment expense	18.87 %	6.08 %	(15.80)%	26.70 %	4.54 %	6.06 %	4.08 %	8.87 %	1.02 %	0.60 %



Required Supplementary Information  
Schedule of Pension Contributions  
Chapter 22 General Employees' Retirement System

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 2,459,856	\$ 2,903,693	\$ 3,560,100	\$ 3,355,601	\$ 2,739,863	\$ 4,540,864	\$ 4,481,601	\$ 3,718,752	\$ 3,537,464	\$ 3,743,710
Contributions in relation to the actuarially determined contribution	2,552,753	2,991,818	3,560,541	3,323,516	2,739,863	24,550,694	4,520,402	3,767,771	3,646,206	3,804,508
<b>Contribution Excess (Deficiency)</b>	<b>\$ 92,897</b>	<b>\$ 88,125</b>	<b>\$ 441</b>	<b>\$ (32,085)</b>	<b>\$ -</b>	<b>\$ 20,009,830</b>	<b>\$ 38,801</b>	<b>\$ 49,019</b>	<b>\$ 108,742</b>	<b>\$ 60,798</b>
<b>Covered Payroll</b>	<b>\$ 3,582,094</b>	<b>\$ 4,335,910</b>	<b>\$ 6,479,374</b>	<b>\$ 7,570,075</b>	<b>\$ 8,376,888</b>	<b>\$ 9,888,715</b>	<b>\$ 10,081,502</b>	<b>\$ 11,528,291</b>	<b>\$ 11,430,114</b>	<b>\$ 12,433,033</b>
<b>Contributions as a Percentage of Covered Payroll</b>	<b>71.26 %</b>	<b>69.00 %</b>	<b>54.95 %</b>	<b>43.90 %</b>	<b>32.71 %</b>	<b>248.27 %</b>	<b>44.84 %</b>	<b>32.68 %</b>	<b>31.90 %</b>	<b>30.60 %</b>

**Notes to Schedule of Pension Contributions**

Actuarial valuation information relative to the determination of contributions:

Valuation date June 30, 2023

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level dollar, closed
Remaining amortization period	15 years
Asset valuation method	5-year smoothed market 80 percent/120 percent corridor
Inflation	2.50 percent
Projected salary increase	3.15 percent to 6.05 percent, including inflation
Investment rate of return	7.00 percent (net of investment and administrative expenses)
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2019 valuation pursuant to an experience study of the period from 2013 through 2018
Mortality	Healthy Pre-Retirement: The PubG-2010, Amount-Weighted, Employee Mortality Tables, with a base year of 2010 and future mortality improvements projected using scale MP-2019
	Healthy Post-Retirement: The PubG-2010, Amount-Weighted, Healthy Retiree Mortality Tables, with a base year of 2010 and future mortality improvements projected using scale MP-2019
	Disability Retirement: The PubG-2010, Amount-Weighted, Disabled Mortality Table, with a base year of 2010 and future mortality improvements projected using scale MP-2019

Required Supplementary Information  
 Schedule of Changes in the Net Pension Liability and Related Ratios  
 Chapter 22 General Employees' Retirement System

**Last Ten Fiscal Years**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Total Pension Liability</b>										
Service cost	\$ 429,946	\$ 520,937	\$ 793,399	\$ 923,879	\$ 983,853	\$ 1,198,566	\$ 1,287,938	\$ 1,324,548	\$ 1,406,866	\$ 1,463,932
Interest	12,884,519	13,082,659	13,186,195	13,345,779	12,838,979	12,672,928	12,599,353	12,538,642	12,334,306	12,268,658
Differences between expected and actual experience	2,345,459	(432,185)	(191,181)	(2,443,812)	1,319,492	1,764,892	(407,550)	480,342	688,134	(1,318,646)
Changes in assumptions	-	-	-	-	5,764,797	-	-	4,553,695	-	-
Benefit payments, including refunds	(16,089,590)	(15,853,462)	(14,409,098)	(13,671,636)	(13,602,619)	(12,711,132)	(12,056,834)	(11,613,053)	(11,526,386)	(11,433,468)
<b>Net Change in Total Pension Liability</b>	(429,666)	(2,682,051)	(620,685)	(1,845,790)	7,304,502	2,925,254	1,422,907	7,284,174	2,902,920	980,476
<b>Total Pension Liability - Beginning of year</b>	191,879,343	194,561,394	195,182,079	197,027,869	189,723,367	186,798,113	185,375,206	178,091,032	175,188,112	174,207,636
<b>Total Pension Liability - End of year</b>	<b>\$ 191,449,677</b>	<b>\$ 191,879,343</b>	<b>\$ 194,561,394</b>	<b>\$ 195,182,079</b>	<b>\$ 197,027,869</b>	<b>\$ 189,723,367</b>	<b>\$ 186,798,113</b>	<b>\$ 185,375,206</b>	<b>\$ 178,091,032</b>	<b>\$ 175,188,112</b>
<b>Plan Fiduciary Net Position</b>										
Contributions - Employer	\$ 2,552,753	\$ 2,991,818	\$ 3,560,541	\$ 3,327,516	\$ 2,739,863	\$ 24,550,694	\$ 4,520,402	\$ 3,767,771	\$ 3,646,206	\$ 3,804,508
Contributions - Member	249,948	223,327	317,549	378,301	415,000	488,274	427,812	451,138	467,245	505,681
Net investment income (loss)	17,213,526	13,183,374	(23,804,972)	48,310,287	1,506,950	8,456,687	7,609,795	13,691,060	(701,395)	716,111
Administrative expenses	(79,863)	(89,458)	(61,337)	(53,022)	(53,250)	(43,648)	(36,589)	(27,568)	(28,932)	(40,136)
Benefit payments, including refunds	(16,089,590)	(15,853,462)	(14,409,098)	(13,671,636)	(13,602,619)	(12,711,132)	(12,056,834)	(11,613,053)	(11,526,386)	(11,433,468)
Other	-	-	-	-	(20,756)	-	-	-	-	-
<b>Net Change in Plan Fiduciary Net Position</b>	3,846,774	455,599	(34,397,317)	38,291,446	(9,014,812)	20,740,875	464,586	6,269,348	(8,143,262)	(6,447,304)
<b>Plan Fiduciary Net Position - Beginning of year</b>	157,766,410	157,310,811	191,708,128	153,416,682	162,431,494	141,690,619	141,226,033	134,956,685	143,099,947	149,547,251
<b>Plan Fiduciary Net Position - End of year</b>	<b>\$ 161,613,184</b>	<b>\$ 157,766,410</b>	<b>\$ 157,310,811</b>	<b>\$ 191,708,128</b>	<b>\$ 153,416,682</b>	<b>\$ 162,431,494</b>	<b>\$ 141,690,619</b>	<b>\$ 141,226,033</b>	<b>\$ 134,956,685</b>	<b>\$ 143,099,947</b>
<b>City's Net Pension Liability - Ending</b>	<b>\$ 29,836,493</b>	<b>\$ 34,112,933</b>	<b>\$ 37,250,583</b>	<b>\$ 3,473,951</b>	<b>\$ 43,611,187</b>	<b>\$ 27,291,873</b>	<b>\$ 45,107,494</b>	<b>\$ 44,149,173</b>	<b>\$ 43,134,347</b>	<b>\$ 32,088,165</b>
<b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	84.42 %	82.22 %	80.85 %	98.22 %	77.87 %	85.61 %	75.85 %	76.18 %	75.78 %	81.68 %
<b>Covered Payroll</b>	\$ 3,582,094	\$ 4,335,910	\$ 6,479,374	\$ 7,570,075	\$ 8,376,888	\$ 9,888,715	\$ 10,081,502	\$ 11,528,291	\$ 11,430,114	\$ 12,433,033
<b>City's Net Pension Liability as a Percentage of Covered Payroll</b>	832.93 %	786.75 %	574.91 %	45.89 %	520.61 %	275.99 %	389.37 %	382.96 %	377.37 %	258.09 %

Required Supplementary Information  
 Schedule of Pension Investment Returns  
 Chapter 22 General Employees' Retirement System

	<b>Last Ten Fiscal Years</b>									
	<b>Years Ended June 30</b>									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Annual money-weighted rate of return - Net of investment expense	11.26 %	8.64 %	(12.78)%	32.39 %	0.92 %	5.53 %	5.52 %	10.38 %	(0.52)%	0.46 %

Required Supplementary Information  
Schedule of Pension Contributions  
Chapter 23 Police and Fire Revised Retirement System

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 12,615,810	\$ 12,591,345	\$ 15,746,628	\$ 14,768,898	\$ 13,656,682	\$ 13,349,132	\$ 11,581,759	\$ 9,333,396	\$ 9,153,909	\$ 9,298,618
Contributions in relation to the actuarially determined contribution	12,697,501	12,777,833	15,758,675	14,944,850	13,735,996	13,395,345	12,501,034	9,436,959	9,090,948	9,193,439
<b>Contribution Excess (Deficiency)</b>	<b>\$ 81,691</b>	<b>\$ 186,488</b>	<b>\$ 12,047</b>	<b>\$ 175,952</b>	<b>\$ 79,314</b>	<b>\$ 46,213</b>	<b>\$ 919,275</b>	<b>\$ 103,563</b>	<b>\$ (62,961)</b>	<b>\$ (105,179)</b>
<b>Covered Payroll</b>	<b>\$ 10,050,479</b>	<b>\$ 10,605,941</b>	<b>\$ 11,308,146</b>	<b>\$ 11,892,169</b>	<b>\$ 13,349,785</b>	<b>\$ 13,846,216</b>	<b>\$ 13,345,686</b>	<b>\$ 13,780,369</b>	<b>\$ 14,722,316</b>	<b>\$ 15,763,013</b>
<b>Contributions as a Percentage of Covered Payroll</b>	<b>126.34 %</b>	<b>120.48 %</b>	<b>139.36 %</b>	<b>125.67 %</b>	<b>102.89 %</b>	<b>96.74 %</b>	<b>93.67 %</b>	<b>68.48 %</b>	<b>61.75 %</b>	<b>58.32 %</b>

**Notes to Schedule of Pension Contributions**

Actuarial valuation information relative to the determination of contributions:

Valuation date June 30, 2023

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level dollar, closed
Remaining amortization period	22 years
Asset valuation method	5-year smoothed market, 80 percent/120 percent corridor
Inflation	2.50 percent
Projected salary increase	2.75 percent to 6.25 percent, including inflation
Investment rate of return	7.00 percent (net of investment and administrative expenses)
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2019 valuation pursuant to an experience study of the period 2013-2018
Mortality	Healthy Pre-Retirement: The PubS-2010, Amount-Weighted, Employee Mortality Tables, with a base year of 2010 and future mortality improvements projected using scale MP-2019
	Healthy Post-Retirement: The PubS-2010, Amount-Weighted, Healthy Retiree Mortality Tables, with a base year of 2010 and future mortality improvements projected using scale MP-2019
	Disability Retirement: The PubS-2010, Amount-Weighted, Disabled Mortality Table, with a base year of 2010 and future mortality improvements projected using scale MP-2019

Required Supplementary Information  
Schedule of Changes in the Net Pension Liability and Related Ratios  
Chapter 23 Police and Fire Revised Retirement System

**Last Ten Fiscal Years**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Total Pension Liability</b>										
Service cost	\$ 3,413,716	\$ 3,565,509	\$ 3,833,375	\$ 4,083,629	\$ 3,869,766	\$ 4,095,947	\$ 4,018,651	\$ 3,513,973	\$ 3,655,514	\$ 3,854,655
Interest	30,520,390	30,061,379	29,592,462	29,163,511	26,883,815	26,179,052	25,092,709	24,593,122	24,070,844	23,542,045
Changes in benefit terms	309,620	-	-	-	-	-	5,515,313	-	-	-
Differences between expected and actual experience	1,666,852	(188,709)	(2,043,439)	(1,100,468)	(1,311,598)	2,541,671	2,467,804	1,006,214	(243,214)	(429,811)
Changes in assumptions	-	-	-	-	27,098,377	-	-	10,829,368	-	-
Benefit payments, including refunds	(27,345,659)	(26,264,309)	(25,027,463)	(24,639,151)	(23,449,543)	(21,821,479)	(21,406,454)	(20,479,978)	(19,937,083)	(19,210,018)
<b>Net Change in Total Pension Liability</b>	8,564,919	7,173,870	6,354,935	7,507,521	33,090,817	10,995,191	15,688,023	19,462,699	7,546,061	7,756,871
<b>Total Pension Liability - Beginning of year</b>	447,971,537	440,797,667	434,442,732	426,935,211	393,844,394	382,849,203	367,161,180	347,698,481	340,152,420	332,395,549
<b>Total Pension Liability - End of year</b>	<b>\$ 456,536,456</b>	<b>\$ 447,971,537</b>	<b>\$ 440,797,667</b>	<b>\$ 434,442,732</b>	<b>\$ 426,935,211</b>	<b>\$ 393,844,394</b>	<b>\$ 382,849,203</b>	<b>\$ 367,161,180</b>	<b>\$ 347,698,481</b>	<b>\$ 340,152,420</b>
<b>Plan Fiduciary Net Position</b>										
Contributions - Employer	\$ 12,697,501	\$ 12,777,833	\$ 15,758,675	\$ 14,944,850	\$ 13,735,996	\$ 13,395,345	\$ 12,501,034	\$ 9,436,959	\$ 9,090,948	\$ 9,193,439
Contributions - Member	498,430	526,453	565,401	588,414	660,923	692,666	700,192	687,669	696,462	735,288
Net investment income (loss)	34,609,941	22,727,815	(37,340,640)	89,806,577	(223,495)	11,869,714	14,694,627	27,486,853	(1,664,166)	838,284
Administrative expenses	(125,139)	(97,464)	(78,032)	(75,508)	(70,169)	(50,883)	(58,614)	(44,080)	(50,774)	(60,739)
Benefit payments, including refunds	(27,345,659)	(26,264,309)	(25,027,463)	(24,639,151)	(23,449,543)	(21,821,479)	(21,406,454)	(20,479,978)	(19,937,083)	(19,210,018)
Other	(25,516)	(25,516)	(25,516)	(25,516)	(25,516)	(25,516)	(291,433)	-	-	-
<b>Net Change in Plan Fiduciary Net Position</b>	20,309,558	9,644,812	(46,147,575)	80,599,666	(9,371,804)	4,059,847	6,139,352	17,087,423	(11,864,613)	(8,503,746)
<b>Plan Fiduciary Net Position - Beginning of year</b>	323,251,327	313,606,515	359,754,090	279,154,424	288,526,228	284,466,381	278,327,029	261,239,606	273,104,219	281,607,965
<b>Plan Fiduciary Net Position - End of year</b>	<b>\$ 343,560,885</b>	<b>\$ 323,251,327</b>	<b>\$ 313,606,515</b>	<b>\$ 359,754,090</b>	<b>\$ 279,154,424</b>	<b>\$ 288,526,228</b>	<b>\$ 284,466,381</b>	<b>\$ 278,327,029</b>	<b>\$ 261,239,606</b>	<b>\$ 273,104,219</b>
<b>City's Net Pension Liability - Ending</b>	<b>\$ 112,975,571</b>	<b>\$ 124,720,210</b>	<b>\$ 127,191,152</b>	<b>\$ 74,688,642</b>	<b>\$ 147,780,787</b>	<b>\$ 105,318,166</b>	<b>\$ 98,382,822</b>	<b>\$ 88,834,151</b>	<b>\$ 86,458,875</b>	<b>\$ 67,048,201</b>
<b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	75.25 %	72.16 %	71.15 %	82.81 %	65.39 %	73.26 %	74.30 %	75.81 %	75.13 %	80.29 %
<b>Covered Payroll</b>	\$ 10,050,479	\$ 10,605,941	\$ 11,308,146	\$ 11,892,169	\$ 13,349,785	\$ 13,846,216	\$ 13,345,686	\$ 13,780,369	\$ 14,722,316	\$ 15,763,013
<b>City's Net Pension Liability as a Percentage of Covered Payroll</b>	1,124.08 %	1,175.95 %	1,124.77 %	628.05 %	1,106.99 %	760.63 %	737.19 %	644.64 %	587.26 %	425.35 %

Required Supplementary Information  
 Schedule of Pension Investment Returns  
 Chapter 23 Police and Fire Revised Retirement System

	<b>Last Ten Fiscal Years Years Ended June 30</b>									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Annual money-weighted rate of return - Net of investment expense	10.88 %	7.37 %	(10.53)%	32.61 %	(0.11)%	4.21 %	5.25 %	10.73 %	(0.64)%	0.28 %



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

**Last Ten Plan Years Ended December 31**

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Total Pension Liability</b>										
Service cost	\$ 3,491,760	\$ 3,181,134	\$ 2,702,402	\$ 2,861,779	\$ 2,680,963	\$ 2,434,745	\$ 1,917,113	\$ 1,635,150	\$ 1,481,314	\$ 1,209,895
Interest	3,085,519	2,660,019	2,186,019	1,799,685	1,544,259	1,252,966	902,090	732,364	558,477	413,899
Benefit changes	-	-	-	-	-	-	1,365,338	-	-	-
Differences between expected and actual experience	1,078,494	26,313	568,744	(109,000)	(103,993)	(164,646)	(32,862)	(360,953)	238,712	-
Changes in assumptions	640,239	-	2,329,211	667,403	183,251	-	-	-	37,679	-
Benefit payments, including refunds	(193,886)	(113,724)	(84,743)	(28,935)	(7,176)	(2,883)	(46,177)	(5,749)	(10,201)	(3,887)
<b>Net Change in Total Pension Liability</b>	<b>8,102,126</b>	<b>5,753,742</b>	<b>7,701,633</b>	<b>5,190,932</b>	<b>4,297,304</b>	<b>3,520,182</b>	<b>4,105,502</b>	<b>2,000,812</b>	<b>2,305,981</b>	<b>1,619,907</b>
<b>Total Pension Liability - Beginning of year</b>	<b>40,909,950</b>	<b>35,156,208</b>	<b>27,454,575</b>	<b>22,263,643</b>	<b>17,966,339</b>	<b>14,446,157</b>	<b>10,340,655</b>	<b>8,339,843</b>	<b>6,033,862</b>	<b>4,413,955</b>
<b>Total Pension Liability - End of year</b>	<b>\$ 49,012,076</b>	<b>\$ 40,909,950</b>	<b>\$ 35,156,208</b>	<b>\$ 27,454,575</b>	<b>\$ 22,263,643</b>	<b>\$ 17,966,339</b>	<b>\$ 14,446,157</b>	<b>\$ 10,340,655</b>	<b>\$ 8,339,843</b>	<b>\$ 6,033,862</b>
<b>Plan Fiduciary Net Position</b>										
Contributions - Employer	\$ 2,447,355	\$ 2,241,012	\$ 2,302,889	\$ 2,143,792	\$ 1,936,063	\$ 1,826,211	\$ 1,632,550	\$ 1,038,018	\$ 460,330	\$ 371,624
Contributions - Member	1,277,048	1,193,021	1,117,351	1,019,858	1,007,680	841,429	616,906	550,895	917,355	743,093
Net investment income (loss)	4,219,438	(3,965,639)	4,434,435	3,300,500	2,402,373	(675,737)	1,547,083	1,022,036	(123,348)	373,756
Administrative expenses	(86,886)	(69,063)	(48,014)	(46,981)	(41,512)	(30,485)	(46,177)	(5,749)	(16,738)	(14,087)
Benefit payments, including refunds	(193,886)	(113,724)	(84,743)	(28,935)	(7,176)	(2,883)	(24,199)	(20,052)	(10,201)	(3,887)
<b>Net Change in Plan Fiduciary Net Position</b>	<b>7,663,069</b>	<b>(714,393)</b>	<b>7,721,918</b>	<b>6,388,234</b>	<b>5,297,428</b>	<b>1,958,535</b>	<b>3,726,163</b>	<b>2,585,148</b>	<b>1,227,398</b>	<b>1,470,499</b>
<b>Plan Fiduciary Net Position - Beginning of year</b>	<b>35,163,060</b>	<b>35,877,453</b>	<b>28,155,535</b>	<b>21,767,301</b>	<b>16,469,873</b>	<b>14,511,338</b>	<b>10,785,175</b>	<b>8,200,027</b>	<b>6,972,629</b>	<b>5,502,130</b>
<b>Plan Fiduciary Net Position - End of year</b>	<b>\$ 42,826,129</b>	<b>\$ 35,163,060</b>	<b>\$ 35,877,453</b>	<b>\$ 28,155,535</b>	<b>\$ 21,767,301</b>	<b>\$ 16,469,873</b>	<b>\$ 14,511,338</b>	<b>\$ 10,785,175</b>	<b>\$ 8,200,027</b>	<b>\$ 6,972,629</b>
<b>City's Net Pension Liability (Asset) - Ending</b>	<b>\$ 6,185,947</b>	<b>\$ 5,746,890</b>	<b>\$ (721,245)</b>	<b>\$ (700,960)</b>	<b>\$ 496,342</b>	<b>\$ 1,496,466</b>	<b>\$ (65,181)</b>	<b>\$ (444,520)</b>	<b>\$ 139,816</b>	<b>\$ (938,767)</b>
<b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	<b>87.38 %</b>	<b>85.95 %</b>	<b>102.05 %</b>	<b>102.55 %</b>	<b>97.77 %</b>	<b>91.67 %</b>	<b>100.45 %</b>	<b>104.30 %</b>	<b>98.32 %</b>	<b>115.56 %</b>
<b>Covered Payroll</b>	<b>\$ 21,700,921</b>	<b>\$ 19,728,631</b>	<b>\$ 18,227,335</b>	<b>\$ 17,045,854</b>	<b>\$ 15,861,963</b>	<b>\$ 14,787,609</b>	<b>\$ 12,469,883</b>	<b>\$ 11,573,050</b>	<b>\$ 9,452,425</b>	<b>\$ 7,711,024</b>
<b>City's Net Pension Liability (Asset) as a Percentage of Covered Payroll</b>	<b>28.51 %</b>	<b>29.13 %</b>	<b>(3.96)%</b>	<b>(4.11)%</b>	<b>3.13 %</b>	<b>10.12 %</b>	<b>(0.52)%</b>	<b>(3.84)%</b>	<b>1.48 %</b>	<b>(12.17)%</b>

See notes to required supplementary information.



Required Supplementary Information  
Schedule of OPEB Contributions

Last Ten Fiscal Years  
Years Ended June 30

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 6,742,595	\$ 6,074,688	\$ 16,095,303	\$ 15,679,593	\$ 15,762,276	\$ 16,768,808	\$ 17,411,313	\$ 17,887,412	\$ 18,783,790	\$ 19,854,489
Contributions in relation to the actuarially determined contribution	7,015,466	6,074,686	13,539,988	13,747,987	13,397,441	48,714,670	15,287,893	15,517,342	13,626,726	13,539,033
<b>Contribution Excess (Deficiency)</b>	<b>\$ 272,871</b>	<b>\$ (2)</b>	<b>\$ (2,555,315)</b>	<b>\$ (1,931,606)</b>	<b>\$ (2,364,835)</b>	<b>\$ 31,945,862</b>	<b>\$ (2,123,420)</b>	<b>\$ (2,370,070)</b>	<b>\$ (5,157,064)</b>	<b>\$ (6,315,456)</b>
<b>Covered-employee Payroll</b>	<b>\$ 24,938,909</b>	<b>\$ 26,684,028</b>	<b>\$ 29,293,604</b>	<b>\$ 31,554,408</b>	<b>\$ 33,138,699</b>	<b>\$ 35,876,120</b>	<b>\$ 36,427,775</b>	<b>\$ 35,829,343</b>	<b>\$ 40,134,079</b>	<b>\$ 40,134,079</b>
<b>Contributions as a Percentage of Covered-employee Payroll</b>	<b>28.13 %</b>	<b>22.77 %</b>	<b>46.22 %</b>	<b>43.57 %</b>	<b>40.43 %</b>	<b>135.79 %</b>	<b>41.97 %</b>	<b>43.31 %</b>	<b>33.95 %</b>	<b>33.73 %</b>

Notes to Schedule of Contributions

Actuarial valuation information relative to the determination of contributions:

Valuation date June 30, 2022

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level dollar
Remaining amortization period	14 years, closed
Asset valuation method	5-year smoothed market
Inflation	2.75 percent
Health care cost trend rates	Initial trend of 7.50 percent for pre-65, 6.25 percent for post-65 gradually decreasing to an ultimate trend rate of 3.50 percent
Salary increase	2.75 percent to 7.55 percent, including inflation
Investment rate of return	6.00 percent net of expenses, including inflation
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2020 valuation pursuant to experience studies performed for the period 2013-2018 for non-MERS plans and 2014-2018 for MERS plans dated December 6, 2019
Mortality	Healthy Pre-Retirement: The PubS-2010, Amount-Weighted, Employee Mortality Tables, with a base year of 2010 and future mortality improvements projected using scale MP-2019  Healthy Post-Retirement: The PubS-2010, Amount-Weighted, Healthy Retiree Mortality Tables, with a base year of 2010 and future mortality improvements projected using scale MP-2019  Disability Retirement: The PubS-2010, Amount-Weighted, Disabled Mortality Table, with a base year of 2010 and future mortality improvements projected using scale MP-2019
Aging factors	Based on the 2013 SOA Study "Health Care Costs - From Birth to Death"

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

Last Eight Fiscal Years

	2024	2023	2022	2021	2020	2019	2018	2017
<b>Total OPEB Liability</b>								
Service cost	\$ 1,871,702	\$ 2,365,155	\$ 2,612,892	\$ 2,663,731	\$ 2,650,159	\$ 2,495,383	\$ 2,625,312	\$ 2,080,816
Interest	11,560,980	14,568,500	14,245,228	16,406,275	14,925,019	15,602,042	15,307,855	15,471,747
Changes in benefit terms	-	(63,241,072)	-	(24,844,118)	-	(3,179,714)	-	-
Differences between expected and actual experience	(1,033,499)	(856,301)	(987,926)	(25,283,748)	(1,122,391)	(31,430,792)	(1,212,420)	586,687
Changes in assumptions	-	7,348,052	-	7,670,536	20,331,126	17,107,620	-	27,406,087
Benefit payments, including refunds	(9,806,351)	(10,317,394)	(11,596,595)	(12,449,690)	(11,722,626)	(12,188,667)	(11,316,644)	(12,106,610)
<b>Net Change in Total OPEB Liability</b>	2,592,832	(50,133,060)	4,273,599	(35,837,014)	25,061,287	(11,594,128)	5,404,103	33,438,727
<b>Total OPEB Liability - Beginning of year</b>	196,651,364	246,784,424	242,510,825	278,347,839	253,286,552	264,880,680	259,476,577	226,037,850
<b>Total OPEB Liability - End of year</b>	<b>\$ 199,244,196</b>	<b>\$ 196,651,364</b>	<b>\$ 246,784,424</b>	<b>\$ 242,510,825</b>	<b>\$ 278,347,839</b>	<b>\$ 253,286,552</b>	<b>\$ 264,880,680</b>	<b>\$ 259,476,577</b>
<b>Plan Fiduciary Net Position</b>								
Contributions - Employer	\$ 7,015,466	\$ 6,074,676	\$ 13,539,988	\$ 13,747,987	\$ 13,397,441	\$ 48,714,670	\$ 15,287,893	\$ 15,095,027
Contributions - Nonemployer contributing entities	-	-	-	-	4,924	336,628	373,996	623,636
Net investment income (loss)	18,219,707	10,972,101	(26,879,392)	35,249,953	227,468	5,417,155	4,776,465	4,883,607
Administrative expenses	(21,291)	(37,055)	(22,079)	(45,795)	(19,500)	(44,988)	(29,250)	(76,000)
Benefit payments, including refunds	(9,806,351)	(10,317,394)	(11,596,595)	(12,449,690)	(11,722,626)	(12,188,667)	(11,316,644)	(12,106,610)
Other	-	-	199,808	207,079	-	-	-	-
<b>Net Change in Plan Fiduciary Net Position</b>	15,407,531	6,692,328	(24,758,270)	36,709,534	1,887,707	42,234,798	9,092,460	8,419,660
<b>Plan Fiduciary Net Position - Beginning of year</b>	144,789,103	138,096,775	162,855,045	126,145,511	124,257,804	82,023,006	72,930,546	64,510,886
<b>Plan Fiduciary Net Position - End of year</b>	<b>\$ 160,196,634</b>	<b>\$ 144,789,103</b>	<b>\$ 138,096,775</b>	<b>\$ 162,855,045</b>	<b>\$ 126,145,511</b>	<b>\$ 124,257,804</b>	<b>\$ 82,023,006</b>	<b>\$ 72,930,546</b>
<b>Net OPEB Liability - Ending</b>	<b>\$ 39,047,562</b>	<b>\$ 51,862,261</b>	<b>\$ 108,687,649</b>	<b>\$ 79,655,780</b>	<b>\$ 152,202,328</b>	<b>\$ 129,028,748</b>	<b>\$ 182,857,674</b>	<b>\$ 186,546,031</b>
<b>Plan Fiduciary Net Position as a Percentage of Total OPEB Liability</b>	80.40 %	73.63 %	55.96 %	67.15 %	45.32 %	49.06 %	30.97 %	28.11 %
<b>Covered-employee Payroll</b>	\$ 24,938,909	\$ 26,684,028	\$ 29,293,604	\$ 31,554,408	\$ 33,138,699	\$ 35,876,120	\$ 36,427,775	\$ 35,829,343
<b>Net OPEB Liability as a Percentage of Covered-employee Payroll</b>	156.57 %	194.36 %	371.03 %	252.44 %	459.29 %	359.65 %	501.97 %	520.65 %

OPEB schedules are intended to disclose information for 10 years. Additional years will be added as they become available.

## City of Dearborn, Michigan

### Required Supplementary Information Schedule of OPEB Investment Returns

	<b>Last Eight Fiscal Years</b>							
	<b>Years Ended June 30</b>							
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Annual money-weighted rate of return - Net of investment expense	12.68 %	8.05 %	(16.26)%	27.89 %	0.17 %	5.72 %	6.96 %	8.38 %

***Budgetary Information***

The City's budget is prepared in compliance with the uniform budgeting provisions of Michigan law. Budgets are adopted for all governmental and proprietary funds.

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

Prior to April 15, the mayor delivers the proposed budget to the City Council for the fiscal year commencing on the following July 1. The budget includes identification of unusual circumstances; a comparative analysis covering the immediate past and the current budgets, together with the proposed budget; and a proposed general appropriations resolution.

1. The proposed budgets are reviewed through a series of meetings with the City Council, the mayor, the finance department, department directors, etc.
2. A public hearing is conducted to obtain taxpayers' comments.
3. No later than June 13, the City Council shall pass a general appropriations resolution providing the authority to make expenditures and incur obligations on behalf of the City for the ensuing fiscal year.

Appropriations in the General Fund are controlled at the department level. Expenditures for all other governmental funds are controlled at the fund level. While the legislative budget is adopted at summary levels, administrative control is maintained at detail levels. Management may amend the budget at the detail level within summary constraints. During the fiscal year, it was necessary to make budget amendments.

The City maintains budgetary control through the use of a full encumbrance system. For budgetary purposes, appropriations lapse at fiscal year end, except for the portion related to encumbered amounts and those amounts approved for carry forward by the City Council.

Budget to actual statements have been prepared in accordance with generally accepted accounting principles. As a result of implementing GASB Statement No. 84, the General Fund budgetary comparison schedule also includes the Retiree Death Benefits Fund.

***Pension Information***

***Benefit Changes***

*Chapter 23 Police and Fire Revised Retirement System*

June 30, 2024 - All department heads and at-will employees appointed by the mayor meeting normal retirement eligibility conditions are eligible for the Deferred Retirement Option Plan.

***Changes in Assumptions***

*Chapter 21 Policemen's and Firemen's Retirement System*

June 30, 2015 - The beginning of year total pension liability was based on 110 percent of the male 1994 Group Annuity Mortality Table and 100 percent of the female Group Annuity Mortality table, and the end of year total pension liability was based on the RP-2000 mortality table projected to 2020.

June 30, 2017 - The beginning of year total pension liability was based on a single discount rate of 7.0 percent, and the end of year total pension liability was based on a single discount rate of 6.0 percent.

June 30, 2020 - The beginning of year total pension liability was determined using the RP-2000 mortality and wage inflation of 3.0 percent. The end of year total pension liability was determined using the Pub-2010 mortality tables with projection scale MP-2019 and wage inflation of 2.75 percent.

*Chapter 22 General Employees' Retirement System*

June 30, 2014 - The beginning of year total pension liability was based on an inflation component of 3.75 percent, and the end of year total pension liability was based on an inflation component of 2.0 to 3.0 percent.

June 30, 2017 - The beginning of year total pension liability was based on a single discount rate of 7.25 percent, and the end of year total pension liability was based on a single discount rate of 7.0 percent.

June 30, 2020 - The beginning of year total pension liability was determined using the RP-2000 mortality and wage inflation of 3.0 percent. The end of year total pension liability was determined using the Pub-2010 mortality tables with projection scale MP-2019 and wage inflation of 2.75 percent.

*Chapter 23 Police and Fire Revised Retirement System*

June 30, 2014 - The beginning of year total pension liability was based on an inflation component of 3.75 percent, and the end of year total pension liability was based on an inflation component of 2.0 to 3.0 percent.

June 30, 2017 - The beginning of year total pension liability was based on a single discount rate of 7.25 percent, and the end of year total pension liability was based on a single discount rate of 7.0 percent.

June 30, 2020 - The beginning of year total pension liability was determined using the RP-2000 mortality and wage inflation of 3.0 percent. The end of year total pension liability was determined using the Pub-2010 mortality tables with projection scale MP-2019 and wage inflation of 2.75 percent.

*Municipal Employees' Retirement System of Michigan*

December 31, 2015 - The beginning of year total pension liability was based on a single discount rate of 8.25 percent, and the end of year total pension liability was based on a single discount rate of 8.0 percent.

December 31, 2019 - The beginning of year total pension liability was based on a single discount rate of 8.0 percent and wage inflation of 3.75 percent, and the end of year total pension liability was based on a single discount rate of 7.6 percent and wage inflation of 3.0 percent.

December 31, 2020 - The beginning of year total pension liability was based on the RP-2014 mortality tables, and the end of year total pension liability was based on the Pub-2010 tables.

December 31, 2021 - The beginning of year total pension liability was based on a single discount rate of 7.6 percent, and the end of year total pension liability was based on a single discount rate of 7.25 percent.

December 31, 2023 - The beginning of year total pension liability was based on a single discount rate of 7.25 percent, and the end of year total pension liability was based on a single discount rate of 7.18 percent.

***OPEB Information***

**Changes in Assumptions**

June 30, 2017 - The beginning of year total OPEB liability was based on a single discount rate of 7.25 percent, and the end of year total OPEB liability was based on a single discount rate of 6.0 percent.

June 30, 2019 - The beginning of year total OPEB liability was based on a health care cost trend rate beginning at 9.0 percent and decreasing to an ultimate rate of 3.0 percent, and the end of year total OPEB liability was based on a health care cost trend rate beginning at 8.25 percent and decreasing to an ultimate rate of 3.5 percent.

June 30, 2020 - The City adopted new demographic assumptions pursuant to a five-year experience study covering the period ended June 30, 2018, which were implemented in developing the June 30, 2020 total OPEB liability. The most significant change in assumptions resulting from this experience study was changing the mortality tables used to be the PubG-2010 Mortality Tables with a base year of 2010 and future mortality improvements projected using scale MP-2019.

June 30, 2021 - The beginning of year total OPEB liability was based on a health care cost trend rate of 8.25 percent decreasing to an ultimate rate of 3.5 percent and salary increases of 3.0 to 7.8 percent. The end of year total OPEB liability was based on a health care cost trend rate of 7.5 percent decreasing to an ultimate rate of 3.5 percent and salary increases of 3.0 to 9.7 percent.

June 30, 2023 - The health care cost trend rate was reset in the most recent valuation.

**Benefit Changes**

Effective July 1, 2020, for certain members, prescription drug coverage is provided through a fully insured prescription drug plan.

Effective January 1, 2022, for certain members, medical insurance coverage was provided through a self-insured HRA (Health Retirement Account) Plan.

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## Supplementary Information

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***Special Revenue Funds***

These funds are used to account for the proceeds of specific revenue sources (other than major capital projects) requiring separate accounting because of legal or regulatory provisions or administrative action. The combined special revenue funds are composed of the following individual funds:

**Major Street & Trunkline Fund and Local Streets Fund**

Both of these funds are established by state law to account for expenditures of state gas and weight tax collection allocations to the City. Their use is restricted to maintenance and construction of roads and streets and related expenditure. A total of 10 percent of revenue may be expended for nonmotorized transportation.

**Drug Law Enforcement Fund**

This fund is used to account for the proceeds of forfeitures resulting from drug law enforcement activities.

**Library Fund**

This fund accounts for the operations of the City's three libraries. A total of 1.54 mills of tax revenue is designated for libraries.

**Community Development Fund**

This fund accounts for entitlement funds received through the federal Community Development Block Grant program. The City has participated in this program since its enactment by Congress in 1977.

**Indigent Defense Fund**

This fund accounts for state revenue received by the City for the purpose of providing court-appointed defense for individuals who cannot afford their own legal defense.

**Designated Purposes Fund**

This fund accounts for expenditures of various civic projects, which are financed by specific charges for services and by private contributions.

**Opioid Settlement Fund**

This fund accounts for the City's share of nationwide settlement proceeds and activities.

***Capital Projects Fund***

The City has one capital projects fund. The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by business-type/proprietary funds).



# City of Dearborn, Michigan

	Special Revenue Funds					
	Major Street & Trunkline Fund	Local Streets Fund	Drug Law Enforcement Fund	Library Fund	Community Development Fund	Indigent Defense Fund
<b>Assets</b>						
Cash and cash equivalents	\$ 10,814,347	\$ 9,820,780	\$ 2,656,580	\$ 3,697,237	\$ 34,702	\$ 168,199
Investments	3,745,940	3,421,592	928,351	1,303,987	-	19,581
Receivables:						
Property taxes receivable	-	-	-	4,490	-	-
Customer receivables	-	-	-	-	-	-
Accrued interest receivable	82,670	75,512	20,488	28,778	-	1,082
Leases receivable	-	-	-	34,159	-	-
Other receivables	893	2,269	1,887	205	251,557	-
Due from other governments	1,764,553	523,806	-	58,350	940,637	-
Due from other funds	-	-	-	-	-	-
Land held for resale	-	-	-	-	78,042	-
<b>Total assets</b>	<b>\$ 16,408,403</b>	<b>\$ 13,843,959</b>	<b>\$ 3,607,306</b>	<b>\$ 5,127,206</b>	<b>\$ 1,304,938</b>	<b>\$ 188,862</b>
<b>Liabilities</b>						
Accounts payable:						
Accounts payable	\$ 627,953	\$ 482,487	\$ 1,313	\$ 22,797	\$ 39,473	\$ 21,392
Retainage payable	207,860	132,778	-	-	-	-
Due to other governmental units	-	-	-	-	-	-
Due to component units	-	-	-	-	24,158	-
Due to other funds	-	-	-	-	409,895	-
Refundable bonds and deposits	-	-	709,180	-	400	-
Accrued liabilities and other	-	-	-	126,342	-	18,812
Provision for property tax refunds	-	-	-	58,517	-	-
Unearned revenue	-	-	-	1,884	-	-
<b>Total liabilities</b>	<b>835,813</b>	<b>615,265</b>	<b>710,493</b>	<b>209,540</b>	<b>473,926</b>	<b>40,204</b>
<b>Deferred Inflows of Resources</b>						
Unavailable revenue	-	-	-	13,610	286,475	-
Deferred inflows from leases	-	-	-	33,167	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>46,777</b>	<b>286,475</b>	<b>-</b>
<b>Total liabilities and deferred inflows of resources</b>	<b>835,813</b>	<b>615,265</b>	<b>710,493</b>	<b>256,317</b>	<b>760,401</b>	<b>40,204</b>
<b>Fund Balances</b>						
Restricted:						
Road construction, preservation, and maintenance	15,572,590	13,228,694	-	-	-	-
Law enforcement activities	-	-	2,896,813	-	-	-
Library activities	-	-	-	4,870,889	-	-
Community development	-	-	-	-	544,537	-
Opioid treatment	-	-	-	-	-	-
Indigent defense	-	-	-	-	-	148,658
Historical museum activities	-	-	-	-	-	-
Committed - Designated purposes - Community programs	-	-	-	-	-	-
Assigned	-	-	-	-	-	-
<b>Total fund balances</b>	<b>15,572,590</b>	<b>13,228,694</b>	<b>2,896,813</b>	<b>4,870,889</b>	<b>544,537</b>	<b>148,658</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 16,408,403</b>	<b>\$ 13,843,959</b>	<b>\$ 3,607,306</b>	<b>\$ 5,127,206</b>	<b>\$ 1,304,938</b>	<b>\$ 188,862</b>

Supplementary Information  
Combining Balance Sheet  
Nonmajor Governmental Funds

June 30, 2024

Special Revenue Funds			
Designated Purposes Fund	Opioid Settlement Fund	Capital Projects Fund	Total
\$ 1,506,648	\$ 289,991	\$ 17,299,049	\$ 46,287,533
-	102,422	6,097,030	15,618,903
-	-	-	4,490
-	-	4,843	4,843
-	2,260	134,558	345,348
-	-	-	34,159
10,320	-	-	267,131
-	1,419,248	3,315,064	8,021,658
-	-	358,336	358,336
-	-	3,964,942	4,042,984
<b>\$ 1,516,968</b>	<b>\$ 1,813,921</b>	<b>\$ 31,173,822</b>	<b>\$ 74,985,385</b>
\$ 75,136	\$ -	\$ 370,271	\$ 1,640,822
-	-	35,314	375,952
163	-	-	163
-	-	-	24,158
-	-	41,697	451,592
579,345	-	19,455	1,308,380
-	-	-	145,154
-	-	-	58,517
-	-	2,181	4,065
654,644	-	468,918	4,008,803
-	1,339,890	3,312,561	4,952,536
-	-	-	33,167
-	1,339,890	3,312,561	4,985,703
654,644	1,339,890	3,781,479	8,994,506
-	-	-	28,801,284
-	-	-	2,896,813
-	-	-	4,870,889
-	-	-	544,537
-	474,031	-	474,031
-	-	-	148,658
40,000	-	-	40,000
822,324	-	-	822,324
-	-	27,392,343	27,392,343
862,324	474,031	27,392,343	65,990,879
<b>\$ 1,516,968</b>	<b>\$ 1,813,921</b>	<b>\$ 31,173,822</b>	<b>\$ 74,985,385</b>

# City of Dearborn, Michigan

	Special Revenue Funds					
	Major Street & Trunkline Fund	Local Streets Fund	Drug Law Enforcement Fund	Library Fund	Community Development Fund	Indigent Defense Fund
<b>Revenue</b>						
Property taxes	\$ 463,000	\$ 736,212	\$ -	\$ 5,746,774	\$ -	\$ -
Intergovernmental:						
Federal grants	-	-	-	17,545	563,174	-
State sources:						
Act 51 gas and weight tax	11,006,105	3,267,014	-	-	-	-
Local Community Stabilization Authority	-	-	-	1,580,685	-	-
Other state grants	-	444,037	-	112,238	-	528,240
Local grants and contributions	893	-	-	68,098	-	-
Charges for services	-	-	-	37,628	-	-
Fines and forfeitures	-	-	287,087	11,162	-	-
Interest and rentals:						
Investment income	697,260	590,776	171,040	300,742	-	15,575
Rents and royalties	-	-	-	6,488	-	-
Other revenue:						
Private source contributions	-	-	-	18,877	-	-
Miscellaneous revenue	37,462	-	20,531	42,735	-	-
<b>Total revenue</b>	<b>12,204,720</b>	<b>5,038,039</b>	<b>478,658</b>	<b>7,942,972</b>	<b>563,174</b>	<b>543,815</b>
<b>Expenditures</b>						
Current services:						
General government	-	-	-	-	-	873,616
Public safety	-	-	486,833	-	-	-
Public works	4,148,647	8,124,963	-	-	-	-
Public health	-	-	-	-	-	-
Community and economic development	-	-	-	-	486,685	-
Recreation and culture	-	-	-	5,782,077	-	-
Capital outlay	-	-	255,178	463,670	-	-
Debt service:						
Principal	-	-	1,010	135,722	-	-
Interest and fiscal charges	-	-	154	87,865	-	-
<b>Total expenditures</b>	<b>4,148,647</b>	<b>8,124,963</b>	<b>743,175</b>	<b>6,469,334</b>	<b>486,685</b>	<b>873,616</b>
<b>Excess of Revenue Over (Under) Expenditures</b>	<b>8,056,073</b>	<b>(3,086,924)</b>	<b>(264,517)</b>	<b>1,473,638</b>	<b>76,489</b>	<b>(329,801)</b>
<b>Other Financing Sources (Uses)</b>						
Transfers in	-	4,952,747	-	-	-	79,473
Transfers out	(4,952,747)	-	-	(834,225)	-	-
Sale of capital assets	-	-	15,514	-	-	-
<b>Total other financing (uses) sources</b>	<b>(4,952,747)</b>	<b>4,952,747</b>	<b>15,514</b>	<b>(834,225)</b>	<b>-</b>	<b>79,473</b>
<b>Net Change in Fund Balances</b>	<b>3,103,326</b>	<b>1,865,823</b>	<b>(249,003)</b>	<b>639,413</b>	<b>76,489</b>	<b>(250,328)</b>
<b>Fund Balances - Beginning of year</b>	<b>12,469,264</b>	<b>11,362,871</b>	<b>3,145,816</b>	<b>4,231,476</b>	<b>468,048</b>	<b>398,986</b>
<b>Fund Balances - End of year</b>	<b>\$ 15,572,590</b>	<b>\$ 13,228,694</b>	<b>\$ 2,896,813</b>	<b>\$ 4,870,889</b>	<b>\$ 544,537</b>	<b>\$ 148,658</b>

Supplementary Information

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

Year Ended June 30, 2024

Special Revenue Funds			
Designated Purposes Fund	Opioid Settlement Fund	Capital Projects Fund	Total
\$ -	\$ -	\$ -	\$ 6,945,986
-	-	818,538	1,399,257
-	-	-	14,273,119
-	-	-	1,580,685
-	-	-	1,084,515
-	-	60,610	129,601
124,272	-	19,417	181,317
-	-	-	298,249
216	-	1,230,406	3,006,015
-	-	-	6,488
174,245	-	-	193,122
143,642	328,840	190,107	763,317
442,375	328,840	2,319,078	29,861,671
2	-	-	873,618
-	-	-	486,833
-	-	-	12,273,610
-	23,704	-	23,704
-	-	-	486,685
631,670	-	-	6,413,747
53	-	6,672,848	7,391,749
-	-	-	136,732
-	-	-	88,019
631,725	23,704	6,672,848	28,174,697
(189,350)	305,136	(4,353,770)	1,686,974
6,769	-	5,580,599	10,619,588
-	-	(1,360,729)	(7,147,701)
-	-	-	15,514
6,769	-	4,219,870	3,487,401
(182,581)	305,136	(133,900)	5,174,375
1,044,905	168,895	27,526,243	60,816,504
<b>\$ 862,324</b>	<b>\$ 474,031</b>	<b>\$ 27,392,343</b>	<b>\$ 65,990,879</b>

**City of Dearborn, Michigan**

**Supplementary Information**  
**Budgetary Comparison Schedules - Nonmajor Governmental Funds**  
**Major Street & Trunkline Fund**

**Year Ended June 30, 2024**

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget (Unaudited)
<b>Revenue</b>				
Property taxes	\$ 463,000	\$ 463,000	\$ 463,000	\$ -
Intergovernmental:				
State sources:				
Act 51 gas and weight tax	10,673,566	11,006,105	11,006,105	-
Other state grants	-	242,830	-	(242,830)
Local grants and contributions	1,200	1,200	893	(307)
Investment income	153,780	153,780	697,260	543,480
Other revenue:				
Private source contributions	-	110,620	-	(110,620)
Miscellaneous revenue	30,000	81,951	37,462	(44,489)
Total revenue	11,321,546	12,059,486	12,204,720	145,234
<b>Expenditures - Current services - Public works</b>	6,422,270	16,329,114	4,148,647	12,180,467
<b>Excess of Revenue Over (Under)</b>				
<b>Expenditures</b>	4,899,276	(4,269,628)	8,056,073	12,325,701
<b>Other Financing Uses - Transfers out</b>	(4,803,105)	(4,952,747)	(4,952,747)	-
<b>Net Change in Fund Balance</b>	96,171	(9,222,375)	3,103,326	12,325,701
<b>Fund Balance - Beginning of year</b>	12,469,264	12,469,264	12,469,264	-
<b>Fund Balance - End of year</b>	<b>\$ 12,565,435</b>	<b>\$ 3,246,889</b>	<b>\$ 15,572,590</b>	<b>\$ 12,325,701</b>

**City of Dearborn, Michigan**

**Supplementary Information**  
**Budgetary Comparison Schedules - Nonmajor Governmental Funds**  
**(Continued)**  
**Local Streets Fund**

**Year Ended June 30, 2024**

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget (Unaudited)
<b>Revenue</b>				
Property taxes	\$ 736,000	\$ 739,450	\$ 736,212	\$ (3,238)
Intergovernmental - State sources:				
Act 51 gas and weight tax	3,188,208	3,267,014	3,267,014	-
Other state grants	400,000	444,037	444,037	-
Investment income	125,550	125,550	590,776	465,226
Total revenue	4,449,758	4,576,051	5,038,039	461,988
<b>Expenditures</b> - Current services - Public works	9,232,637	17,065,150	8,124,963	8,940,187
<b>Excess of Expenditures Over Revenue</b>	(4,782,879)	(12,489,099)	(3,086,924)	9,402,175
<b>Other Financing Sources</b> - Transfers in	4,803,105	4,952,747	4,952,747	-
<b>Net Change in Fund Balance</b>	20,226	(7,536,352)	1,865,823	9,402,175
<b>Fund Balance</b> - Beginning of year	11,362,871	11,362,871	11,362,871	-
<b>Fund Balance</b> - End of year	\$ 11,383,097	\$ 3,826,519	\$ 13,228,694	\$ 9,402,175

**City of Dearborn, Michigan**

Supplementary Information  
 Budgetary Comparison Schedules - Nonmajor Governmental Funds  
 (Continued)  
 Drug Law Enforcement Fund

**Year Ended June 30, 2024**

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget (Unaudited)
<b>Revenue</b>				
Fines and forfeitures	\$ -	\$ 287,087	\$ 287,087	\$ -
Investment income	28,595	171,040	171,040	-
Miscellaneous revenue	-	20,531	20,531	-
Total revenue	28,595	478,658	478,658	-
<b>Expenditures</b>				
Current services - Public safety	477,190	671,339	486,833	184,506
Capital outlay	475,000	318,101	255,178	62,923
Debt service	-	-	1,164	(1,164)
Total expenditures	952,190	989,440	743,175	246,265
<b>Other Financing Sources - Sale of capital assets</b>	-	15,514	15,514	-
<b>Net Change in Fund Balance</b>	(923,595)	(495,268)	(249,003)	246,265
<b>Fund Balance - Beginning of year</b>	3,145,816	3,145,816	3,145,816	-
<b>Fund Balance - End of year</b>	<u><u>\$ 2,222,221</u></u>	<u><u>\$ 2,650,548</u></u>	<u><u>\$ 2,896,813</u></u>	<u><u>\$ 246,265</u></u>

Supplementary Information  
 Budgetary Comparison Schedules - Nonmajor Governmental Funds  
 (Continued)  
 Library Fund

**Year Ended June 30, 2024**

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget (Unaudited)
<b>Revenue</b>				
Property taxes	\$ 5,873,600	\$ 5,873,600	\$ 5,746,774	\$ (126,826)
Intergovernmental:				
Federal grants	20,920	37,512	17,545	(19,967)
State sources:				
Local Community Stabilization Authority	1,355,000	1,355,000	1,580,685	225,685
Other state grants	108,000	108,000	112,238	4,238
Local grants and contributions	62,000	62,000	68,098	6,098
Charges for services	27,000	27,000	37,628	10,628
Fines and forfeitures	10,000	10,000	11,162	1,162
Interest and rentals:				
Investment income	89,683	89,683	300,742	211,059
Rents and royalties	8,040	8,040	6,488	(1,552)
Other revenue:				
Private source contributions	21,000	29,443	18,877	(10,566)
Miscellaneous revenue	43,147	43,147	42,735	(412)
Total revenue	7,618,390	7,643,425	7,942,972	299,547
<b>Expenditures</b>				
Current services - Recreation and culture	5,940,777	6,006,336	5,782,077	224,259
Capital outlay	609,000	572,333	463,670	108,663
Debt service	223,587	223,587	223,587	-
Total expenditures	6,773,364	6,802,256	6,469,334	332,922
<b>Excess of Revenue Over Expenditures</b>	845,026	841,169	1,473,638	632,469
<b>Other Financing Uses - Transfers out</b>	(834,225)	(834,225)	(834,225)	-
<b>Net Change in Fund Balance</b>	10,801	6,944	639,413	632,469
<b>Fund Balance - Beginning of year</b>	4,231,476	4,231,476	4,231,476	-
<b>Fund Balance - End of year</b>	<u>\$ 4,242,277</u>	<u>\$ 4,238,420</u>	<u>\$ 4,870,889</u>	<u>\$ 632,469</u>



**City of Dearborn, Michigan**

Supplementary Information  
 Budgetary Comparison Schedules - Nonmajor Governmental Funds  
 (Continued)  
 Community Development Fund

**Year Ended June 30, 2024**

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget (Unaudited)
<b>Revenue</b>				
Intergovernmental - Federal grants	\$ 895,000	\$ 4,916,988	\$ 563,174	\$ (4,353,814)
Miscellaneous revenue	90,000	90,001	-	(90,001)
Total revenue	985,000	5,006,989	563,174	(4,443,815)
<b>Expenditures</b>				
Current services - Community improvement	1,413,894	4,759,632	486,685	4,272,947
Capital outlay	-	59,627	-	59,627
Total expenditures	1,413,894	4,819,259	486,685	4,332,574
<b>Net Change in Fund Balance</b>	(428,894)	187,730	76,489	(111,241)
<b>Fund Balance - Beginning of year</b>	468,048	468,048	468,048	-
<b>Fund Balance - End of year</b>	<u>\$ 39,154</u>	<u>\$ 655,778</u>	<u>\$ 544,537</u>	<u>\$ (111,241)</u>

Supplementary Information  
 Budgetary Comparison Schedules - Nonmajor Governmental Funds  
 (Continued)  
 Indigent Defense Fund

**Year Ended June 30, 2024**

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget (Unaudited)
<b>Revenue</b>				
Intergovernmental - State sources	\$ 771,568	\$ 811,568	\$ 528,240	\$ (283,328)
Investment income	10,168	10,168	15,575	5,407
Total revenue	781,736	821,736	543,815	(277,921)
<b>Expenditures - Current - General government</b>	941,315	981,315	873,616	107,699
<b>Excess of Expenditures Over Revenue</b>	(159,579)	(159,579)	(329,801)	(170,222)
<b>Other Financing Sources - Transfers in</b>	79,473	79,473	79,473	-
<b>Net Change in Fund Balance</b>	(80,106)	(80,106)	(250,328)	(170,222)
<b>Fund Balance - Beginning of year</b>	398,986	398,986	398,986	-
<b>Fund Balance - End of year</b>	<u>\$ 318,880</u>	<u>\$ 318,880</u>	<u>\$ 148,658</u>	<u>\$ (170,222)</u>

**City of Dearborn, Michigan**

**Supplementary Information**  
**Budgetary Comparison Schedules - Nonmajor Governmental Funds**  
**(Continued)**  
**Designated Purposes Fund**

**Year Ended June 30, 2024**

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget (Unaudited)
<b>Revenue</b>				
Charges for services	\$ -	\$ 124,273	\$ 124,272	\$ (1)
Investment income	-	216	216	-
Other revenue:				
Private source contributions	-	174,245	174,245	-
Miscellaneous revenue	-	143,642	143,642	-
Total revenue	-	442,376	442,375	(1)
<b>Expenditures</b>				
Current services:				
General government	-	99,227	2	99,225
Public safety	-	22,667	-	22,667
Recreation and culture	500	1,372,086	631,670	740,416
Capital outlay	-	53	53	-
Total expenditures	500	1,494,033	631,725	862,308
<b>Excess of Expenditures Over Revenue</b>	(500)	(1,051,657)	(189,350)	862,307
<b>Other Financing Sources - Transfers in</b>	500	6,769	6,769	-
<b>Net Change in Fund Balance</b>	-	(1,044,888)	(182,581)	862,307
<b>Fund Balance - Beginning of year</b>	1,044,905	1,044,905	1,044,905	-
<b>Fund Balance - End of year</b>	<u>\$ 1,044,905</u>	<u>\$ 17</u>	<u>\$ 862,324</u>	<u>\$ 862,307</u>

**City of Dearborn, Michigan**

Supplementary Information  
 Budgetary Comparison Schedules - Nonmajor Governmental Funds  
 (Continued)  
 Opioid Settlement Fund

**Year Ended June 30, 2024**

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget (Unaudited)
<b>Revenue</b> - Opioid settlement	\$ -	\$ 43,308	\$ 328,840	\$ 285,532
<b>Expenditures</b> - Public health	72,000	115,308	23,704	91,604
<b>Net Change in Fund Balance</b>	(72,000)	(72,000)	305,136	377,136
<b>Fund Balance</b> - Beginning of year	168,895	168,895	168,895	-
<b>Fund Balance</b> - End of year	<u>\$ 96,895</u>	<u>\$ 96,895</u>	<u>\$ 474,031</u>	<u>\$ 377,136</u>

**Supplementary Information**  
**Budgetary Comparison Schedules - Nonmajor Governmental Funds**  
**(Continued)**  
**Capital Projects Fund**

**Year Ended June 30, 2024**

	Original Budget (Unaudited)	Amended Budget (Unaudited)	Actual	Variance with Amended Budget (Unaudited)
<b>Revenue</b>				
Intergovernmental:				
Federal grants	\$ 515,202	\$ 7,142,627	\$ 818,538	\$ (6,324,089)
State sources	-	400,000	-	(400,000)
Local grants and contributions	-	397,755	60,610	(337,145)
Charges for services	59,250	208,618	19,417	(189,201)
Investment income	150,078	150,078	1,230,406	1,080,328
Other revenue - Miscellaneous revenue	1,460	391,683	190,107	(201,576)
Total revenue	725,990	8,690,761	2,319,078	(6,371,683)
<b>Expenditures - Capital outlay</b>	<b>1,021,374</b>	<b>36,767,996</b>	<b>6,672,848</b>	<b>30,095,148</b>
<b>Excess of Expenditures Over Revenue</b>	<b>(295,384)</b>	<b>(28,077,235)</b>	<b>(4,353,770)</b>	<b>23,723,465</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	296,844	5,580,599	5,580,599	-
Transfers out	-	(1,360,729)	(1,360,729)	-
Total other financing sources	296,844	4,219,870	4,219,870	-
<b>Net Change in Fund Balance</b>	<b>1,460</b>	<b>(23,857,365)</b>	<b>(133,900)</b>	<b>23,723,465</b>
<b>Fund Balance - Beginning of year</b>	<b>27,526,243</b>	<b>27,526,243</b>	<b>27,526,243</b>	<b>-</b>
<b>Fund Balance - End of year</b>	<b>\$ 27,527,703</b>	<b>\$ 3,668,878</b>	<b>\$ 27,392,343</b>	<b>\$ 23,723,465</b>

Internal service funds are used to account for the financing of goods or services provided by an activity to other departments, funds, or component units of the City on a cost-reimbursement basis.

***Information Systems Fund***

Computers and related equipment are purchased by this fund for most city departments. Funding for the equipment, as well as technology projects and the operations of the information systems department, is received through annual lease fees to the user departments.

***Facilities Fund***

The repair and maintenance costs for city-owned facilities are accounted for in this fund. Funding for utilities, repair, and maintenance and the operations of the building services and powerhouse divisions are received through annual lease fees charged to the user departments.

***Fleet Replacement Fund***

Replacement vehicles for General Fund departments are purchased from this fund and are funded through annual equipment lease fees charged to the departments.

***Workers' Compensation and Employee Insurance Fund***

The workers' compensation fund accounts for reserves established to support future expenditures for indemnity claims arising from work-related injuries. The City maintains a self-insurance retention in the amount of \$600,000 per occurrence for general employees and \$700,000 for police and fire employees. The employee insurance fund handles employee life and dental insurance. Life insurance coverage is provided by an outside insurance company. Dental insurance is on a reimbursement basis with Delta Dental. The employee insurance fund also includes health insurance for both active employees and retirees.

***Fleet and General Liability Insurance Fund***

This fund accounts for reserves established for both fleet and general liability insurance and related claims against the City. The City retains a self-insured retention of \$1,000,000 for each general liability claim. The first layer of insurance is \$5,000,000 per occurrence, the second layer is \$5,000,000, and the third layer is \$2,000,000.

Supplementary Information  
Combining Statement of Net Position  
Internal Service Funds

June 30, 2024

	Information Systems Fund	Facilities Fund	Fleet Replacement Fund	Workers' Compensation and Employee Insurance Fund	Fleet and General Liability Insurance Fund	Total Internal Service Funds
<b>Assets</b>						
Current assets:						
Cash and cash equivalents	\$ 10,090,470	\$ 19,078,003	\$ 4,946,275	\$ 3,366,649	\$ 6,262,246	\$ 43,743,643
Investments	3,563,666	6,500,875	1,738,611	889,650	2,211,758	14,904,560
Receivables:						
Accrued interest receivable	78,648	143,706	38,370	23,558	48,812	333,094
Other receivables	-	4,194	-	23,522	-	27,716
Due from other governments	-	3,141,789	-	-	-	3,141,789
Due from component units	-	561,000	-	-	-	561,000
Due from other funds	-	-	-	-	324,549	324,549
Prepaid items and other assets	14,660	379,638	-	321,767	2,340,650	3,056,715
Total current assets	13,747,444	29,809,205	6,723,256	4,625,146	11,188,015	66,093,066
Noncurrent assets:						
Restricted assets	-	56,344	-	-	-	56,344
Capital assets - Net	2,717,186	116,445,684	15,719,330	-	-	134,882,200
Total noncurrent assets	2,717,186	116,502,028	15,719,330	-	-	134,938,544
Total assets	16,464,630	146,311,233	22,442,586	4,625,146	11,188,015	201,031,610
<b>Deferred Outflows of Resources</b>						
Deferred pension costs	9,093	21,539	-	-	-	30,632
Deferred OPEB costs	266	513	-	-	-	779
Total deferred outflows of resources	9,359	22,052	-	-	-	31,411
<b>Liabilities</b>						
Current liabilities:						
Accounts payable:						
Accounts payable	2,566,555	1,284,831	46,134	283,231	5,995,989	10,176,740
Retainage payable	-	670,489	-	-	-	670,489
Due to other funds	-	60,610	-	-	-	60,610
Accrued liabilities and other:						
Accrued salaries and wages	44,503	83,357	-	-	-	127,860
Accrued interest payable	5,374	123,011	-	-	-	128,385
Provision for property tax refunds	-	-	-	-	648,565	648,565
Compensated absences	55,950	76,288	-	-	-	132,238
Current portion of bonds and contracts payable	55,310	1,702,084	-	-	-	1,757,394
Total current liabilities	2,727,692	4,000,670	46,134	283,231	6,644,554	13,702,281
Noncurrent liabilities:						
Compensated absences	41,668	88,152	-	-	-	129,820
Provision for claims	-	-	-	1,250,705	2,275,000	3,525,705
Net pension liability	954,671	2,262,083	-	-	-	3,216,754
Net OPEB liability	226,312	435,635	-	-	-	661,947
Bonds and contracts payable - Net of current portion	738,290	21,079,401	-	-	-	21,817,691
Total noncurrent liabilities	1,960,941	23,865,271	-	1,250,705	2,275,000	29,351,917
Total liabilities	4,688,633	27,865,941	46,134	1,533,936	8,919,554	43,054,198
<b>Deferred Inflows of Resources - Deferred OPEB cost reductions</b>						
	4,334	8,342	-	-	-	12,676
<b>Net Position</b>						
Net investment in capital assets	2,717,186	93,648,079	15,673,196	-	-	112,038,461
Restricted:						
Capital projects	-	56,344	-	-	-	56,344
Theatre restoration	-	190,054	-	-	-	190,054
Unrestricted	9,063,836	24,564,525	6,723,256	3,091,210	2,268,461	45,711,288
Total net position	<u>\$ 11,781,022</u>	<u>\$ 118,459,002</u>	<u>\$ 22,396,452</u>	<u>\$ 3,091,210</u>	<u>\$ 2,268,461</u>	<u>\$ 157,996,147</u>

Supplementary Information  
Combining Statement of Revenue, Expenses, and Changes in Net Position  
Internal Service Funds

Year Ended June 30, 2024

	Information Systems Fund	Facilities Fund	Fleet Replacement Fund	Workers' Compensation and Employee Insurance Fund	Fleet and General Liability Insurance Fund	Total Internal Service Funds
<b>Operating Revenue</b>						
Charges for services	\$ 2,515,477	\$ 4,483,603	\$ -	\$ -	\$ -	\$ 6,999,080
Rents and royalties	755,065	130,056	4,631,000	-	-	5,516,121
Intergovernmental - State sources	1,250,000	3,000,000	-	-	-	4,250,000
City contributions for insurance premiums	-	-	-	19,275,795	3,067,652	22,343,447
Miscellaneous revenue	-	54,656	1,500	45,356	5,534,000	5,635,512
Employee contributions for insurance premiums	-	-	-	2,011,057	-	2,011,057
<b>Total operating revenue</b>	<b>4,520,542</b>	<b>7,668,315</b>	<b>4,632,500</b>	<b>21,332,208</b>	<b>8,601,652</b>	<b>46,755,217</b>
<b>Operating Expenses</b>						
Cost of sales	-	-	(185,351)	-	-	(185,351)
Personnel services	1,288,234	2,245,897	-	-	-	3,534,131
Contractual services	7,913,053	100,278	-	389,283	51,466	8,454,080
Claims and judgments	-	-	-	20,193,374	5,362,689	25,556,063
Repairs and maintenance	-	565,048	-	-	-	565,048
Cost of rentals	-	83,317	-	-	-	83,317
Utilities	-	1,255,194	-	-	-	1,255,194
Insurance and bonds	-	-	-	120,992	1,959,576	2,080,568
Other operating expenses	-	-	-	149,171	102,361	251,532
Depreciation	924,974	4,363,609	2,396,628	-	-	7,685,211
<b>Total operating expenses</b>	<b>10,126,261</b>	<b>8,613,343</b>	<b>2,211,277</b>	<b>20,852,820</b>	<b>7,476,092</b>	<b>49,279,793</b>
<b>Operating (Loss) Income</b>	<b>(5,605,719)</b>	<b>(945,028)</b>	<b>2,421,223</b>	<b>479,388</b>	<b>1,125,560</b>	<b>(2,524,576)</b>
<b>Nonoperating Revenue (Expense)</b>						
Investment income	729,923	1,602,499	365,654	162,989	220,370	3,081,435
Interest expense	(33,784)	(767,910)	-	-	-	(801,694)
Loss on sale of assets	-	(3,389)	(13,158)	-	-	(16,547)
<b>Total nonoperating revenue</b>	<b>696,139</b>	<b>831,200</b>	<b>352,496</b>	<b>162,989</b>	<b>220,370</b>	<b>2,263,194</b>
<b>(Loss) Income - Before capital contributions</b>	<b>(4,909,580)</b>	<b>(113,828)</b>	<b>2,773,719</b>	<b>642,377</b>	<b>1,345,930</b>	<b>(261,382)</b>
<b>Capital Contributions</b>						
Capital grants - Federal	-	41,565	149,820	-	-	191,385
Capital grants - Local	-	3,961,179	-	-	-	3,961,179
<b>Total capital contributions</b>	<b>-</b>	<b>4,002,744</b>	<b>149,820</b>	<b>-</b>	<b>-</b>	<b>4,152,564</b>
<b>Transfers In</b>	<b>-</b>	<b>5,115,471</b>	<b>111,131</b>	<b>645,000</b>	<b>-</b>	<b>5,871,602</b>
<b>Transfers Out</b>	<b>(167,778)</b>	<b>(5,132,086)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(5,299,864)</b>
<b>Change in Net Position</b>	<b>(5,077,358)</b>	<b>3,872,301</b>	<b>3,034,670</b>	<b>1,287,377</b>	<b>1,345,930</b>	<b>4,462,920</b>
<b>Net Position - Beginning of year</b>	<b>16,858,380</b>	<b>114,586,701</b>	<b>19,361,782</b>	<b>1,803,833</b>	<b>922,531</b>	<b>153,533,227</b>
<b>Net Position - End of year</b>	<b>\$ 11,781,022</b>	<b>\$ 118,459,002</b>	<b>\$ 22,396,452</b>	<b>\$ 3,091,210</b>	<b>\$ 2,268,461</b>	<b>\$ 157,996,147</b>



Supplementary Information  
Combining Statement of Cash Flows  
Internal Service Funds

**Year Ended June 30, 2024**

	Information Systems Fund	Facilities Fund	Fleet Replacement Fund	Workers' Compensation and Employee Insurance Fund	Fleet and General Liability Insurance Fund	Total Internal Service Funds
<b>Cash Flows from Operating Activities</b>						
Receipts from customers	\$ 1,250,000	\$ 784,076	\$ 1,500	\$ 49,072	\$ 534,000	\$ 2,618,648
Receipts from interfund services and reimbursements	3,270,443	3,860,723	4,631,000	21,274,299	5,743,103	38,779,568
Payments to suppliers	(5,397,334)	(937,956)	(37,037)	(86,037)	3,450,419	(3,007,945)
Payments to employees and fringes	(1,364,537)	(2,353,211)	(7,876)	-	-	(3,725,624)
Claims paid	-	-	-	(20,607,092)	(7,335,724)	(27,942,816)
Other (payments) receipts	-	(631,789)	-	1,355	5,000,000	4,369,566
Net cash and cash equivalents (used in) provided by operating activities	(2,241,428)	721,843	4,587,587	631,597	7,391,798	11,091,397
<b>Cash Flows from Noncapital Financing Activities</b>						
Transfers from other funds	-	-	111,131	645,000	-	756,131
Principal and interest paid on operating debt	(87,592)	(117,998)	-	-	-	(205,590)
Transfers to other funds	(167,778)	(5,132,086)	-	-	-	(5,299,864)
Net cash and cash equivalents (used in) provided by noncapital financing activities	(255,370)	(5,250,084)	111,131	645,000	-	(4,749,323)
<b>Cash Flows from Capital and Related Financing Activities</b>						
Receipt of capital grants	-	4,002,744	149,820	-	-	4,152,564
Transfers from other funds	-	5,115,471	-	-	-	5,115,471
Purchase of capital assets	(968,655)	(9,015,529)	(5,619,704)	-	-	(15,603,888)
Principal and interest paid on capital debt	-	(2,311,674)	-	-	-	(2,311,674)
Net cash and cash equivalents used in capital and related financing activities	(968,655)	(2,208,988)	(5,469,884)	-	-	(8,647,527)
<b>Cash Flows from Investing Activities</b>						
Interest received on investments	740,334	1,247,045	365,836	152,988	176,483	2,682,686
Purchases of investment securities	-	-	(28,775)	(403,084)	(1,993,340)	(2,425,199)
Proceeds from sale and maturities of investment securities	386,261	937,021	-	-	-	1,323,282
Net cash and cash equivalents provided by (used in) investing activities	1,126,595	2,184,066	337,061	(250,096)	(1,816,857)	1,580,769
<b>Net (Decrease) Increase in Cash and Cash Equivalents</b>	(2,338,858)	(4,553,163)	(434,105)	1,026,501	5,574,941	(724,684)
<b>Cash and Cash Equivalents - Beginning of year</b>	12,429,328	23,687,510	5,380,380	2,340,148	687,305	44,524,671
<b>Cash and Cash Equivalents - End of year</b>	<b>\$ 10,090,470</b>	<b>\$ 19,134,347</b>	<b>\$ 4,946,275</b>	<b>\$ 3,366,649</b>	<b>\$ 6,262,246</b>	<b>\$ 43,799,987</b>

Supplementary Information  
Combining Statement of Cash Flows (Continued)  
Internal Service Funds

Year Ended June 30, 2024

	Information Systems Fund	Facilities Fund	Fleet Replacement Fund	Workers' Compensation and Employee Insurance Fund	Fleet and General Liability Insurance Fund	Total Internal Service Funds
<b>Classification of Cash and Cash Equivalents</b>						
Cash and investments	\$ 10,090,470	\$ 19,078,003	\$ 4,946,275	\$ 3,366,649	\$ 6,262,246	\$ 43,743,643
Restricted cash	-	56,344	-	-	-	56,344
Total cash and cash equivalents	<u>\$ 10,090,470</u>	<u>\$ 19,134,347</u>	<u>\$ 4,946,275</u>	<u>\$ 3,366,649</u>	<u>\$ 6,262,246</u>	<u>\$ 43,799,987</u>
<b>Reconciliation of Operating (Loss) Income to Net Cash from Operating Activities</b>						
Operating (loss) income	\$ (5,605,719)	\$ (945,028)	\$ 2,421,223	\$ 479,388	\$ 1,125,560	\$ (2,524,576)
Adjustments to reconcile operating (loss) income to net cash from operating activities:						
Depreciation	924,974	4,363,609	2,396,628	-	-	7,685,211
Changes in assets and liabilities:						
Receivables	-	(3,700,926)	-	4,674	-	(3,696,252)
Due to and from other funds	(99)	57,523	-	-	2,675,451	2,732,875
Prepaid and other assets	5,208	-	-	533,901	(377,921)	161,188
Accounts payable	2,510,511	1,054,034	(230,264)	27,352	5,941,743	9,303,376
Estimated claims liability	-	-	-	(413,718)	(1,973,035)	(2,386,753)
Net pension and OPEB liabilities	(453,199)	(930,615)	-	-	-	(1,383,814)
Deferrals related to pension and OPEB	345,741	757,673	-	-	-	1,103,414
Accrued and other liabilities	31,155	65,573	-	-	-	96,728
Total adjustments	<u>3,364,291</u>	<u>1,666,871</u>	<u>2,166,364</u>	<u>152,209</u>	<u>6,266,238</u>	<u>13,615,973</u>
Net cash and cash equivalents (used in) provided by operating activities	<u>\$ (2,241,428)</u>	<u>\$ 721,843</u>	<u>\$ 4,587,587</u>	<u>\$ 631,597</u>	<u>\$ 7,391,798</u>	<u>\$ 11,091,397</u>
<b>Significant Noncash Transactions -</b>						
Capital-related items included in accounts payable and retainage payable as of fiscal year end	\$ -	\$ 1,701,920	\$ 46,134	\$ -	\$ -	\$ 1,748,054

***Pension Trust Funds***

The City operates three defined benefit retirement systems, which are accounted for in three separate funds. The systems cover full-time employees not covered by the defined contribution or Municipal Employees' Retirement System of Michigan (MERS) plans. The City's three defined benefit plans are all closed to newly hired employees. The funds include the General Employees' Retirement System Fund, covering certain full-time general employees (excluding sworn police and fire); the Police and Fire Revised Retirement System Fund, which covers certain police and fire employees hired since 1956; and the Policemen's and Firemen's Retirement System Fund, which covers police and fire employees hired prior to the establishment of the revised system.

A defined benefit pension plan administered by MERS was made available to police personnel hired on or after July 1, 2005 and fire personnel hired on or after May 1, 2009. This plan may be elected by police and fire employees who are otherwise eligible for the City's defined contribution plan.

***Postemployment Healthcare Fund***

This fund accounts for amounts reserved to pay for current and future postemployment health insurance expenses. This fund is equivalent to a trust arrangement, and funding is determined by actuarial studies to stabilize budget requirements as a percentage of pay.

***Tax Collection Fund***

This fund accounts for moneys collected on behalf of all taxing authorities (state, county, school district, and various smaller authorities).

***District Court Fund***

This fund accounts for moneys collected by the court as bonds or for eventual distribution to the City as the district control unit or the State of Michigan.

Supplementary Information  
Combining Statement of Fiduciary Net Position  
Fiduciary Funds

June 30, 2024

	Pension and Other Employee Benefit Trust Funds					Custodial Funds		
	General Employees' Retirement System	Police and Fire Revised Retirement System	Policemen's and Firemen's Retirement System	Postemployment Healthcare	Total	Tax Collection	District Court	Total
<b>Assets</b>								
Cash and cash equivalents	\$ 367,120	\$ 58,840	\$ 58,134	\$ 177,184	\$ 661,278	\$ 103,787	\$ 55,000	\$ 158,787
Investments:								
Other short-term investments	1,592,354	3,934,957	198,386	1,670,235	7,395,932	-	-	-
Negotiable CDs	77,650	12,466	12,329	37,591	140,036	-	-	-
Stocks	73,195,718	203,157,027	6,361,278	100,758,077	383,472,100	-	-	-
Fixed-income funds	48,010,605	84,092,109	9,513,762	51,289,206	192,905,682	-	-	-
Real estate	7,650,637	28,429,355	-	5,963,285	42,043,277	-	-	-
Mutual funds	30,666,466	23,632,304	10,746,826	-	65,045,596	-	-	-
Receivables:								
Property taxes receivable	-	-	-	-	-	754	-	754
Accrued interest receivable	97,356	234,492	30,613	216,470	578,931	-	-	-
Other receivables	175,379	390,275	503	126,721	692,878	-	-	-
Due from other governments	-	-	-	-	-	33,187	-	33,187
Total assets	161,833,285	343,941,825	26,921,831	160,238,769	692,935,710	137,728	55,000	192,728
<b>Liabilities</b>								
Accounts payable	220,101	380,940	7,222	42,135	650,398	137,698	-	137,698
Due to other governmental units	-	-	-	-	-	30	55,000	55,030
Total liabilities	220,101	380,940	7,222	42,135	650,398	137,728	55,000	192,728
<b>Net Position</b>								
Restricted:								
Pension	161,613,184	343,560,885	26,914,609	-	532,088,678	-	-	-
Postemployment benefits other than pension	-	-	-	160,196,634	160,196,634	-	-	-
Total net position	<u>\$ 161,613,184</u>	<u>\$ 343,560,885</u>	<u>\$ 26,914,609</u>	<u>\$ 160,196,634</u>	<u>\$ 692,285,312</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

**Year Ended June 30, 2024**

	Pension and Other Employee Benefit Trust Funds					Custodial Funds		
	General Employees' Retirement System	Police and Fire Revised Retirement System	Policemen's and Firemen's Retirement System	Postemployment Healthcare	Total	Tax Collection	District Court	Total
<b>Additions</b>								
Investment income (loss):								
Interest and dividends	\$ 2,121,211	\$ 3,874,838	\$ 739,072	\$ 3,196,362	\$ 9,931,483	\$ -	\$ -	\$ -
Net increase in fair value of investments	15,432,158	32,314,116	3,711,259	15,133,344	66,590,877	-	-	-
Investment-related expenses	(339,843)	(1,579,013)	(31,007)	(109,999)	(2,059,862)	-	-	-
Net investment income	17,213,526	34,609,941	4,419,324	18,219,707	74,462,498	-	-	-
Contributions:								
Employer contributions	2,552,753	12,697,501	-	7,015,466	22,265,720	-	-	-
Employee contributions	249,948	498,430	-	-	748,378	-	-	-
Total contributions	2,802,701	13,195,931	-	7,015,466	23,014,098	-	-	-
Fines and fees	-	-	-	-	-	-	2,762,609	2,762,609
Property tax collections	-	-	-	-	-	126,850,156	-	126,850,156
Total additions	20,016,227	47,805,872	4,419,324	25,235,173	97,476,596	126,850,156	2,762,609	129,612,765
<b>Deductions</b>								
Benefit payments	16,085,191	26,185,195	882,590	9,806,351	52,959,327	-	-	-
Refunds of contributions	4,399	1,160,464	-	-	1,164,863	-	-	-
Administrative expenses	79,863	125,139	70,094	21,291	296,387	-	-	-
Claims and judgments	-	25,516	-	-	25,516	-	-	-
Distributions to other governments	-	-	-	-	-	126,850,156	2,762,609	129,612,765
Total deductions	16,169,453	27,496,314	952,684	9,827,642	54,446,093	126,850,156	2,762,609	129,612,765
<b>Net Increase in Fiduciary Net Position</b>	3,846,774	20,309,558	3,466,640	15,407,531	43,030,503	-	-	-
<b>Net Position - Beginning of year</b>	157,766,410	323,251,327	23,447,969	144,789,103	649,254,809	-	-	-
<b>Net Position - End of year</b>	<u>\$ 161,613,184</u>	<u>\$ 343,560,885</u>	<u>\$ 26,914,609</u>	<u>\$ 160,196,634</u>	<u>\$ 692,285,312</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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## Statistical Section

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This part of the annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health

The statistical section is organized into the following main categories:

- Financial trends
- Revenue capacity
- Debt capacity
- Demographic and economic information
- Operating information

**Sources** - Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive Financial Reports for the relevant year.

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## Financial Trends

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These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

## City of Dearborn, Michigan

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	As of June 30,			
	2015	2016	2017	2018
<b>Governmental Activities:</b>				
Net investment in capital assets	\$ 181,189,047	\$ 191,870,660	\$ 198,367,487	\$ 208,505,984
Restricted	13,361,366	14,815,686	15,889,698	17,421,022
Unrestricted	(14,703,939)	(31,237,828)	(41,965,010)	(179,895,815)
Total net position	<b><u>\$ 179,846,474</u></b>	<b><u>\$ 175,448,518</u></b>	<b><u>\$ 172,292,175</u></b>	<b><u>\$ 46,031,191</u></b>
<b>Business Type Activities:</b>				
Net investment in capital assets	\$ 193,596,164	\$ 211,580,077	\$ 233,173,005	\$ 224,075,598
Restricted	25,781,055	14,905,135	19,142,203	10,979,271
Unrestricted	60,779,679	62,577,385	50,578,533	16,470,087
Total net position	<b><u>\$ 280,156,898</u></b>	<b><u>\$ 289,062,597</u></b>	<b><u>\$ 302,893,741</u></b>	<b><u>\$ 251,524,956</u></b>
<b>Primary government in total:</b>				
Net investment in capital assets	\$ 374,785,211	\$ 403,450,737	\$ 431,540,492	\$ 432,581,582
Restricted	39,142,421	29,720,821	35,031,901	28,400,293
Unrestricted	46,075,740	31,339,557	8,613,523	(163,425,728)
Total net position	<b><u>\$ 460,003,372</u></b>	<b><u>\$ 464,511,115</u></b>	<b><u>\$ 475,185,916</u></b>	<b><u>\$ 297,556,147</u></b>



## Net Position by Component

**Last Ten Fiscal Years**  
(accrual basis of accounting)

As of June 30,					
2019	2020	2021	2022	2023	2024
\$ 226,687,419	\$ 237,305,169	\$ 244,606,958	\$ 243,145,767	\$ 250,599,674	\$ 272,309,638
20,589,038	18,778,943	18,765,872	24,572,967	53,297,349	64,357,129
<u>(195,612,464)</u>	<u>(227,907,180)</u>	<u>(184,130,813)</u>	<u>(157,358,487)</u>	<u>(78,133,263)</u>	<u>(85,306,022)</u>
<b><u>\$ 51,663,993</u></b>	<b><u>\$ 28,176,932</u></b>	<b><u>\$ 79,242,017</u></b>	<b><u>\$ 110,360,247</u></b>	<b><u>\$ 225,763,760</u></b>	<b><u>\$ 251,360,745</u></b>
\$ 246,275,532	\$ 259,237,292	\$ 281,729,112	\$ 299,392,833	\$ 306,084,465	\$ 319,186,821
11,073,712	11,965,924	13,234,713	15,118,678	19,280,525	21,454,444
18,184,644	18,132,176	12,235,668	282,157	17,717,718	12,720,460
<b><u>\$ 275,533,888</u></b>	<b><u>\$ 289,335,392</u></b>	<b><u>\$ 307,199,493</u></b>	<b><u>\$ 314,793,668</u></b>	<b><u>\$ 343,082,708</u></b>	<b><u>\$ 353,361,725</u></b>
\$ 472,962,951	\$ 496,542,461	\$ 526,336,070	\$ 542,538,600	\$ 556,384,139	\$ 591,496,459
31,662,750	30,744,867	32,000,585	39,691,645	72,877,874	85,811,573
<u>(177,427,820)</u>	<u>(209,775,004)</u>	<u>(171,895,145)</u>	<u>(157,076,330)</u>	<u>(60,415,545)</u>	<u>(72,585,562)</u>
<b><u>\$ 327,197,881</u></b>	<b><u>\$ 317,512,324</u></b>	<b><u>\$ 386,441,510</u></b>	<b><u>\$ 425,153,915</u></b>	<b><u>\$ 568,846,468</u></b>	<b><u>\$ 604,722,470</u></b>

## City of Dearborn, Michigan

	As of June 30,			
	2015	2016	2017	2018
<b>Expenses:</b>				
General government	\$ 16,125,892	\$ 18,899,385	\$ 23,538,913	\$ 16,576,427
District Court	-	-	-	-
Public safety	62,447,337	70,143,987	70,825,489	87,342,059
Public works	22,756,920	21,761,119	24,598,364	27,479,082
Public health	-	-	-	-
Community & economic development	2,541,722	7,359,131	1,671,366	1,728,336
Recreation and culture	23,646,790	22,605,162	22,703,075	24,423,187
Interest on long-term debt	-	-	-	-
Total governmental activities	<u>127,518,661</u>	<u>140,768,784</u>	<u>143,337,207</u>	<u>157,549,091</u>
<b>Program revenues:</b>				
Charges for services				
General government	4,640,656	5,096,832	4,429,170	4,743,453
District Court	-	-	-	-
Public safety	9,455,854	9,111,385	11,067,966	10,830,169
Public works	704,128	2,114,110	1,180,388	1,001,809
Public health	-	-	-	-
Community & economic development	28,248	28,876	27,000	32,177
Recreation and culture	<u>7,958,928</u>	<u>8,600,034</u>	<u>9,037,016</u>	<u>9,379,063</u>
Total charges for services	22,787,814	24,951,237	25,741,540	25,986,671
Operating grants and contributions	9,423,726	10,471,797	12,723,977	13,591,525
Capital grants and contributions	<u>13,129,607</u>	<u>11,898,958</u>	<u>4,918,468</u>	<u>6,368,490</u>
Total program revenue	<u>45,341,147</u>	<u>47,321,992</u>	<u>43,383,985</u>	<u>45,946,686</u>
Net (expense) revenue	<u>(82,177,514)</u>	<u>(93,446,792)</u>	<u>(99,953,222)</u>	<u>(111,602,405)</u>
General revenues:				
Property taxes	78,864,715	79,733,317	73,176,009	73,721,119
State-shared revenues	10,103,356	9,061,672	23,066,529	25,098,577
Investment earnings	44,036	156,269	403,476	871,687
Miscellaneous	<u>308,125</u>	<u>97,578</u>	<u>109,177</u>	<u>241,551</u>
Total general revenues	89,320,232	89,048,836	96,755,191	99,932,934
Transfers	<u>14,540,831</u>	<u>-</u>	<u>41,688</u>	<u>68,623</u>
Change in net position	<u>\$ 21,683,549</u>	<u>\$ (4,397,956)</u>	<u>\$ (3,156,343)</u>	<u>\$ (11,600,848)</u>

(1) Prior to 2019, the District Court function was consolidated with the general government and public safety functions

## Changes in Governmental Net Position

**Last Ten Fiscal Years**  
(accrual basis of accounting)

As of June 30,					
2019 (1)	2020	2021	2022	2023	2024
\$ 11,454,525	\$ 14,338,708	\$ 7,655,013	\$ 11,805,184	\$ 10,226,107	\$ 15,944,806
5,431,586	3,707,757	3,662,731	3,642,882	3,761,558	3,972,165
83,107,151	101,657,050	55,611,550	72,987,059	37,483,601	84,280,551
20,794,427	26,604,590	23,492,851	25,612,029	24,354,592	26,933,159
-	-	-	36,026	204,097	553,593
1,043,823	1,569,291	1,960,159	1,364,037	1,503,387	1,827,015
23,041,209	24,910,144	18,989,518	22,399,415	22,253,916	23,680,717
1,006,842	1,644,585	1,588,990	1,537,107	1,471,549	1,402,423
<u>145,879,563</u>	<u>174,432,125</u>	<u>112,960,812</u>	<u>139,383,739</u>	<u>101,258,807</u>	<u>158,594,429</u>
4,863,426	1,970,100	2,568,925	2,210,967	2,370,935	2,366,010
4,809,282	3,966,632	4,897,861	5,406,110	5,062,858	4,946,937
7,410,063	10,845,346	10,435,878	12,699,220	15,290,880	15,636,418
1,618,016	2,084,766	1,826,690	1,487,765	1,677,758	1,842,543
-	-	-	-	-	-
32,633	90,778	34,501	34,796	24,109	41,140
<u>9,366,784</u>	<u>6,574,358</u>	<u>5,525,126</u>	<u>7,604,320</u>	<u>8,187,251</u>	<u>8,682,098</u>
28,100,204	25,531,980	25,288,981	29,443,178	32,613,791	33,515,146
15,108,825	14,761,633	21,412,210	19,747,427	19,501,890	22,822,252
<u>3,585,182</u>	<u>3,583,736</u>	<u>4,617,842</u>	<u>2,713,813</u>	<u>60,389,377</u>	<u>14,217,771</u>
<u>46,794,211</u>	<u>43,877,349</u>	<u>51,319,033</u>	<u>51,904,418</u>	<u>112,505,058</u>	<u>70,555,169</u>
<u>(99,085,352)</u>	<u>(130,554,776)</u>	<u>(61,641,779)</u>	<u>(87,479,321)</u>	<u>11,246,251</u>	<u>(88,039,260)</u>
75,582,143	78,215,990	81,911,177	83,932,394	70,300,900	73,963,857
25,175,883	26,287,736	27,820,749	33,386,426	33,239,202	29,868,132
1,550,483	1,174,216	13,382	(568,316)	4,272,203	6,358,924
<u>2,381,500</u>	<u>1,705,574</u>	<u>1,848,175</u>	<u>1,792,918</u>	<u>2,193,503</u>	<u>2,219,295</u>
104,690,009	107,383,516	111,593,483	118,543,422	110,005,808	112,410,208
28,145	(315,801)	(82,677)	54,129	(5,848,546)	1,226,037
<u>\$ 5,632,802</u>	<u>\$ (23,487,061)</u>	<u>\$ 49,869,027</u>	<u>\$ 31,118,230</u>	<u>\$ 115,403,513</u>	<u>\$ 25,596,985</u>

**City of Dearborn, Michigan**

	As of June 30,			
	2015	2016	2017	2018
Operating Revenue				
Housing	\$ 2,685,340	\$ 2,772,198	\$ 2,597,320	\$ 2,771,901
Golf Course	474,448	-	-	-
Parking	844,313	-	-	-
Sewer	29,350,068	31,998,691	28,573,296	28,418,154
Water	18,902,308	20,677,506	22,462,582	23,214,100
Total operating revenue	52,256,477	55,448,395	53,633,198	54,404,155
Operating grants and contributions	-	-	-	-
Capital grants and contributions	15,426,763	97,530	122,274	-
Total Program Revenues	67,683,240	55,545,925	53,755,472	54,404,155
Operating Expenses				
Housing	2,834,958	2,850,550	3,071,420	2,763,651
Golf Course	450,449	-	-	-
Parking	989,904	-	-	-
Sewer	38,884,885	40,204,876	36,459,511	33,233,673
Water	14,887,593	19,418,369	20,528,144	16,729,369
Total operating expenses	58,047,789	62,473,795	60,059,075	52,726,693
Operating Income (Loss)	9,635,451	(6,927,870)	(6,303,603)	1,677,462
Nonoperating Revenue (Expenses)				
Property taxes	14,820,721	14,986,612	17,456,378	18,280,760
Intergovernmental revenues	-	-	-	-
Investment income	64,528	168,881	349,666	789,334
Miscellaneous	1,057,749	678,076	2,370,391	364,887
Income (Loss) - Before contributions and other items	25,578,449	8,905,699	13,872,832	21,112,443
Special Items	-	-	-	(36,287,463)
Gain (loss) on sale of capital assets	-	-	-	-
Transfers	(14,540,831)	-	(41,688)	(68,623)
Change in Net Position	11,037,618	8,905,699	13,831,144	(15,243,643)
<b>Change in Primary Government net position</b>				
Change in Governmental net position	21,683,549	(4,397,956)	(3,156,343)	(11,600,848)
Change in Business-type net position	11,037,618	8,905,699	13,831,144	(15,243,643)
<b>Total Change in Primary Government net position</b>	<b>\$ 32,721,167</b>	<b>\$ 4,507,743</b>	<b>\$ 10,674,801</b>	<b>\$ (26,844,491)</b>

## Changes in Business-type Net Position

**Last Ten Fiscal Years**

(accrual basis of accounting)

As of June 30,						
2019	2020	2021	2022	2023	2024	
\$ 2,909,597	\$ 2,924,667	\$ 2,929,150	\$ 2,863,049	\$ 2,703,496	\$ 3,315,786	
-	-	-	-	-	-	
-	-	-	-	-	-	
28,835,224	28,102,015	27,621,485	27,410,905	30,133,167	31,004,484	
23,889,310	24,478,970	25,038,761	23,944,435	25,217,528	23,874,177	
<u>55,634,131</u>	<u>55,505,652</u>	<u>55,589,396</u>	<u>54,218,389</u>	<u>58,054,191</u>	<u>58,194,447</u>	
-	-	-	3,803,658	6,403,867	3,252,905	
<u>6,843,920</u>	<u>1,740,360</u>	<u>305,171</u>	<u>535,312</u>	<u>2,452,702</u>	<u>1,205,654</u>	
<u>62,478,051</u>	<u>57,246,012</u>	<u>55,894,567</u>	<u>58,557,359</u>	<u>66,910,760</u>	<u>62,653,006</u>	
3,041,770	1,871,736	1,354,605	3,272,383	2,566,936	3,278,948	
-	-	-	-	-	-	
-	-	-	-	-	-	
30,203,636	34,285,498	34,187,897	42,235,920	40,681,499	44,235,235	
<u>19,660,875</u>	<u>21,728,990</u>	<u>17,261,682</u>	<u>22,047,934</u>	<u>18,112,507</u>	<u>22,444,788</u>	
<u>52,906,281</u>	<u>57,886,224</u>	<u>52,804,184</u>	<u>67,556,237</u>	<u>61,360,942</u>	<u>69,958,971</u>	
<u>9,571,770</u>	<u>(640,212)</u>	<u>3,090,383</u>	<u>(8,998,878)</u>	<u>5,549,818</u>	<u>(7,305,965)</u>	
14,790,857	15,643,907	16,434,085	16,687,071	15,562,367	16,228,407	
3,042,163	3,490,983	3,267,662	-	-	-	
1,884,561	1,278,846	19,581	(226,765)	1,321,717	2,574,737	
<u>(5,298,258)</u>	<u>(5,409,453)</u>	<u>(5,123,769)</u>	<u>-</u>	<u>-</u>	<u>-</u>	
23,991,093	14,364,071	17,687,942	7,461,428	22,433,902	11,497,179	
-	-	-	-	-	-	
45,984	(878,368)	93,482	186,876	6,592	7,875	
<u>(28,145)</u>	<u>315,801</u>	<u>82,677</u>	<u>(54,129)</u>	<u>5,848,546</u>	<u>(1,226,037)</u>	
<u>24,008,932</u>	<u>13,801,504</u>	<u>17,864,101</u>	<u>7,594,175</u>	<u>28,289,040</u>	<u>10,279,017</u>	
5,632,802	(23,487,061)	49,869,027	49,869,027	115,403,513	25,596,985	
<u>24,008,932</u>	<u>13,801,504</u>	<u>17,864,101</u>	<u>7,594,175</u>	<u>28,289,040</u>	<u>10,279,017</u>	
<b><u>\$ 29,641,734</u></b>	<b><u>\$ (9,685,557)</u></b>	<b><u>\$ 67,733,128</u></b>	<b><u>\$ 57,463,202</u></b>	<b><u>\$ 143,692,553</u></b>	<b><u>\$ 35,876,002</u></b>	

## City of Dearborn, Michigan

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	As of June 30,			
	2015	2016	2017	2018
<b>General Fund:</b>				
Nonspendable	\$ 512,981	\$ 505,131	\$ 600,693	\$ 515,837
Restricted	-	-	543,768	737,573
Assigned	1,417,297	2,550,029	4,249,826	677,696
Unassigned	<u>30,392,398</u>	<u>29,303,490</u>	<u>24,518,228</u>	<u>19,730,404</u>
Total general fund	<u>32,322,676</u>	<u>32,358,650</u>	<u>29,912,515</u>	<u>21,661,510</u>
<b>All other governmental funds:</b>				
Nonspendable	7,216,969	-	-	-
Restricted	12,802,976	14,016,493	15,071,356	16,414,110
Committed	3,195,036	3,618,910	1,177,435	484,658
Assigned	<u>6,238,449</u>	<u>11,347,219</u>	<u>15,815,373</u>	<u>13,849,356</u>
Total all other governmental funds	<u>29,453,430</u>	<u>28,982,622</u>	<u>32,064,164</u>	<u>30,748,124</u>
Total of all governmental funds	<u><b>\$ 61,776,106</b></u>	<u><b>\$ 61,341,272</b></u>	<u><b>\$ 61,976,679</b></u>	<u><b>\$ 52,409,634</b></u>

## Fund Balances, Governmental Funds

**Last Ten Fiscal Years**

(modified accrual basis of accounting)

As of June 30,

2019	2020	2021	2022	2023	2024
\$ 712,343	\$ 736,303	\$ 496,106	\$ 464,189	\$ 584,942	\$ 718,886
912,716	1,077,762	1,236,679	1,305,713	1,427,454	1,509,290
-	-	1,141,547	1,089,622	1,088,625	1,093,093
<u>19,246,507</u>	<u>17,674,407</u>	<u>25,835,257</u>	<u>34,992,947</u>	<u>34,826,151</u>	<u>35,057,954</u>
<u>20,871,566</u>	<u>19,488,472</u>	<u>28,709,589</u>	<u>37,852,471</u>	<u>37,927,172</u>	<u>38,379,223</u>
-	4,650	4,650	-	-	-
19,049,978	17,020,103	16,904,599	22,567,125	32,285,356	37,776,212
391,629	385,873	603,240	1,044,713	1,004,905	822,324
<u>13,545,900</u>	<u>14,458,201</u>	<u>12,439,078</u>	<u>12,140,164</u>	<u>27,526,243</u>	<u>27,392,343</u>
<u>32,987,507</u>	<u>31,868,827</u>	<u>29,951,567</u>	<u>35,752,002</u>	<u>60,816,504</u>	<u>65,990,879</u>
<b><u>\$ 53,859,073</u></b>	<b><u>\$ 51,357,299</u></b>	<b><u>\$ 58,661,156</u></b>	<b><u>\$ 73,604,473</u></b>	<b><u>\$ 98,743,676</u></b>	<b><u>\$ 104,370,102</u></b>

## City of Dearborn, Michigan

	As of June 30,			
	2015	2016	2017	2018
<b>Revenue</b>				
Property taxes	\$ 79,071,900	\$ 79,819,086	\$ 73,432,161	\$ 73,933,749
Intergovernmental:				
Federal sources	9,039,418	4,444,926	3,479,240	2,619,452
State sources	17,248,743	18,091,844	32,755,759	36,539,530
Local sources	861,492	642,928	743,019	882,799
Charges for services	12,246,098	12,694,892	12,892,223	12,523,064
Fines and forfeitures	4,843,476	5,160,346	4,717,143	5,182,545
Licenses and permits	2,015,394	2,201,714	3,931,380	3,137,262
Investment income	45,136	158,353	404,192	872,056
Rents and royalties	5,468,228	5,740,784	4,943,584	5,343,043
Private source contributions	101,193	1,040,829	15,965	201,863
Miscellaneous revenue	5,345,015	7,459,324	2,563,442	3,106,947
Total revenue	<u>136,286,093</u>	<u>137,455,026</u>	<u>139,878,108</u>	<u>144,342,310</u>
<b>Expenditures</b>				
Current:				
General government	15,715,360	18,046,089	23,001,629	16,751,543
District Court	-	-	-	-
Public safety	57,726,769	61,005,989	62,994,767	71,285,322
Public works	24,223,671	26,512,738	26,500,232	28,112,720
Public health	-	-	-	-
Community & economic development	2,400,773	4,584,030	1,300,582	1,304,758
Recreation and culture	20,317,658	20,980,745	22,693,697	22,170,376
Utilities	250,020	37,429	47,481	46,756
Loss on land held for resale	607,726	2,667,982	123,356	145,596
Capital outlay	6,069,029	4,054,858	2,622,645	2,391,938
Debt service principal	-	-	-	-
Debt service interest	-	-	-	-
Total expenditures	<u>127,311,006</u>	<u>137,889,860</u>	<u>139,284,389</u>	<u>142,209,009</u>
<b>Excess of Revenue Over Expenditures</b>	8,975,087	(434,834)	593,719	2,133,301
Other Financing Sources (Uses)				
Debt issuance	-	-	-	-
Leases entered into	-	-	-	-
Sale of capital assets	-	-	-	-
Transfers in	5,863,854	2,900,000	10,565,044	6,801,845
Transfers out	(4,256,580)	(2,900,000)	(10,523,356)	(18,502,191)
Total other financing sources (uses)	<u>1,607,274</u>	<u>-</u>	<u>41,688</u>	<u>(11,700,346)</u>
<b>Net change in fund balances</b>	10,582,361	(434,834)	635,407	(9,567,045)
Fund Balances - Beginning of year	51,193,745	61,776,106	61,341,272	61,976,679
Fund Balances - End of year	<b>\$ 61,776,106</b>	<b>\$ 61,341,272</b>	<b>\$ 61,976,679</b>	<b>\$ 52,409,634</b>
Debt service as a percentage of noncapital expenditures	0.00%	0.00%	0.00%	0.00%

(1) Prior to 2019, the District Court function was consolidated with the general government and public safety functions



## Changes in Fund Balances, Governmental Funds

**Last Ten Fiscal Years**

(modified accrual basis of accounting)

As of June 30,						
2019 (1)	2020	2021	2022	2023	2024	
\$ 75,587,073	\$ 78,182,090	\$ 81,850,837	\$ 84,025,831	\$ 70,291,597	\$ 73,959,569	
3,246,181	1,956,966	8,153,328	3,685,949	49,242,257	4,242,631	
38,156,663	38,438,211	41,106,686	49,549,239	49,482,450	46,910,762	
684,969	553,626	700,607	762,811	681,974	780,779	
12,965,660	13,476,565	13,213,700	14,310,943	16,461,204	18,029,633	
6,193,643	4,342,212	5,038,101	6,252,484	7,604,672	5,262,674	
4,355,023	4,382,482	4,005,710	5,198,540	4,047,046	5,374,784	
1,550,483	1,174,216	13,382	(568,316)	4,272,203	6,358,924	
5,842,753	4,286,508	4,130,006	4,800,356	5,445,589	5,680,266	
232,454	377,713	670,545	179,548	390,789	193,493	
1,337,339	861,689	708,896	735,657	925,231	1,409,353	
<u>150,152,241</u>	<u>148,032,278</u>	<u>159,591,798</u>	<u>168,933,042</u>	<u>208,845,012</u>	<u>168,202,868</u>	
16,959,898	10,002,835	10,324,598	11,186,555	10,692,908	12,961,070	
5,429,779	3,707,757	3,662,731	3,642,485	3,761,558	3,971,901	
97,340,787	78,351,583	79,772,166	80,655,178	75,758,413	82,314,013	
32,055,746	17,051,002	18,634,578	17,910,385	24,033,351	26,887,821	
-	-	-	36,045	204,097	553,593	
2,192,329	1,216,261	2,234,726	1,370,260	1,319,394	1,576,499	
29,432,800	20,817,924	18,777,875	20,443,820	22,041,742	23,836,259	
-	-	-	-	-	-	
-	-	-	-	-	-	
2,736,312	12,707,135	12,954,588	8,841,980	2,280,302	8,080,760	
781,660	1,755,344	1,812,488	1,869,632	1,930,806	1,996,010	
731,216	1,653,753	1,598,742	1,651,233	1,594,537	1,530,774	
<u>187,660,527</u>	<u>147,263,594</u>	<u>149,772,492</u>	<u>147,607,573</u>	<u>143,617,108</u>	<u>163,708,700</u>	
(37,508,286)	768,684	9,819,306	21,325,469	65,227,904	4,494,168	
42,126,000	-	-	-	-	-	
-	-	-	-	-	462,445	
11,878	24,214	11,932	32,816	40,060	15,514	
6,041,584	9,121,504	5,000,457	5,845,671	24,582,030	11,413,043	
(9,221,737)	(12,416,176)	(8,723,896)	(12,260,639)	(64,710,791)	(10,758,744)	
<u>38,957,725</u>	<u>(3,270,458)</u>	<u>(3,711,507)</u>	<u>(6,382,152)</u>	<u>(40,088,701)</u>	<u>1,132,258</u>	
1,449,439	(2,501,774)	6,107,799	14,943,317	25,139,203	5,626,426	
52,409,634	53,859,073	52,553,357	58,661,156	73,604,473	98,743,676	
<b>\$ 53,859,073</b>	<b>\$ 51,357,299</b>	<b>\$ 58,661,156</b>	<b>\$ 73,604,473</b>	<b>\$ 98,743,676</b>	<b>\$ 104,370,102</b>	
0.89%	2.66%	2.49%	2.54%	2.49%	2.27%	

## City of Dearborn, Michigan

	As of June 30,			
	2015	2016	2017	2018
<b>Assets</b>				
Current assets:				
Cash and cash equivalents	\$ 55,955,900	\$ 55,802,391	\$ 34,863,106	\$ 32,058,598
Investments, short-term	-	-	12,992,616	12,520,784
Accounts Receivable (Net)	4,157,926	4,109,667	4,258,765	4,236,172
Property taxes receivable	15,571	23,919	29,358	15,407
Unbilled accounts receivable	2,668,870	2,569,629	2,718,419	2,291,436
Accrued interest receivable	20,864	41,594	56,855	81,872
Due from other governments	797,354	550,679	265,850	1,258,843
Due from other funds	-	-	-	-
Prepaid items	-	-	-	-
Inventories	185,960	185,960	185,960	185,960
Total current assets	63,802,445	63,283,839	55,370,929	52,649,072
Noncurrent assets:				
Restricted cash and investments	20,958,302	9,971,405	12,263,936	31,768,156
Investments, long-term	-	-	649,418	-
Land held for resale	-	-	-	-
Capital assets (Net)	306,227,602	318,480,273	332,437,245	303,754,047
Total noncurrent assets	327,185,904	328,451,678	345,350,599	335,522,203
Total assets	390,988,349	391,735,517	400,721,528	388,171,275
<b>Deferred Outflows of Resources:</b>				
<b>Pensions</b>	396,887	754,891	464,509	318,531
<b>OPEB</b>	-	-	-	-
<b>Liabilities</b>				
Current liabilities:				
Accounts payable	7,412,269	3,670,126	4,638,710	4,719,779
Accrued interest payable	898,834	916,027	927,977	1,104,222
Accrued liabilities	461,731	210,813	161,117	144,208
Due to other governments	128,149	14,131	49,707	34,184
Due to other funds	-	-	-	92
Liabilities payable from restricted assets	-	-	-	-
Current portion of long-term debt	13,322,612	12,093,537	12,792,872	13,367,603
Total current liabilities	22,223,595	16,904,634	18,570,383	19,370,088
Noncurrent liabilities:				
Liabilities payable from restricted assets	-	-	-	-
Current portion of long term debt payable with restricted assets	550,000	81,250	82,500	85,000
Accrued interest payable with restricted assets	35,431	15,281	13,250	11,187
Long-term debt, net of current portion	177,308,944	176,046,207	173,785,852	187,118,182
Net pension liability	1,613,478	2,196,509	2,390,732	2,655,386
Net OPEB liability	-	-	-	5,673,876
Other liabilities	2,132,396	2,238,609	2,226,065	53,261
Total noncurrent liabilities	181,640,249	180,577,856	178,498,399	195,596,892
Total liabilities	203,863,844	197,482,490	197,068,782	214,966,980
<b>Deferred Inflows of Resources:</b>				
<b>Pensions</b>	29,573	-	-	4,232
<b>OPEB</b>	-	-	-	34,506
<b>Net Position</b>				
Net investment in capital assets	115,596,046	130,340,530	145,858,521	132,728,230
Restricted for:				
Construction	19,690,371	9,390,374	11,923,686	2,000,000
Debt service	6,090,684	5,514,761	7,218,517	8,979,271
Unrestricted	46,114,718	49,762,253	39,116,531	29,776,587
Total net position	\$ 187,491,819	\$ 195,007,918	\$ 204,117,255	\$ 173,484,088

## Statement of Net Position, Sewer Fund

**Last Ten Fiscal Years**  
(accrual basis of accounting)

As of June 30,

	2019	2020	2021	2022	2023	2024
\$	41,963,366	\$ 33,862,170	\$ 28,077,271	\$ 19,678,045	\$ 27,516,288	\$ 27,139,033
	3,005,671	12,288,832	6,797,511	3,330,887	6,419,285	6,070,710
	6,467,690	6,122,748	3,423,748	3,409,471	3,844,719	3,974,560
	17,364	23,109	46,871	6,331	4,707	12,628
	341,990	116,698	2,294,496	2,732,358	3,094,749	2,977,173
	207,560	80,169	13,491	19,031	194,607	201,371
	841,984	1,733,758	1,931,163	283,090	198,274	241,089
	689,096	241	-	-	-	52,858
	-	-	-	-	-	-
	-	-	-	-	-	-
	53,534,721	54,227,725	42,584,551	29,459,213	41,272,629	40,669,422
	39,795,727	19,485,139	6,518,180	2,170,094	2,000,000	2,000,000
	-	-	-	-	-	-
	-	303,800	193,156	-	-	-
	322,896,153	338,695,227	344,907,521	350,490,403	335,807,264	327,969,390
	362,691,880	358,484,166	351,618,857	352,660,497	337,807,264	329,969,390
	416,226,601	412,711,891	394,203,408	382,119,710	379,079,893	370,638,812
	125,687	369,724	-	532,489	335,567	12,979
	266,185	634,882	319,123	497,304	559,240	1,364
	5,971,393	6,310,590	6,930,317	2,834,528	2,201,896	1,121,980
	1,282,140	1,216,561	1,149,696	1,081,643	1,012,180	941,386
	231,017	251,311	317,828	382,792	250,757	338,137
	27,016	-	-	3,234	39,936	181,118
	-	-	-	50	2,193	-
	-	-	-	-	-	-
	14,299,982	13,814,483	14,035,234	14,279,835	14,230,786	14,473,171
	21,811,548	21,592,945	22,433,075	18,582,082	17,737,748	17,055,792
	-	-	-	-	-	-
	87,500	90,000	91,250	93,750	-	-
	9,063	6,875	4,625	2,344	-	-
	197,565,865	184,381,382	170,254,898	155,881,313	141,650,527	127,177,355
	1,036,014	1,852,187	154,104	1,818,421	1,694,333	1,362,990
	2,796,450	3,566,088	1,780,638	2,819,040	2,091,153	1,158,791
	42,869	72,038	70,363	59,375	41,708	43,180
	201,537,761	189,968,570	172,355,878	160,674,243	145,477,721	129,742,316
	223,349,309	211,561,515	194,788,953	179,256,325	163,215,469	146,798,108
	-	-	1,040,371	-	-	-
	488,656	317,521	804,111	136,474	24,563	22,215
	149,954,385	159,084,910	166,208,346	181,542,274	180,926,829	187,145,395
	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000
	9,073,712	9,965,924	11,234,713	13,118,678	17,280,525	19,454,444
	31,752,411	30,786,627	18,446,037	7,095,752	16,527,314	15,232,993
\$	192,780,508	\$ 201,837,461	\$ 197,889,096	\$ 203,756,704	\$ 216,734,668	\$ 223,832,832

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## Revenue Capacity

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These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.

## City of Dearborn, Michigan

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	As of June 30,			
	2015	2016	2017	2018
Adjusted General fund essential services expenditures	\$ 51,827,274	\$ 54,905,523	\$ 56,078,261	\$ 63,111,874
Adjusted total General fund expenditures	108,150,190	108,095,972	122,918,158	131,959,294
Percentage of general operating millage used to fund essential services	47.9216%	50.7933%	45.6224%	47.8268%

## Percentage of Operating Millage Used to Fund Essential Services

<b>Last Ten Fiscal Years</b>					
(modified accrual basis of accounting)					
As of June 30,					
2019	2020	2021	2022	2023	2024
\$ 86,815,531	\$ 70,402,668	\$ 72,521,713	\$ 74,145,651	\$ 69,198,446	\$ 74,879,608
170,541,921	131,501,905	128,749,516	130,409,219	177,852,609	134,013,202
50.9057%	53.5374%	56.3278%	56.8561%	38.9077%	55.8748%

Revenue Sharing Payments  
State of Michigan

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Last Ten Fiscal Years

Fiscal Year Ending June 30,	Revenue Sharing Payments
2015	8,954,051
2016	8,946,866
2017	9,377,452
2018	9,665,843
2019	10,035,317
2020	9,797,667
2021	11,197,138
2022	14,224,603
2023	13,561,761
2024	13,880,778
2025	14,379,958 (adopted budget)

Source: City of Dearborn Finance Department

## History of Sewage System Rates

Last Ten Fiscal Years

Fiscal Year Ending June 30,	Rates Effective July 1,	Sewer Commodity Rate	Quarterly Sewer Capacity Charges Range	
			From 5/8 inches	To 24 inches
2015	2014	37.60	34.03	20,418.00
2016	2015	38.80	35.12	21,072.00
2017	2016	36.40	32.95	19,770.00
2018	2017	38.20	34.60	20,760.00
2019	2018	32.10	54.01	32,406.00
2020	2019	34.50	49.40	29,640.00 (1)
2021	2020	34.70	49.74	29,844.00 (2)
2022	2021	34.70	49.80	29,880.00
2023	2022	44.70	40.51	24,306.00 (3)
2024	2023	48.10	44.46	26,676.00
2025	2024	48.60	42.98	25,788.00

Source: City of Dearborn ordinance

(1) For FY2020, the sewer rate methodology was edited. The revenue required from rates was budgeted to be received 35% from fixed charges and 65% from variable charges.

(2) For FY2021, the sewer rates were kept consistent at the FY2020 rate level for the July 1st - September 30th period. A rate adjustment was instituted October 1st to the rates listed in the table.

(3) For FY2023, the sewer rate methodology was edited. The revenue required from rates is now budgeted to be received 28% from fixed charges and 72% from variable charges.



## City of Dearborn, Michigan

### Millage rates - Direct City Taxes

Tax Year	Fiscal Year	General operating	Debt	Garbage & Rubbish	Library	Total direct taxes
Dearborn School District						
2014	2015	18.5000	4.2900	2.2700	1.5400	26.6000
2015	2016	18.5000	4.2500	2.1600	1.5400	26.4500
2016	2017	18.5000	4.2500	2.1600	1.7800	26.6900
2017	2018	18.5000	4.2500	1.9100	1.7800	26.4400
2018	2019	18.5000	4.4700	1.9100	1.6900	26.5700
2019	2020	18.5000	4.6000	1.9100	1.6900	26.7000
2020	2021	18.5000	4.6000	1.9100	1.6900	26.7000
2021	2022	18.5000	4.5700	1.9100	1.6900	26.6700
2022	2023	15.0000	4.2500	1.9100	1.5400	22.7000
2023	2024	15.0000	4.2500	2.1100	1.5400	22.9000
2024	2025	15.0000	4.2500	2.1100	1.5400	22.9000

\* County Winter Mileage not available at time of schedule preparations.

#### Westwood School District

2014	2015	18.5000	4.2900	2.2700	1.5400	26.6000
2015	2016	18.5000	4.2500	2.1600	1.5400	26.4500
2016	2017	18.5000	4.2500	2.1600	1.7800	26.6900
2017	2018	18.5000	4.2500	1.9100	1.7800	26.4400
2018	2019	18.5000	4.4700	1.9100	1.6900	26.5700
2019	2020	18.5000	4.6000	1.9100	1.6900	26.7000
2020	2021	18.5000	4.6000	1.9100	1.6900	26.7000
2021	2022	18.5000	4.5700	1.9100	1.6900	26.6700
2022	2023	15.0000	4.2500	1.9100	1.5400	22.7000
2023	2024	15.0000	4.2500	2.1100	1.5400	22.9000
2024	2025	15.0000	4.2500	2.1100	1.5400	22.9000

Note: Michigan law restricts the maximum millage that may be levied by the City without a vote of our residents, as follows:

	General operating	Debt	Garbage & Rubbish
2023	16.0000*	no limit	2.7254

\* Maximum millage rate under state law is 16.0000 mills; Dearborn Charter now limits this to 15.000 mills

- (1) 2023 General operating millage rate of 15.0000 is made up of 15 mills of general operating under the City of Dearborn charter.
- (2) County rate includes all Wayne County, Huron Clinton Metropolitan Park Authority and Wayne County Transit Authority (Smart) tax rates.
- (3) Henry Ford Community College is part of the Dearborn school system. Westwood school taxpayers pay a Wayne County Community College rate.
- (4) A homeowner's Principal Residence Exemption (P.R.E.) grants up to 18 mills of school tax relief to qualified homeowners (Public Act 105 of 2003, MCL 211.7cc). It is administered by the local assessor and affects the local tax bill. An independent state homestead property tax credit (MCL 206.508 et seq.) to qualified homeowners and renters is administered directly by the Michigan Department of Treasury as additional tax relief.
- (5) Dearborn School's P.R.E rate includes a "Homestead Supplemental" rate. This is applied to P.R.E. tax parcels only.

Source: City of Dearborn Departments of Assessment and Finance

## Direct and Overlapping Property Tax Rates

**Last Ten Fiscal Years**

Overlapping Taxes

County (2)	Community college (3)	Intermediate school district	State Education Tax (SET)	Total Tax Rate Before School Taxes	School P.R.E (5)	Total Tax Rate P.R.E (4) (5)	Overlapping Taxes School Non - P.R.E	Total Tax Rate Non - P.R.E
9.3366	4.0000	3.4643	6.0000	49.4009	11.5200	60.9209	23.3500	72.7509
10.3127	4.0000	3.4643	6.0000	50.2270	11.1700	61.3970	23.0000	73.2270
11.3366	4.0000	3.4643	6.0000	51.4909	10.6850	62.1759	22.8200	74.3109
9.3360	4.0000	5.4643	6.0000	51.2403	10.9900	62.2303	22.8200	74.0603
9.3349	4.0000	5.4643	6.0000	51.3692	10.9900	62.3592	22.8200	74.1892
9.3328	4.0000	5.4643	6.0000	51.4971	10.9900	62.4871	22.8200	74.3171
9.3315	4.0000	5.4643	6.0000	51.4958	9.6700	61.1658	21.5000	72.9958
9.3061	4.0000	5.4520	6.0000	51.4281	9.6700	61.0981	21.5000	72.9281
9.2725	4.0000	5.4275	6.0000	47.4000	3.5000	50.9000	21.5000	68.9000
9.2725	4.0000	5.4275	6.0000	47.6000	3.3900	50.9900	17.3100	64.9100
9.2413	4.0000	5.4092	6.0000	47.5505	3.7050	51.2555	19.3500	66.9005
9.3366	3.2408	3.4643	6.0000	48.6417	0.0000	48.6417	18.0000	66.6417
10.3127	3.2408	3.4643	6.0000	49.4678	0.0000	49.4678	18.0000	67.4678
11.3366	3.2408	3.4643	6.0000	50.7317	0.0000	50.7317	18.0000	68.7317
9.3360	3.2408	5.4643	6.0000	50.4811	0.0000	50.4811	18.0000	68.4811
9.3349	3.2408	5.4643	6.0000	50.6100	0.0000	50.6100	18.0000	68.6100
9.3328	3.2408	5.4643	6.0000	50.7379	0.0000	50.7379	18.0000	68.7379
9.3315	3.2408	5.4643	6.0000	50.7366	0.2986	51.0352	18.2986	69.0352
9.3061	3.2378	5.4520	6.0000	50.6659	5.5924	56.2583	23.5924	74.2583
9.2725	3.2202	5.4275	6.0000	46.6202	2.9859	49.6061	20.9859	67.6061
9.2725	3.2202	5.4275	6.0000	46.8202	2.9859	49.8061	20.9859	67.8061
9.2413	3.2043	5.4092	6.0000	46.7548	6.4675	53.2223	24.4675	71.2223

Real Property Taxable Value

Tax Year	Fiscal year	Residential	Commercial	Industrial	Industrial Facilities Tax (IFT)	Total Real
2014	2015	1,518,215,789	734,768,227	363,094,110	68,712,098	2,684,790,224
2015	2016	1,554,402,595	744,087,986	356,541,464	58,977,450	2,714,009,495
2016	2017	1,569,415,409	737,568,148	388,286,348	23,977,450	2,719,247,355
2017	2018	1,610,417,859	756,536,397	386,760,404	24,067,450	2,777,782,110
2018	2019	1,671,918,046	785,075,237	410,402,494	23,809,191	2,891,204,968
2019	2020	1,751,096,593	845,976,285	397,708,063	24,276,719	3,019,057,660
2020	2021	1,825,416,417	850,824,390	405,091,180	24,192,681	3,105,524,668
2021	2022	1,898,766,929	883,946,102	380,830,538	24,353,851	3,187,897,420
2022	2023	2,019,346,530	912,796,330	345,978,066	25,562,734	3,303,683,660
2023	2024	2,175,181,047	922,286,815	352,411,038	25,431,251	3,475,310,151
2024	2025	2,344,719,596	960,130,673	349,891,270	17,791,291	3,672,532,830

Note: Under Michigan law, the revenue base is Taxable Value.

Note: Assessed value is determined by the City Assessor. The State of Michigan reviews the City's assessment and assigns a factor to adjust the Assessor's numbers. The State multiplies this factor by the assessed value to arrive at the State Equalized Valuation (SEV). All reported assessed values are equal to the SEV, since the factor for Dearborn is 1.00.

Tax Base Composition

A breakdown of the City's tax year 2024 (fiscal year 2025) taxable valuation is as follows:

By Type	Taxable Valuation	Percent of total
Real Property	\$ 3,672,532,830	90.02%
Personal Property	407,317,650	9.98%
<b>Total</b>	<b>\$ 4,079,850,480</b>	<b>100.00%</b>

By Class	Taxable Valuation	Percent of total
Ad Valorem		
Commercial	\$ 960,130,673	23.53%
Industrial	349,891,270	8.58%
Residential	2,344,719,596	57.47%
Personal	403,946,550	9.90%
<b>Total Ad Valorem</b>	<b>4,058,688,089</b>	<b>99.48%</b>

Special Act		
Commercial	\$ 16,976,771	0.42%
Industrial	586,800	0.01%
Residential	227,720	0.01%
Personal	3,371,100	0.08%
<b>Total Special Act</b>	<b>21,162,391</b>	<b>0.52%</b>

<b>Total</b>	<b>\$ 4,079,850,480</b>	<b>100.00%</b>
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Source: City of Dearborn Departments of Assessment, Finance and Economic & Community Development

## Taxable Value and Estimated Actual Value of Taxable Property

Last Ten Fiscal Years

Personal Property Taxable Value					Tax Increment Financing Total Captured			Estimated Actual Value	Taxable Value as a % of Actual
Personal property	Industrial Facilities Tax (IFT)	Total Personal	Total Value	Tax rate (mills)	Valuation				
593,338,700	428,540,550	1,021,879,250	3,706,669,474	26.60	191,780,589	3,772,790,150	98.25%		
601,898,700	464,460,750	1,066,359,450	3,780,368,945	26.45	199,814,464	3,984,927,350	94.87%		
378,163,650	165,127,900	543,291,550	3,262,538,905	26.69	145,967,206	3,586,575,925	90.97%		
367,565,200	150,996,350	518,561,550	3,296,343,660	26.44	149,113,385	3,728,929,950	88.40%		
390,282,650	91,718,100	482,000,750	3,373,205,718	26.57	147,330,713	3,842,804,400	87.78%		
386,158,021	71,868,700	458,026,721	3,477,084,381	26.70	168,078,513	4,200,488,571	82.78%		
457,556,150	65,091,300	522,647,450	3,628,172,118	26.70	158,590,865	4,465,371,700	81.25%		
433,737,250	56,457,900	490,195,150	3,678,092,570	26.67	158,696,264	4,646,861,150	79.15%		
423,905,250	16,901,700	440,806,950	3,744,490,610	22.70	119,980,874	4,844,348,250	77.30%		
418,725,350	8,029,700	426,755,050	3,902,065,201	22.90	125,744,437	5,216,159,575	74.81%		
403,946,550	3,371,100	407,317,650	4,079,850,480	22.90	138,960,437	5,629,097,100	72.48%		

Principal Property Taxpayers

Next Year, Current Year, and Nine Years Previous

Taxpayer	FY2025/TY2024			FY2024/TY2023			FY2015/TY2014		
	Taxable Value	Rank	Percent of total	Taxable Value	Rank	Percent of total	Taxable Value	Rank	Percent of total
Ford Motor Company	371,968,009	1	9.14%	378,598,017	1	9.30%	875,191,480	1	23.68%
DTE Energy Company *	127,717,352	2	3.14%	112,265,911	2	2.76%	51,118,401	6	1.38%
Cleveland-Cliffs (AK Steel, Severstal Steel)	47,057,833	3	1.16%	46,759,865	3	1.15%	323,296,250	2	8.75%
ITC Transmission	38,528,948	4	0.95%	38,745,560	5	0.95%			0.00%
Ford Motor Land Development Corp	37,583,035	5	0.92%	42,791,450	4	1.05%	33,638,713	5	0.91%
Dearborn Industrial Generation	31,749,400	6	0.78%	31,749,400	6	0.78%	39,184,000	3	1.06%
Fairlane Town Center	17,164,700	7	0.42%	16,214,700	7	0.40%			0.00%
FIRO Property LLC	16,406,633	8	0.40%	15,625,365	9	0.38%			0.00%
The ACG (AAA of Michigan)	15,340,420	9	0.38%	17,104,839	10	0.42%	21,580,550	7	0.58%
Dearborn Schaefer Office Co LLC	14,862,604	10	0.37%	-		0.00%	12,334,000	9	0.33%
AMS Ford 2, LLC			0.00%	15,898,500	8	0.39%			0.00%
TM Fairlane Center LP			0.00%			0.00%	33,406,400	4	0.90%
Dearborn Industrial			0.00%			0.00%	21,236,550	8	0.57%
Royal Realities LLC			0.00%			0.00%	7,530,450	10	0.20%
Fairlane Venture One, LLC			0.00%			0.00%			0.00%
Total - ten largest taxpayers	718,378,934		17.65%	715,753,607		18.60%	1,418,516,794		38.38%
Total - all other taxpayers	3,350,785,281		82.35%	3,132,694,581		81.40%	2,277,110,548		61.62%
Total - all taxpayers	<u>\$ 4,069,164,215</u>		100.00%	<u>\$ 3,848,448,188</u>		100.00%	<u>\$ 3,695,627,342</u>		100.00%

Notes:

Taxes are billed and collected as current beginning in July of one year through February of the following year. Taxable values include Ad Valorem and Industrial Facilities Tax (Act 198) taxable values.

\* Detroit Edison and Michigan Consolidated Gas are reported as one combined taxpayer DTE Energy Company.

Total Abated OPRA (Obsolete Property Rehabilitation Act) value for 2023 taxable year applicable to Urbcam Michigan LLC was \$15,557,038.

Abated Industrial Facilities Taxable Value for the 2023 tax year applicable to AK Steel Company was \$8,900,000 (Real Property).

Abated Commercial Facilities Taxable Value for 2023 taxable year applicable to Carhartt was \$3,831,000 (Personal Property).

Source: City of Dearborn Department of Assessment

Principal Sewage Utility Customers

June 30, 2024

Employer	Estimated Sewage Volumes (in cubic feet) (1)	Estimated Sewage Disposal Charges Billed (2)
1 AK Steel (3)	49,071,000	\$ 1,192,426
2 Ford Rouge Plant	35,517,800	863,083
3 Oakwood Healthcare	10,781,600	261,993
4 Great Lakes Water Authority	3,193,900	77,612
5 Ford Motor Company	2,681,208	65,154
6 University of Michigan Dearborn	2,354,500	57,215
7 The Henry	2,239,600	54,423
8 Fairlane Town Center	1,426,600	34,667
9 Kenwal Steel Corp	1,315,100	31,957
10 Allegria Village	411,400	9,997
Total - ten largest sewage customers	108,992,708	\$ 2,648,527

Notes:

(1) Sewage customers reported - some utility customers have high water volumes, but do not have their sewage treated.

(2) The charges estimate is based on the year's commodity rate. Actual sewage disposal charges are billed to include commodity, capacity, and IWCC charges (passed through from Great Lakes Water Authority based on meter size).

(3) AK Steel is only billed sewage charges for half of their water usage.

Source: City of Dearborn DPW Water Division

**City of Dearborn, Michigan**

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Year ended June 30,	Tax Year	Total levy	Current collections	Percent collected	Delinquent Tax
2015	2014	71,605,915	71,512,013	99.87%	93,902
2016	2015	72,316,120	72,173,975	99.80%	142,145
2017	2016	65,040,062	64,928,988	99.83%	111,074
2018	2017	65,197,614	65,112,330	99.87%	85,284
2019	2018	67,462,483	67,296,892	99.75%	165,591
2020	2019	69,386,657	69,289,930	99.86%	96,727
2021	2020	72,835,616	72,715,161	99.83%	120,455
2022	2021	73,952,178	73,845,093	99.86%	107,085
2023	2022	61,735,721	61,677,209	99.91%	58,512
2024	2023	65,503,205	65,435,249	99.90%	67,956
2025	2024	69,447,558	in process of collection		

Tax Year	Delinquent Tax	Collections		
		Fiscal Year 2023-2024	Prior Fiscal Years	Total
2014	93,902	-	178,742	178,742
2015	142,145	-	148,514	148,514
2016	111,074	-	132,604	132,604
2017	85,284	546	63,203	63,749
2018	165,591	124	146,180	146,304
2019	96,727	706	58,212	58,918
2020	120,455	1,712	90,428	92,140
2021	107,085	3,302	80,764	84,066
2022	58,512	15,201	13,247	28,448
2023	67,956	26,647	-	26,647

## Property Tax Levies and Collections

### Last Ten Fiscal Years

Delinquent collections	Delinquent Balance as of June 30, 2024	Total tax collections	Percent of levy collected
84,066	9,836	71,596,079	100.0%
142,145	-	72,316,120	100.0%
111,074	-	65,040,062	100.0%
83,300	1,984	65,195,630	100.0%
151,012	14,579	67,447,904	100.0%
63,003	33,724	69,352,933	100.0%
94,816	25,639	72,809,977	100.0%
85,038	22,047	73,930,131	100.0%
43,501	15,011	61,720,710	100.0%
26,580	41,376	65,461,829	100.0%

Adjustments	Delinquent Balance as of June 30, 2024
94,676	9,836
6,369	-
21,530	-
(19,551)	1,984
(4,708)	14,579
(4,085)	33,724
(2,676)	25,639
(972)	22,047
(15,053)	15,011
67	41,376



## City of Dearborn, Michigan

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Tax Year Fiscal Year	2015 2016	2016 2017	2017 2018	2018 2019
Taxable Value	\$ 3,780,368,945	\$ 3,262,538,905	\$ 3,296,343,660	\$ 3,373,205,718
State Equalized Value (1)	\$ 3,984,927,350	\$ 3,586,575,925	\$ 3,728,929,950	\$ 3,842,804,400
True Cash Value (2)	\$ 7,969,854,700	\$ 7,173,151,850	\$ 7,457,859,900	\$ 7,685,608,800
Population (3)	102,284	102,284	101,584	101,936
Per Capita Taxable Value	\$ 36,960	\$ 31,897	\$ 32,449	\$ 33,091
Per Capita State Equalized Value	\$ 38,959	\$ 35,065	\$ 36,708	\$ 37,698
Per Capita True Cash Value	\$ 77,919	\$ 70,130	\$ 73,416	\$ 75,396

(1) Assessed value is determined by the City Assessor. The State of Michigan reviews the City's assessment and assigns a factor to adjust the Assessor's numbers. The State multiplies this factor by the assessed value to arrive at the State Equalized Valuation (SEV). All reported assessed values are equal to the SEV, since the factor for Dearborn is 1.00.

(2) The True Cash Value is twice the State Equalized Value.

(3) Population statistics are the SEMCOG estimates as of July 1 as published in Southeast Michigan Council of Government's "Population and Households in Southeast Michigan, July, 2024".

## Per Capita Taxable Value

### Last Ten Fiscal Years

2019 2020	2020 2021	2021 2022	2022 2023	2023 2024	2024 2025
\$ 3,477,084,381	\$ 3,628,172,118	\$ 3,678,092,570	\$ 3,744,490,610	\$ 3,902,065,201	\$ 4,079,850,480
\$ 4,200,488,571	\$ 4,465,371,700	\$ 4,646,861,150	\$ 4,844,348,250	\$ 5,216,159,575	\$ 5,629,097,100
\$ 8,400,977,142	\$ 8,930,743,400	\$ 9,293,722,300	\$ 9,688,696,500	\$ 10,432,319,150	\$ 11,258,194,200
101,636	109,976	110,978	\$ 107,985	\$ 109,967	not yet available
\$ 34,211	\$ 32,991	\$ 33,143	\$ 34,676	\$ 35,484	not yet available
\$ 41,329	\$ 40,603	\$ 41,872	\$ 44,861	\$ 47,434	not yet available
\$ 82,657	\$ 81,206	\$ 83,744	\$ 89,723	\$ 94,868	not yet available

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## Debt Capacity

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These schedules contain information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

## City of Dearborn, Michigan

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	As of June 30,			
	2015	2016	2017	2018
<b>Governmental Activities:</b>				
General obligation bonds	\$ 5,773,651	\$ 4,410,742	\$ 14,799,978	\$ 29,358,291
Leases	-	-	-	-
<b>Business Type Activities:</b>				
General obligation bonds	186,498,731	185,775,993	184,537,216	198,706,783
Revenue bonds	5,276,637	2,978,812	2,593,812	2,203,812
Total business type activities	191,775,368	188,754,805	187,131,028	200,910,595
Total debt of the government	<b>\$ 197,549,019</b>	<b>\$ 193,165,547</b>	<b>\$ 201,931,006</b>	<b>\$ 230,268,886</b>
<b>Total residential personal income</b>	\$ 2,150,226,060	\$ 2,179,774,324	\$ 2,202,685,940	\$ 2,198,887,264
Ratio of total debt to personal income	9.19%	8.86%	9.17%	10.47%
<b>Total Population*</b>	101,130	102,284	102,284	101,584
Total debt per capita	\$ 1,953	\$ 1,889	\$ 1,974	\$ 2,267

Note: The City of Dearborn has no installment purchase agreements, special assessment bonds or capital leases.

\* Population statistics are the SEMCOG estimates as of July 1 as published in Southeast Michigan Council of Government's "Population and Households in Southeast Michigan, July, 2024."

## Ratios of Outstanding Debt

**Last Ten Fiscal Years**

As of June 30,					
2019	2020	2021	2022	2023	2024
\$ 72,933,466	\$ 69,671,021	\$ 66,301,639	\$ 62,835,319	\$ 59,257,822	\$ 55,555,145
-	-	-	188,766	76,753	423,926
218,442,083	204,784,589	190,889,034	176,765,417	162,392,918	147,775,716
1,798,812	1,383,812	958,812	523,812	78,812	-
<u>220,240,895</u>	<u>206,168,401</u>	<u>191,847,846</u>	<u>177,289,229</u>	<u>162,471,730</u>	<u>147,775,716</u>
<b><u>\$ 293,174,361</u></b>	<b><u>\$ 275,839,422</u></b>	<b><u>\$ 258,149,485</u></b>	<b><u>\$ 240,313,314</u></b>	<b><u>\$ 221,806,305</u></b>	<b><u>\$ 203,754,787</u></b>
\$ 2,290,196,112	\$ 2,393,019,620	\$ 2,633,155,368	\$ 2,633,155,368	\$ 2,879,411,430	\$ 3,208,177,258
12.80%	11.53%	9.80%	9.13%	7.70%	6.35%
101,936	101,636	109,976	110,978	107,985	109,967
\$ 2,876	\$ 2,714	\$ 2,347	\$ 2,165	\$ 2,054	\$ 1,853

## City of Dearborn, Michigan

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Fiscal Year	Tax-limited General obligation bonds (LTGO)	Tax supported bonds (UTGO)	Less pledged debt service funds (2)
2015	5,773,651	186,498,731	5,408,184
2016	4,410,741	185,775,993	5,030,261
2017	14,799,978	184,537,216	6,974,016
2018	29,358,291	198,706,783	8,773,880
2019	72,933,466	218,442,083	8,894,712
2020	69,671,021	204,784,589	9,820,924
2021	66,301,639	190,889,034	11,124,711
2022	62,835,319	176,765,417	13,061,711
2023	59,257,822	162,392,918	17,280,525
2024	55,555,145	147,775,716	19,454,444

(1) Population statistics are the SEMCOG estimates as of July 1 as published in Southeast Michigan Council of Governments' "Population and Households in Southeast Michigan, July, 2024." FY2021 population is based on the 2020 census.

(2) The difference between the amounts pledged for debt service funds here and the net position restricted for debt service (in the Sewer fund) is the amount reserved for the revenue bond.

## Ratios of General Bonded Debt Outstanding

**Last Ten Fiscal Years**

Net general bonded debt	Taxable value	Debt as a percentage of taxable value	Population (1)	Debt per capita
186,864,198	3,706,669,474	5.04%	101,130	1,848
185,156,473	3,780,368,945	4.90%	102,284	1,810
192,363,178	3,262,538,905	5.90%	102,284	1,881
219,291,194	3,296,343,660	6.65%	101,584	2,159
282,480,837	3,373,205,718	8.37%	101,936	2,771
264,634,686	3,477,084,381	7.61%	101,636	2,604
246,065,962	3,628,172,118	6.78%	109,976	2,237
226,539,025	3,678,092,570	6.16%	110,978	2,041
204,370,215	3,744,490,610	5.46%	107,985	1,893
183,876,417	3,902,065,201	4.71%	109,967	1,672

## City of Dearborn, Michigan

	As of June 30,			
	2015	2016	2017	2018
Valuation base				
State equalized valuation - excluding IFT values	\$ 3,275,537,502	\$ 3,461,489,150	\$ 3,397,470,575	\$ 3,553,866,150
Plus: equivalent valuation of Act 198 exemptions	497,252,648	523,438,200	189,105,350	175,063,800
Plus: equivalent valuation for revenue sharing	-	-	351,347,021	359,522,579
Total valuation	3,772,790,150	3,984,927,350	3,937,922,946	4,088,452,529
Legal debt limitation - 10% of total valuation	\$ 377,279,015	\$ 398,492,735	\$ 393,792,295	\$ 408,845,253
Calculation of debt subject to limit:				
Total debt	197,549,019	193,165,547	201,931,006	230,268,886
Less: Lease not subject to limit	-	-	-	-
Less: revenue bonds not subject to limit	(5,276,637)	(2,978,812)	(2,593,812)	(2,203,812)
Less: CSO bonds not subject to limit	-	-	(184,537,216)	(198,706,783)
Less: amount available for repayment of general obligation bonds	-	-	-	-
Net debt subject to limit	192,272,382	190,186,735	14,799,978	29,358,291
Legal debt margin	\$ 185,006,633	\$ 208,306,000	\$ 378,992,317	\$ 379,486,962
Net debt subject to limit as % of debt limit	50.96%	47.73%	3.76%	7.18%

(1) The Home Rule Cities Act provides for the inclusion of State Revenue Sharing and exclusion of CSO related debt. The schedule is amended to reflect these items prospectively starting fiscal year 2017.



## Legal Debt Margin

### Last Ten Fiscal Years

As of June 30,					
2019	2020	2021	2022	2023	2024
\$ 3,727,277,109	\$ 4,104,343,152	\$ 4,376,087,719	\$ 4,566,049,399	\$ 4,801,883,816	\$ 5,182,698,624
115,527,291	96,145,419	89,283,981	80,811,751	42,464,434	33,460,951
<u>377,693,527</u>	<u>366,953,820</u>	<u>419,368,464</u>	<u>533,355,943</u>	<u>575,538,062</u>	<u>606,147,511</u>
4,220,497,927	4,567,442,391	4,884,740,164	5,180,217,093	5,419,886,312	5,822,307,086
\$ 422,049,793	\$ 456,744,239	\$ 488,474,016	\$ 518,021,709	\$ 541,988,631	\$ 582,230,709
293,174,361	275,839,422	258,149,485	240,313,314	221,806,366	203,754,787
-	-	-	(188,766)	(76,754)	(423,926)
(1,798,812)	(1,383,812)	(958,812)	(523,812)	(78,812)	-
<u>(209,099,432)</u>	<u>(195,843,581)</u>	<u>(182,362,730)</u>	<u>(168,666,879)</u>	<u>(154,736,028)</u>	<u>(140,575,176)</u>
-	-	-	-	-	-
82,276,117	78,612,029	74,827,943	70,933,857	66,914,772	62,755,685
\$ 339,773,676	\$ 378,132,210	\$ 413,646,073	\$ 447,087,852	\$ 475,073,859	\$ 519,475,024
19.49%	17.21%	15.32%	13.69%	12.35%	10.78%

**City of Dearborn, Michigan**

**Direct and Overlapping Governmental Activities Debt**

**June 30, 2024**

Governmental unit	Debt outstanding	Estimated % applicable	Estimated share of overlapping debt	Per Capita (2)
Direct - City of Dearborn	\$ 55,979,071	100.00%	\$ 55,979,071	\$ 540
Overlapping (1):				
Dearborn School District	83,542,500	94.16%	78,663,618	715
Westwood School District	6,405,000	9.48%	607,194	6
Wayne County at large	37,287,155	7.34%	2,736,877	25
Total Overlapping Debt	127,234,655	64.45%	82,007,689	746
Grand Total	\$ 183,213,726	75.31%	\$ 137,986,760	\$ 1,286

Sources:

(1) Overlapping debt figures supplied by the Municipal Advisory Council of Michigan. The percentage of overlapping bonded debt related to each governmental unit was established using the taxable value of assessed property. Percentages were estimated by calculating the portion of each governmental unit's taxable property located within the boundaries of the City and dividing it by the unit's total taxable value.

(2) Population of 109,967 as estimated in the Southeast Michigan Council of Governments' "Population and Households in Southeast Michigan, July, 2024."

**City of Dearborn, Michigan**

**Sewage Disposal System Pledged-Revenue Bond Coverage**

**Last Ten Fiscal Years**

Fiscal year	Sewage Revenue Bonds						
	Gross revenues	Applicable expenses (1)	Net revenues	Debt service			Coverage
				Principal	Interest	Total	
2015	29,717,431	26,176,943	3,540,488	2,180,000	221,700	2,401,700	147%
2016	30,362,086	24,458,855	5,903,231	2,200,000	141,725	2,341,725	252%
2017	29,047,847	26,321,106	2,726,741	325,000	61,125	386,125	706%
2018	28,637,553	24,567,296	4,070,257	330,000	53,000	383,000	1,063%
2019	36,689,374	22,798,917	13,890,457	340,000	44,750	384,750	3,610%
2020	29,147,669	27,754,688	1,392,981	350,000	36,250	386,250	361%
2021	27,639,813	26,407,572	1,232,241	360,000	27,500	387,500	318%
2022	27,259,779	29,665,078	(2,405,299)	365,000	18,500	383,500	-627%
2023	31,012,262	28,098,780	2,913,482	375,000	9,375	384,375	758%
2024	32,943,380	31,908,480	1,034,900	-	-	-	0%

(1) Total operating expenses exclusive of depreciation.

**City of Dearborn, Michigan**

**Water Supply System Pledged-Revenue Bond Coverage**

**Last Ten Fiscal Years**

Water Revenue Bonds							
Fiscal year	Gross revenues	Applicable expenses (1)	Net revenues	Debt service			Coverage
				Principal	Interest	Total	
2015	18,585,514	15,078,170	3,507,344	55,000	15,877	70,877	4,948%
2016	20,738,377	17,621,317	3,117,060	60,000	14,470	74,470	4,186%
2017	22,544,946	18,680,246	3,864,700	60,000	13,345	73,345	5,269%
2018	23,361,742	15,702,524	7,659,218	60,000	11,845	71,845	10,661%
2019	24,566,823	16,740,928	7,825,895	65,000	10,345	75,345	10,387%
2020	24,588,890	19,705,230	4,883,660	65,000	8,720	73,720	6,625%
2021	25,039,020	15,039,462	9,999,558	65,000	7,095	72,095	13,870%
2022	23,910,346	19,415,959	4,494,387	70,000	5,470	75,470	5,955%
2023	25,419,371	15,319,532	10,099,839	70,000	3,720	73,720	13,700%
2024	24,192,356	19,583,910	4,608,446	78,812	1,970	80,782	5,705%

(1) Total operating expenses exclusive of depreciation.

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## Demographics and Economic Information

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These schedules offer demographics and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments.

**Demographic and Economic Statistics**

**Last Ten Fiscal Years**

Fiscal Year	Population (1)	Personal Income	Per Capita Personal Income (2)	Unemployment Rate (3)
2015	101,130	2,150,226,060	21,262	5.6%
2016	102,284	2,179,774,324	21,311	4.5%
2017	102,284	2,202,685,940	21,535	2.9%
2018	101,584	2,198,887,264	21,646	3.5%
2019 (4)	101,936	2,290,196,112	22,467	4.4%
2020	101,636	2,393,019,620	23,545	14.3%
2021	109,976	2,633,155,368	23,943	4.1%
2022	110,978	2,842,257,558	25,611	4.6%
2023	107,985	2,886,763,005	26,733	4.4%
2024	109,967	3,208,177,258	29,174	6.2%

(1) Population statistics are the SEMCOG estimates as of July 1 as published in the Southeast Michigan Council of Governments' "Population and Households in Southeast Michigan, July, 2024."

(2) U. S. Census Bureau; 2006-2010 and 2017-2021 American Community Survey 5-Year Estimates.

(3) State of Michigan through Department of Labor and Economic Growth - Labor Market Information.

(4) For FY2019, the total MI unemployment rate was used (4.4%) instead of the Dearborn rate (3.4%).

Principal Employers

Current and Nine Years Previous

Employer	2024 (1)			2015 (2)		
	Rank	Employees	Percentage of total	Rank	Employees	Percentage of total
Ford Motor Company	1	39,459	69.89%	1	44,598	52.59%
Corewell Health (formally Beaumont)	2	7,277	12.89%	-	-	0.00%
School District of the City of Dearborn	3	2,515	4.45%	7	3,339	3.94%
The Edison Institute (Henry Ford)	4	1,551	2.75%	8	1,752	2.07%
Cleveland Cliffs - Dearborn Works	5	1,290	2.28%	-	-	0.00%
AAA Michigan	6	1,181	2.09%	-	-	0.00%
The City of Dearborn	7	1,600	2.83%	-	-	0.00%
Carhartt Inc.	8	696	1.23%	-	-	0.00%
Hollingsworth Logistics Group	9	452	0.80%	-	-	0.00%
Ghafari Inc.	10	437	0.77%	-	-	0.00%
ADP			0.00%	2	10,000	11.79%
Automotive Components Holdings LLC			0.00%	3	7,000	8.25%
Oakwood Hospital Corporation			0.00%	4	6,167	7.27%
AK Steel (Severstal North America, Inc.)			0.00%	5	4,900	5.78%
Percepta, LLC (HQ)			0.00%	6	4,450	5.25%
EP Management Corporation			0.00%	9	1,400	1.65%
United Technologies Auto (HQ)			0.00%	10	1,200	1.41%
<b>Total</b>		<b>56,458</b>	<b>100.00%</b>		<b>84,806</b>	<b>100.00%</b>

Sources:

(1) Crain's Detroit Business Book, 2024 Crain's List, Wayne County's Largest Employers

(2) FY 2015 City of Dearborn Annual Comprehensive Financial Report.

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## Operating Information

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These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.



## City of Dearborn, Michigan

Function/ program:	As of June 30,		
	2015 (1)	2016	2017 (2)
Primary government			
Government activities:			
General government	167.16	167.62	172.93
Public safety	438.82	449.00	448.59
Public works	46.80	47.52	47.60
Health and welfare	1.00	1.00	1.00
Recreation and culture	279.01	275.37	276.39
Community improvement	8.53	9.53	9.60
Total governmental activities	<u>941.32</u>	<u>950.04</u>	<u>956.11</u>
Business-type activities:			
Housing	21.54	20.74	21.24
Sewer	23.06	23.06	23.06
Water	47.12	49.12	50.00
Total business-type activities	<u>91.72</u>	<u>92.92</u>	<u>94.30</u>
Total primary government	<u>1,033.04</u>	<u>1,042.96</u>	<u>1,050</u>
Component unit			
Dix- Vernor Business Development Improvement Authority			
Warren Business Development Improvement Authority			
West Dearborn Downtown Development Authority			
East Dearborn Downtown Development Authority	1.50	1.50	2.65
Total Component Units	<u>1.50</u>	<u>1.50</u>	<u>2.65</u>
Total employees	<u>1,034.54</u>	<u>1,044.46</u>	<u>1,053.06</u>

A full-time employee is scheduled to work 2,080 hours per year (including vacation, sick and paid time off leaves).

Full-time-equivalent employment is calculated by dividing total labor hours by 2,080.

(1) The Golf Course and Parking funds were consolidated into the General fund in 2015.

(2) The Telecommunications fund was consolidated into the General fund in 2017.

(3) East Dearborn Downtown Development Authority duties were changed to a contract labor agreement (non City employees).

Source: City of Dearborn Finance Department

## Full-Time Equivalent Government Employees

Last Ten Fiscal Years

As of June 30,						
2018	2019 (3)	2020	2021	2022	2023	2024
173.22	181.25	180.61	173.98	184.58	199.60	198.98
476.64	496.16	482.70	477.60	469.69	472.79	470.78
47.60	64.40	60.40	58.98	55.01	71.67	61.71
1.00	1.00	1.00	1.00	2.00	7.70	7.70
268.92	244.72	247.97	230.55	239.60	229.59	247.06
9.60	9.20	9.20	9.20	10.20	19.50	20.50
<u>976.98</u>	<u>996.73</u>	<u>981.88</u>	<u>951.31</u>	<u>961.08</u>	<u>1,000.85</u>	<u>1,006.73</u>
24.62	23.66	22.66	20.99	20.24	19.83	26.24
25.06	30.23	28.00	27.90	26.07	26.07	27.07
<u>54.81</u>	<u>57.63</u>	<u>64.20</u>	<u>65.08</u>	<u>60.94</u>	<u>59.14</u>	<u>60.14</u>
<u>104.49</u>	<u>111.52</u>	<u>114.86</u>	<u>113.97</u>	<u>107.25</u>	<u>105.04</u>	<u>113.45</u>
1,081.47	1,108.25	1,096.74	1,065.28	1,068.33	1,105.89	1,120.18
					1.00	1.00
					1.00	2.00
					2.00	1.90
<u>2.40</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2.00</u>	<u>1.90</u>
<u>2.40</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6.00</u>	<u>6.80</u>
1,083.87	1,108.25	1,096.74	1,065.28	1,068.33	1,111.89	1,126.98

## City of Dearborn, Michigan

Function/ program	As of June 30,			
	2015	2016	2017	2018
<b>Public safety</b>				
Police patrol units	58	58	54	57
Fire stations	5	5	5	5
Emergency response vehicles	7	7	7	7
Fire suppression vehicles	11	11	13	12
<b>Public works</b>				
Miles of streets				
Major streets	73.01	73.01	73.01	73.01
Local streets	194.24	194.24	194.24	194.24
<b>Recreation and culture</b>				
Parks and recreation:				
City Parks acreage	310	310	310	310
Number of parks in the City	42	42	42	42
Camp Dearborn (Milford) acreage	626	626	626	626
Regional Parks	2	2	2	2
Golf courses	2	2	2	2
Ice surfaces	2	2	2	2
Libraries:				
Branches	3	3	3	3
Collection - number of volumes	221,316	217,655	210,437	214,401
<b>Utilities</b>				
Water				
Miles of water mains	370.34	372.81	372.04	371.92
Miles of water laterals (1)	-	-	-	-
Fire hydrants	2,886	3,020	3,016	3,016
Sewer				
Miles of sanitary sewers	73.98	74.53	74.64	75.18
Miles of storm sewers	189.34	206.96	209.96	210.86
Miles of combined sewers	348.37	347.69	347.30	346.13

Source: City of Dearborn Annual Administrative Report and various City departments

(1) Because of State mandates, the City is monitoring the material (lead vs. copper) and replacing the lead laterals over time. The lateral total only includes City owned in the Right of Way, not private laterals. The lateral total also includes service lines to hydrants. Miles of water laterals for years prior to 2020 not available.

# Capital Asset Statistics

## Last Ten Fiscal Years

As of June 30,						
2019	2020	2021	2022	2023	2024	
62	53	58	64	68	68	
5	5	5	5	5	5	
11	9	9	8	8	8	
11	12	11	13	11	12	
73.01	73.01	73.01	73.01	83.32	77.50	
194.24	194.24	194.24	194.24	193.12	193.00	
310	310	310	310	310	310	
42	42	42	42	42	42	
626	626	626	626	626	626	
2	2	2	2	2	2	
2	2	2	2	2	2	
2	2	2	2	2	2	
3	3	3	3	3	3	
200,745	206,881	201,781	202,520	202,751	189,320	
372.68	366.69	359.44	353.76	342.43	348.52	
-	189.15	189.25	187.23	190	190	
3,021	2,957	2,980	2,985	3039	3251	
77.33	88.02	88.61	88.70	99.44	109.73	
215.15	221.08	215.64	212.43	246.54	250.64	
340.88	324.20	323.48	319.21	278.09	252.19	

## City of Dearborn, Michigan

Function/ Program	As of June 30,			
	2015	2016	2017	2018
Election data				
Registered voters	58,219	58,603	60,288	61,574
District Court				
Number of court cases	70,279	75,146	71,359	72,544
Building and safety				
Permits issued	6,324	6,151	6,240	6,486
Permit inspections conducted	13,612	13,071	13,403	15,851
Police				
Calls for service	71,790	75,103	77,952	81,632
Traffic citations	26,382	19,623	17,469	20,817
Parking citations	18,424	21,784	22,108	19,911
Fire				
Fire incidents	2,927	3,025	3,185	3,276
Emergency medical services incidents	11,674	11,823	12,219	11,823
Public works				
Miles of street resurfaced	8	3	4	4
Curbside refuse collected (tons)	33,940	32,627	34,077	37,476
Curbside compost collected (tons)	6,550	6,269	6,435	7,151
Curbside recyclables collected (tons)	5,161	5,910	6,110	4,816
Leaf collection (cubic yards)	22,526	18,021	28,581	22,754
Recreation				
Passholder visits	215,461	226,433	223,059	229,181
Library				
Collection - number of volumes	221,316	217,655	210,437	214,401
Circulation - number of transactions	537,739	515,544	481,356	480,890
Number of visitors	406,885	374,763	359,571	374,374
Water				
Number of customers billed	32,567	32,561	32,547	32,564
Total consumption (100 cubic feet)	6,022,481	6,311,771	6,450,687	6,269,237
Sewer				
Sewer water conveyed to Detroit (100 cubic feet)	10,697,630	10,697,630	10,697,630	10,151,500

Source: City of Dearborn Annual Administrative Report and various City departments

(1) The Great Lakes Water Authority established a simplified sewer rate schedule in FY2017. The share remained in effect for the 4 fiscal years 2018-2021.

## Operating Indicators

### Last Ten Fiscal Years

As of June 30,					
2019	2020	2021	2022	2023	2024
62,804	65,069	69,623	73,467	67,790	75,540
73,392	63,380	62,385	75,356	64,233	68,657
6,736	5,237	5,576	6,183	5,227	5,021
15,293	13,825	12,871	12,598	14,300	12,840
74,972	70,162	71,347	82,941	77,421	86,304
22,077	14,875	12,304	22,597	32,876	21,833
18,746	15,866	12,517	17,638	18,170	14,738
3,051	3,258	3,674	4,369	4,812	4,227
11,853	11,877	12,009	12,444	12,892	13,374
1	3	4	4	5	3
35,284	40,668	41,155	38,703	39,946	37,914
8,006	9,580	7,320	7,142	6,646	8,330
7,603	9,923	9,381	9,344	9,468	8,561
24,009	27,089	27,289	19,230	23,616	22,161
209,218	138,304	45,513	115,353	114,254	122,219
200,932	206,881	201,880	202,520	202,751	189,320
491,456	324,082	278,663	370,588	384,601	394,727
320,235	147,080	22,394	200,013	205,826	217,844
32,616	32,638	32,662	32,679	32,692	32,705
6,377,285	5,801,291	5,850,955	5,416,976	5,450,612	5,154,742
10,151,500	10,151,500	10,151,500	10,989,100	10,989,100	10,989,100

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# City of Dearborn, Michigan

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**Federal Awards Supplemental Information**  
**June 30, 2024**

**Independent Auditor's Reports**

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters  
Based on an Audit of Financial Statements Performed in Accordance with *Government  
Auditing Standards* 1-2

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

**Independent Auditor's Report**

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Dearborn, Michigan (the "City") as of and for the year ended June 30, 2024 and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated November 19, 2024.

**Report on Internal Control Over Financial Reporting**

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

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

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

**Report on Compliance and Other Matters**

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

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

**Purpose of this Report**

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

*Plante & Moran, PLLC*

November 19, 2024



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

**Independent Auditor's Report**

To the Honorable Mayor and Members  
of the City of Council  
City of Dearborn, Michigan

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

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

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

***Basis for Opinion on Each Major Federal Program***

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

We are required to be independent of the City and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

***Responsibilities of Management for Compliance***

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

To the Honorable Mayor and Members  
of the City of Council  
City of Dearborn, Michigan

### ***Auditor's Responsibilities for the Audit of Compliance***

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

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

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

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

### ***Other Matter***

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

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

### ***Report on Internal Control Over Compliance***

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

To the Honorable Mayor and Members  
of the City of Council  
City of Dearborn, Michigan

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

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

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

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

*Plante & Moran, PLLC*

November 19, 2024

# City of Dearborn, Michigan

## Schedule of Expenditures of Federal Awards

Year Ended June 30, 2024

Federal Agency/Pass-through Agency/Program Title	Assistance	Pass-through Identifying Number	Amount	
	Listing Number		Provided to Subrecipients	Federal Expenditures
U.S. Department of Housing and Urban Development -				
Direct programs - CDBG Entitlement Grants Cluster:				
Community Development Block Grant Program	14.218		\$ 138,687	\$ 2,674,270
COVID-19 Community Development Block Grant Program - CARES Act	14.218		-	30,019
Community Development Block Grant - Disaster Recovery	14.218		-	149,757
Total U.S. Department of Housing and Urban Development			138,687	2,854,046
U.S. Department of Agriculture - Passed through Samaritas -				
Food Distribution Cluster - Emergency Food Assistance Program (Food Commodities)	10.569	N/A	-	65,085
U.S. Department of Justice:				
Direct programs:				
Bulletproof Vest Partnership Program 2021	16.607		-	7,655
Bulletproof Vest Partnership Program 2022	16.607		-	825
Equitable Sharing Program	16.922		-	479,301
Drug Court Discretionary Grant Program	16.585		-	91,475
COVID-19 Coronavirus Emergency Supplemental Funding Program	16.034		-	151,106
Public Safety Partnership and Community Policing Grants	16.710		-	8,900
JAG Program Cluster - Passed through Wayne Co. Sheriff's Dept.:				
2020 Edward Byrne Memorial Justice Assistance Grant Program	16.738	2020-DJ-BX-0504	-	17,927
2021 Edward Byrne Memorial Justice Assistance Grant Program	16.738	2021-15PBJA-21-GG-01577-JAGX	-	11,434
Total U.S. Department of Justice			-	768,623
U.S. Department of Transportation:				
Highway Safety Cluster:				
Passed through Michigan Department of State Police and Downriver				
Community Conference - State and Community Highway Safety:				
Drive Michigan Safely Task Force - Seatbelt /OWI	20.600	PT 23-39	-	17,550
Drive Michigan Safely Task Force - Seatbelt /OWI	20.600	PT 00-82	-	14,670
Passed through Michigan Supreme Court:				
2023 National Priority Safety Programs	20.616	28467-2023	-	204
2024 National Priority Safety Programs	20.616	32472-2024	-	22,721
Total Highway Safety Cluster			-	55,145
Passed through Southeast Michigan Council of Governments -				
Highway Planning and Construction	20.205	CPG23	-	32,740
Passed through Federal Railroad Administration -				
Consolidated Rail Infrastructure and Safety Improvements	20.325	69A36523403990CRSMI	-	98,037
Total U.S. Department of Transportation			-	185,922
U.S. Department of the Treasury:				
COVID-19 Coronavirus State and Local Fiscal Recovery Funds				
Passed through Michigan Economic Development Corp. -				
Revitalization and Placemaking Program	21.027	N/A	-	561,000
Passed through Michigan Department of Environment, Great Lakes,				
and Energy - Drinking Water Asset Management	21.027	N/A	-	132,836
Total U.S. Department of the Treasury			-	693,836
U.S. Department of Homeland Security:				
Federal Emergency Management Agency - Direct programs:				
2020 Assistance to Firefighters Grant - Training & Equipment	97.044		-	106,961
2021 Assistance to Firefighters Grant - Training & Equipment	97.044		-	107,444
2021 Assistance to Firefighters Grant - Smoke Alarms & PT Staff	97.044		-	36,090
2022 Assistance to Firefighters Grant - Fire Prevention & Safety	97.044		-	22,562
2022 Assistance to Firefighters Grant - SCBA Replacement	97.044		-	609,549
Total Assistance to Firefighters			-	882,606
Staffing for Adequate Fire and Emergency Response Grant	97.083		-	1,013,739
FEMA Hazard Mitigation Grant Program	97.039		-	16,771

See notes to schedule of expenditures of federal awards.

## City of Dearborn, Michigan

# Schedule of Expenditures of Federal Awards (Continued)

Year Ended June 30, 2024

Federal Agency/Pass-through Agency/Program Title	Assistance Listing Number	Pass-through Identifying Number	Amount Provided to Subrecipients	Federal Expenditures
U.S. Department of Homeland Security (continued):				
Passed through Michigan Department of State Police - Emergency Management Performance Grants	97.042	EMC-2018-EP-00002	\$ -	\$ 64,166
Passed through Wayne County Department of Homeland Security and Emergency Management - Homeland Security Grant Program	97.067	N/A	-	<u>41,567</u>
Total U.S. Department of Homeland Security			-	2,018,849
Institute of Museum and Library Services:				
Grants to States - Passed through Michigan Department of Education - Library of Michigan Library Services and Technology Act Grant Program	45.310	LS-252467-OLS-22	-	8,308
National Leadership Grants	45.312		-	<u>7,521</u>
Total Institute of Museum and Library Services			-	<u>15,829</u>
Total federal expenditures			<b><u>\$ 138,687</u></b>	<b><u>\$ 6,602,190</u></b>

See notes to schedule of expenditures of federal awards.

**City of Dearborn, Michigan**

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

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**Year Ended June 30, 2024**

Revenue from federal sources - As reported on financial statements (includes all funds)	\$ 6,320,747
Noncash assistance not reported on the financial statements	65,085
Federal revenue classified as miscellaneous revenue on financial statements	479,301
Unavailable revenue related to grant expenditures incurred as of June 30, 2023	(3,154,208)
Unavailable revenue related to grant expenditures incurred as of June 30, 2024	2,983,273
Other differences	<u>(92,008)</u>
Federal expenditures per the schedule of expenditures of federal awards	<u><u>\$ 6,602,190</u></u>



## Notes to Schedule of Expenditures of Federal Awards

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Year Ended June 30, 2024

### Note 1 - Basis of Presentation

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

### Note 2 - Summary of Significant Accounting Policies

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

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

### Note 3 - Noncash Assistance

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

The City has \$65,085 of noncash assistance related to the Food Distribution Cluster (ALN 10.569) during the year ended June 30, 2024 that is included in the schedule of expenditures of federal awards.

**Schedule of Findings and Questioned Costs**

**Year Ended June 30, 2024**

**Section I - Summary of Auditor's Results**

**Financial Statements**

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? \_\_\_\_\_ Yes      X   None reported

**Federal Awards**

Internal control over major programs:

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

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

Identification of major programs:

Assistance Listing Number	Name of Federal Program or Cluster	Opinion
97.044	Assistance to Firefighters Grant	Unmodified
97.083	Staffing for Adequate Fire and Emergency Response	Unmodified

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

Auditee qualified as low-risk auditee?   X   Yes    \_\_\_\_\_ No

**Section II - Financial Statement Audit Findings**

None

Schedule of Findings and Questioned Costs (Continued)

Year Ended June 30, 2024

Section III - Federal Program Audit Findings

Reference Number	Finding
2024-001	<p><b>Assistance Listing Number, Federal Agency, and Program Name</b> - 97.044, U.S. Department of Homeland Security, Assistance to Firefighters Grant</p> <p><b>Federal Award Identification Number and Year</b> - Not available</p> <p><b>Pass-through Entity</b> - Not applicable</p> <p><b>Finding Type</b> - Material weakness and material noncompliance with laws and regulations</p> <p><b>Repeat Finding</b> - No</p> <p><b>Criteria</b> - Per 2 CFR 200.214, nonfederal entities are subject to the nonprocurement debarment and suspension regulations implementing Executive Orders 12549 and 12689, as well as 2 CFR part 180. The regulations in 2 CFR part 180 restrict making federal awards, subawards, and contracts with certain parties that are debarred, suspended, or otherwise excluded from receiving or participating in federal awards.</p> <p><b>Condition</b> - The City could not provide evidence that it performed a check to verify contractors were not suspended or debarred.</p> <p><b>Questioned Costs</b> - None</p> <p><b>Identification of How Questioned Costs Were Computed</b> - Not applicable</p> <p><b>Context</b> - The City used the grant to procure goods and services from 13 different contractors and was unable to provide evidence that the check for suspension and debarment was completed prior to entering into a contract with them.</p> <p><b>Cause and Effect</b> - The City did not retain evidence to support that it had conducted the search for whether a contractor was suspended or debarred prior to entering into a contract. Subsequently, the City did complete the search on Sam.gov and retained evidence to support that the contractor was not suspended or debarred, thereby creating no questioned costs.</p> <p><b>Recommendation</b> - We recommend the City strengthen its controls to ensure documentation is maintained to support that contractors are not suspended or debarred.</p> <p><b>Views of Responsible Officials and Corrective Action Plan</b> - This item relates to turnover and transition within the purchasing division of the City during the last two years for all of the staff finalizing procurement matters that were replaced due to resignations and retirements.</p> <p>Upon notification of the deficiency, a root cause investigation on the actions involved during the grant procurement were performed to identify cause. The outcome of this investigation will be communicated as educational training within the finance department, which includes purchasing division, operating departmental procurement requestors using federal grant awards, and all accountants. Additionally, management has amended the standard policy for the City to ensure all federal monies are used in accordance with 2 CFR requirements.</p>