

# ***CITY OF FARMINGTON HILLS, MI***

## ***Annual Comprehensive Financial Report***

### ***Fiscal Year Ended June 30, 2025***



# City of Farmington Hills

## Annual Comprehensive Financial Report

County of Oakland

State of Michigan

Fiscal Year Ended June 30, 2025



Prepared by:

Finance Department

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Farmington Hills, MI 48336

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December 14, 2025

Honorable Mayor, Members of the City Council,  
and Citizens of Farmington Hills

We are pleased to submit the annual comprehensive financial report (ACFR) of the City of Farmington Hills (the "City") for the fiscal year ended June 30, 2025. This report was prepared by the Finance Department in conformance with regulations and standards set forth by the City Charter, the Governmental Accounting Standards Board (GASB), the American Institute of Certified Public Accountants and its Committee on Governmental Accounting and Auditing, generally accepted accounting principles (GAAP), the Treasurer of the State of Michigan, and the Government Finance Officers Association (GFOA). This report consists of management representations concerning the finances of the City of Farmington Hills. Therefore, responsibility for the accuracy, completeness, reliability, and fairness of the financial data herein, including all disclosures, rests with the administration and management of the City of Farmington Hills. We believe the data presented is accurate in all material aspects, that it is presented in a manner designed to fairly set forth the financial position and results of operations of the City, and that all disclosures necessary to enable the reader to gain the maximum understanding of the City's financial affairs have been included. The statements have been audited in accordance with generally accepted auditing standards by Yeo & Yeo, a certified public accounting firm licensed by the State of Michigan.

Since the report consists of management's representations concerning the finances of the City of Farmington Hills, a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for preparation of the City of Farmington Hills' financial statements in conformity with GAAP has been established. However, due to the fact that the internal control systems should be cost effective, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement.

Yeo & Yeo has audited the City of Farmington Hills' financial statements to provide reasonable assurance that the City's financial statements for the fiscal year ended June 30, 2025 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures contained in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation.

The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Farmington Hills' financial statements for the fiscal year ended June 30, 2025 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of the report.

The independent audit of the financial statements of the City was part of a broader, federally mandated "single audit" designed to meet the special needs of federal grantor agencies. The standards governing single audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. This report is available in the City of Farmington Hills' separately issued single audit report.

Accounting principles generally accepted in the United States of America require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of a management's discussion and analysis (MD&A). This letter of transmittal is designed to complement the MD&A



and should be read in conjunction with it. The City of Farmington Hills' MD&A can be found immediately following the report of the independent auditor.

## **Profile of the Government**

Farmington Hills is a 34 square mile suburban community with a pastoral and gently rolling terrain in Oakland County, MI, located 17 miles from downtown Detroit. It is one of the largest cities in Oakland County, the most prosperous county in Michigan and one of the most prosperous counties in America. Incorporated in 1973, the City quickly grew from its rural roots, and today offers a unique blend of historic charm, international diversity, and cutting-edge commerce, making it one of the most desirable locations to live and work in the United States. The City's tax base of \$4.5 billion is comprised of 70 percent residential property and 30 percent commercial, industrial, and personal property. The community's estimated 84,173 residents live in approximately 37,173 households with a median household income of \$94,115.

The City possesses an ideal location within 25 minutes of downtown Detroit and Detroit Metro Airport, and at the focal point of a north/south and east/west freeway network. Industrial centers of Warren, the Saginaw/Flint area, Lansing and Toledo, Ohio, as well as the Ann Arbor technology corridor are within an hour's drive. Approximately half of America's disposable income, half of the country's work force, and nearly half of the total U.S. population are within a 500-mile radius of the City. The City supports seven industrial parks totaling more than 600 acres, which provide first-rate services and facilities. In addition, the 12 Mile Road, Orchard Lake Road and Northwestern Highway corridors host many commercial and office developments, which house many corporate headquarters and district offices of regional, national and international prominence.

The community offers a wide range of quality housing featuring homes in every style and price range. There are many premier residential areas providing housing options including more than 25,200 single-family homes and over 10,600 rental units designed to fit every lifestyle. Home prices range from under \$100,000 to \$3 million, with the average home priced at approximately \$309,000.

The City demonstrates its respect for its Quaker heritage by committing to historical preservation through its Historic Commission, Historical District, and the conversion of the historic Spicer Estate House to a Visitor Center within the 211-acre passive Heritage Park, located in the center of the City.

The City is enhanced by exemplary educational opportunities for kindergarten through 12th grade via both public and private schools and a premier district library system with one of the highest annual circulation rates in the State. A broad spectrum of recreational and cultural activities is available within the City or within a short drive. A total of 12 major colleges and universities are within a 45-minute drive of the community. Quality health care is readily accessible through Beaumont Hospital, Farmington Hills, a full-service teaching hospital with a Level II Trauma Center and Certified Stroke Center, which is associated with Michigan State University and a part of Beaumont Health. Twelve major medical centers and hospitals are within a half-hour driving distance of the City. Many physicians affiliated with these medical facilities maintain their offices in Farmington Hills.

The City operates under the City Council/City Manager form of government with seven elected officials, a mayor, and six City Council members representing the citizens of the City of Farmington Hills. The Mayor is elected directly by the electorate for not more than two consecutive, two-year terms. The six City Council members are elected at large for staggered terms of four years each. The Mayor and City Council establish all policies for the City government. The City Manager is appointed by the City Council.

The City of Farmington Hills provides a full range of services including police and fire protection; the construction and maintenance of highways, streets, and other infrastructure; recreational activities and cultural events; and refuse collection and recycling services. Utility services for water and sanitary sewers are provided by the City, with the Oakland County Water Resources Commission administering the service for water and sanitary sewers under contract with the City. Library functions are provided by the Farmington Community Library, which serves both the City of Farmington Hills and the neighboring City of Farmington.

City Hall, which is a LEED Gold certified facility, will serve the community well through the coming decades by allowing the City to improve its energy and operational efficiencies, strengthen its community image, and provide flexibility in meeting the needs of the community.

Economic development efforts have been promoted by the City of Farmington Hills Economic Development Corporation, a component unit of the City whose financial statements are displayed in the basic financial statements.

The other component units of the City are the Brownfield Redevelopment Authority, established by the City Council to assist in the redevelopment of environmentally challenged sites within the City; and the Corridor Improvement Authority, created by the City Council to correct and prevent deterioration in business districts, encourage historic preservation, and promote economic growth.

The Corridor Improvement Authority was created in collaboration with the City of Farmington in sharing a corridor to leverage investments by defraying some of the costs of redevelopment and sharing resources that can be invested in improvements. The Brownfield Redevelopment Authority and the Corridor Improvement Authority financial statements are also displayed in the basic financial statements.

The City's annual budget provides the foundation for financial planning and control. All departments funded by the City of Farmington Hills are required to submit requests for appropriations to the City Manager in February of each year. The City Manager utilizes these requests as the basis for developing the proposed budget submitted to City Council by the first regular council meeting in May.

In conformity with Article VII General Finance of the City Charter and the State of Michigan Uniform Budgets Act, a public hearing on the proposed annual budget and tax rates is held by the first regular Council meeting in June, after public notice of the meeting and hearing is published at least seven days prior to the public hearing.

The appropriated budget is prepared by fund, function (e.g., public safety), and department (e.g., police department). Department heads may make transfers of appropriated funds within a department with the approval of the City Manager and Finance Director. Transfers of appropriations between departments require approval by the City Council.

Budget-to-actual comparisons are provided in this report for each governmental fund in which an appropriated annual budget has been adopted. For the General Fund and the major Special Revenue Funds (Municipal Street Fund, Major Road Fund, Local Road Fund, and the Public Safety Millage Fund), the comparison is reported as part of the required supplemental information following the notes to the financial statements.

For the major Community Center Renovations Fund and all nonmajor governmental funds with an appropriated annual budget, this comparison is presented in the other supplemental information subsection of this report.

### **Factors Affecting Financial Condition**

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the unique environment within which the City of Farmington Hills operates.

**Local Economy** - City of Farmington Hills possesses a diversified property tax base with residential currently comprising 70 percent, commercial 22 percent, industrial 3 percent, and personal property (business equipment, furniture, and machinery) 5 percent. No one taxpayer exceeds 1.73 percent of the tax roll and the top 20 taxpayers combined account for approximately 7.73 percent of the total tax roll. Farmington Hills is home to approximately 4,700 businesses, 75 Fortune 500 companies, and more than 100 international firms. The City's residents are employed predominantly in management, professional sales, and related occupations.

Economic development staff of the City coordinates development activity with the City's Economic Development Corporation. The City participates in a business retention program and has formed a partnership with the Oakland County Planning and Economic Development Services Division and the Michigan Economic Development Corporation. Working together, they have been successful in assisting companies in expanding their business opportunities in the City.



Oakland County's economic growth and business sustainability is assisted by "Automation Alley," a dynamic organization of leaders from all backgrounds and business sectors that are combining talent and energy to transform southeast Michigan into a high technology workforce and business development powerhouse. Membership is made up of 1,000 technology-driven companies, governments, and educational institutions which have helped to drive the growth and image of southeast Michigan's technology economy.

Oakland County continues to embrace the "emerging sectors" initiative, an aggressive plan to attract the top new and emerging businesses to Oakland County. Over the last several years over 500 emerging sector endeavors have generated over \$5 billion in investment while creating or retaining over 89,000 jobs. These sectors are:

- Advanced electronics
- Advanced material
- Aerospace
- Alternative energy
- Communications and information technology
- Defense and homeland security
- Medical main street/health care
- Robotics
- Finance, insurance, and real estate

Oakland County's median household income of \$92,015 is the highest among Michigan's 83 counties. Oakland County, as well as the City of Farmington Hills, continues to enjoy a AAA bond rating from Standard & Poor's, the highest bond rating achievable. The AAA bond rating allows the City to borrow at the lowest possible interest rate, saving City's taxpayers significant dollars in future borrowing costs.

The Michigan Senate Fiscal Agency report from May 2025 forecasts the following:

**SENATE FISCAL AGENCY  
ECONOMIC AND BUDGET SUMMARY**

| <b>ECONOMIC PROJECTIONS<br/>(Calendar Year)</b> |                        |                        |                          |                          |                          |
|---|------------------------|------------------------|--------------------------|--------------------------|--------------------------|
|   | <b>2023<br/>Actual</b> | <b>2024<br/>Actual</b> | <b>2025<br/>Estimate</b> | <b>2026<br/>Estimate</b> | <b>2027<br/>Estimate</b> |
| Real Gross Domestic Product (% change)          | 2.9%                   | 2.8%                   | 0.8%                     | 0.7%                     | 1.8%                     |
| US Consumer Price Index (% change)              | 4.1%                   | 2.9%                   | 3.6%                     | 4.1%                     | 3.2%                     |
| Light Motor Vehicle Sales (millions of units)   | 15.5                   | 15.7                   | 15.5                     | 14.4                     | 14.4                     |
| US Unemployment Rate (%)                        | 3.6%                   | 4.0%                   | 4.6%                     | 5.5%                     | 5.5%                     |
| Real Michigan Personal Income (% change)        | (0.4%)                 | 1.4%                   | 1.2%                     | (0.5%)                   | 0.3%                     |
| Michigan Wage & Salary Employment (% change)    | 2.0%                   | 0.6%                   | 0.6%                     | 0.0%                     | (0.2%)                   |

The City Council annually reviews and accepts the updated "Six-year Capital Improvement Program," as prepared by staff and adopted by the City's Planning Commission, which directly impacts the City's infrastructure. The City Council adopts many of the projects in the first year of this program in the annual budget. In addition to road construction and utility projects, the following categories of acquisitions or improvements are planned for FY 2025-2026:

- \$4.5 million for drainage projects
- \$0.3 million for sidewalk and bike path improvements/replacements
- \$1.0 million for Fire Department vehicles and equipment

- \$0.2 million for Police Department vehicles and equipment
- \$1.4 million for Public Services Department equipment
- \$1.3 million for technology equipment, software and upgrades
- \$4.8 million for public facility improvements

**Financial Policies** - The following financial policies of the City had a significant impact on the City's FY 2024-2025 financial statements:

Revenue Policy to Maintain a Diversified and Stable Taxable Revenue Base - Although the tax base remains diversified with approximately 70 percent residential and 30 percent nonresidential, the tax base had an increase in taxable values of approximately 6.6 percent in FY 2024-25. Taxable Values have increased by another 6.6% in FY 2025-26, reflecting a high inflation rate in the housing sector in the last several years and strong development.

Investment Policy to Maximize Yields while Maintaining the Integrity and Safety of Principal - The City makes a serious effort to maximize investment earnings, diversification, and insurability of its investable funds. At year end, the weighted average liquidity of the City's investment portfolio was approximately one week, while the average yield on the portfolio was performing in-line with the three-month and six-month Treasury yield along with the Federal Funds rate.

Financial Policy to Place Emphasis on Areas of Long-term Importance Such as Employee Relations, Automation, and Technology Improvements - With a reduced workforce from the recent past, the City has continued to focus on technology improvements and process improvements to increase employee productivity and efficiency.

**Long-term Financial Planning** - Annually, City staff prepares a six-year Capital Improvement Plan (CIP), which is approved by the City Planning Commission and accepted by the City Council. This program will contain projects and equipment costs in excess of \$25,000. Total project cost and sources of funding, along with project descriptions, will be outlined in the Capital Improvement Program. Areas included in the program will be drainage, sanitary sewers and water mains, public facilities, sidewalks, transportation, equipment, and parks and recreation facilities. The purpose of this six-year program is to facilitate the orderly planning and infrastructure improvements, maintain, preserve, and protect the City's existing infrastructure system, and provide for the scheduled replacement of equipment and acquisition of new equipment to insure the efficient delivery of services to the community. The first year of the adopted CIP is incorporated into the city's proposed budget, if funding is available. The City manages its debt by establishing debt capacity limits or guidelines to use in conjunction with its capital planning and budgeting processes.

In order to better understand the financial condition of the City, it has become increasingly important to maintain and update an ongoing Financial Forecasting model. The end result of this forecasting model is intended to communicate what is likely to happen in the future based on where the City is today and where it appears to be heading. The preparation of a reasonably complete forecast allows the City to look at its options and prudently plan and act accordingly. The Financial Forecasts are developed as part of the annual Citizens Guide and Performance Dashboard document. This document also includes performance measurements of key benchmark data related to fiscal stability and economic strength.

## **Awards and Acknowledgements**

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Farmington Hills for its ACFR for the fiscal year ended June 30, 2024. This was the 27<sup>th</sup> consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized ACFR. This report satisfied both GAAP and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current ACFR 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.

In addition, the City received the GFOA's Distinguished Budget Presentation Award for its annual budget document for the fiscal year ended June 30, 2025. In order to qualify for the Distinguished Budget Presentation Award, the City's budget document was judged to be proficient in several categories, including as a policy document, a financial plan, an operations guide, and a communications device. This was the 41<sup>th</sup> consecutive year the City received this award.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the finance department and city manager's office. We would like to express our appreciation to all members of the departments who assisted and contributed to the preparation of this report. The independent auditing firm of Yeo & Yeo provided assistance for proper presentation in the form of counsel, suggestions, and direct input. Credit also must be given to the mayor and the City Council for their support in maintaining the highest standards of professionalism in the management of the City of Farmington Hills' finances.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Gary Mekjian".

Gary Mekjian  
City Manager

A handwritten signature in blue ink, appearing to read "Thomas C. Skrobola".

Thomas C. Skrobola  
Finance Director/Treasurer



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Farmington Hills  
Michigan**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2024

*Christopher P. Morill*

Executive Director/CEO

**City of Farmington Hills**  
**List of Elected and Principal Officials**  
**June 30, 2025**

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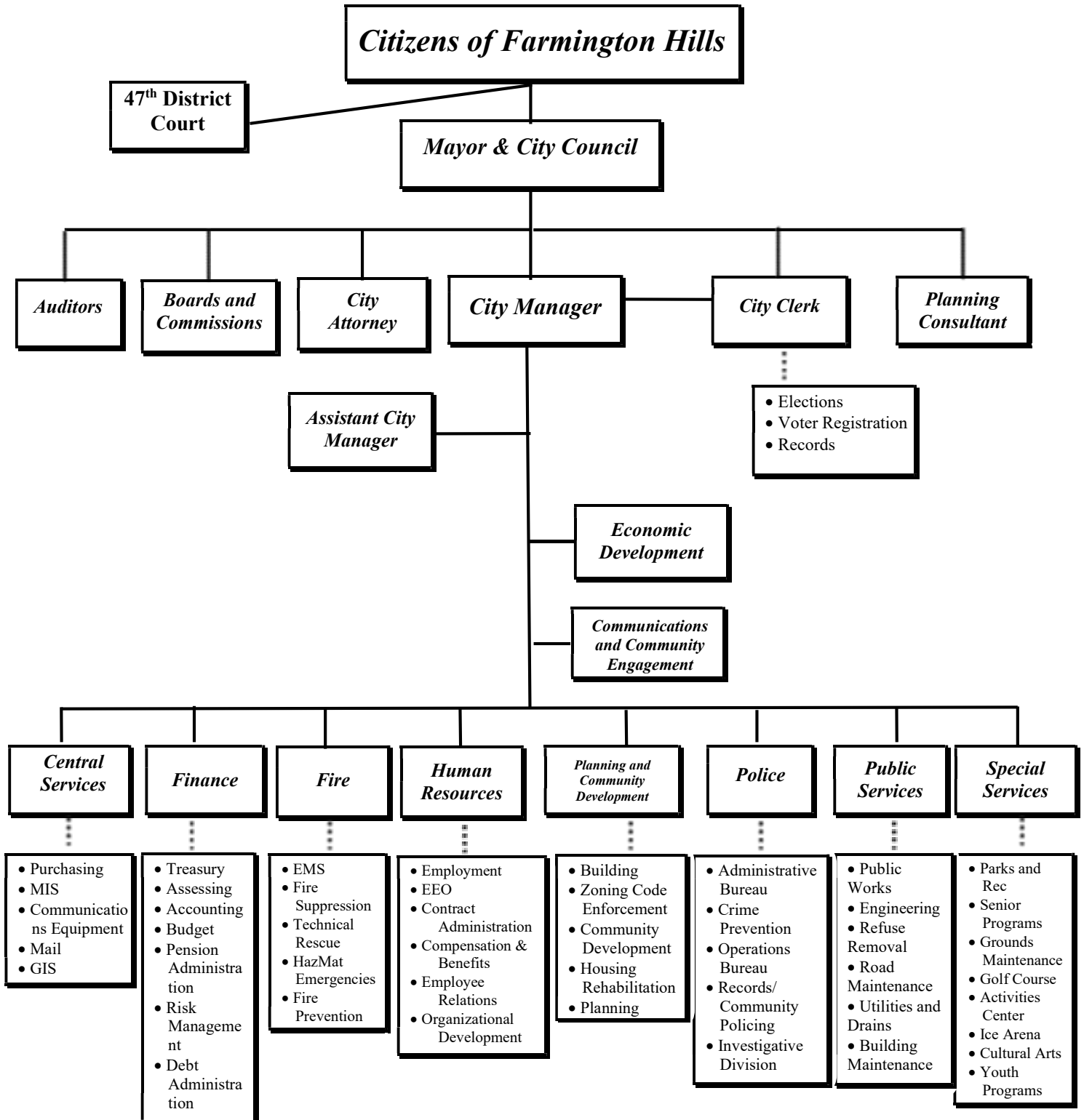
**Mayor and City Council**

| <b>Title</b>   | <b>Name</b>     |
|----------------|-----------------|
| Mayor          | Theresa Rich    |
| Mayor Pro Term | William Dwyer   |
| Council Member | Valerie Knol    |
| Council Member | Michael Bridges |
| Council Member | Jon Aldred      |
| Council Member | Randy Bruce     |
| Council Member | Jackie Boleware |

**Principal Officials**

| <b>Title</b>                                | <b>Name</b>                                   |
|---|---|
| City Manager                                | Gary Mekjian                                  |
| Assistant City Manager                      | Karen Mondora                                 |
| Economic Development Director               | Cristia Brockway                              |
| Communications & Community Engagement       | Vickie Sullen-Winn                            |
| City Clerk                                  | Carly Lindahl                                 |
| Central Services Director                   | Michelle Aranowski                            |
| Finance Director/Treasurer                  | Thomas Skrobola                               |
| Fire Chief                                  | Jon Unruh                                     |
| Human Resources Director                    | Lori Brown                                    |
| Planning and Community Development Director | Charmaine Kettler-Schmult                     |
| Police Chief                                | John Piggott                                  |
| Public Services Director                    | Jacob Rushlow                                 |
| Special Services Director                   | Ellen Schnackel                               |
| City Attorney                               | Rosati, Schultz, Joppich & Amtsbuechler, P.C. |
| Deputy Director Special Services            | Bryan Farmer                                  |
| Deputy Director Special Services            | Brian Moran                                   |
| Assistant Police Chief                      | Brian Moore                                   |
| Deputy Fire Chief                           | Jason Olszewski                               |
| Building Official                           | Scott Lenhart                                 |
| City Assessor                               | Matthew Dingman                               |
| City Engineer                               | James Cubera                                  |
| City Planner                                | Erik Perdonik                                 |
| Community Development Coordinator           | Tracey Emmanuel                               |
| Deputy City Clerk                           | Ashley Hopper                                 |
| Deputy Treasurer                            | Shontae Stringfellow                          |
| Fire Marshal                                | Jason Baloga                                  |
| Public Works Superintendent                 | Derrick Schueller                             |
| Zoning Division Supervisor                  | Dennis Randt                                  |

# CITY OF FARMINGTON HILLS



**City of Farmington Hills  
Fund Organization Chart**

**Governmental Funds**

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**General**

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General Fund

**Debt Service**

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General Debt Service

**Capital Projects**

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Capital Improvement  
Community Center Renovations  
Golf Course Capital Improvement

**Special Revenue**

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Major Roads  
Local Roads  
Municipal Streets  
Public Safety Millage  
Community Development Block Grant  
Nutrition Grant  
Forfeiture  
Opioid Settlement - General  
Opioid Settlement - Special  
Parks and Recreation Special Millage  
Michigan Indigent Defense Commission

**Proprietary Funds - Enterprise**

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Water and Sewer

**Fiduciary Funds**

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**Custodial**

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Tax Collections

**Component Units**

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Economic Development Corporation  
Corridor Improvement Authority

Brownfield Redevelopment Authority



## **Independent Auditors' Report**

To the Honorable Mayor and Members  
of the City Council  
City of Farmington Hills  
Farmington Hills, Michigan

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

#### **Opinions**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Farmington Hills (the City), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

#### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, 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.

#### **Adoption of New Accounting Standard**

As discussed in Note 1 and 14 to the financial statements, during the year ended June 30, 2025, the City adopted new accounting guidance, GASB Statement No. 101, *Compensated Absences*. Our opinions are not modified with respect to this matter.

#### **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 twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## **Auditors' Responsibilities for the Audit of the Financial Statements**

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

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

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

## Supplementary Information

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

## Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' 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 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.

*Yeo & Yeo, P.C.*

Troy, Michigan  
December 14, 2025

**City of Farmington Hills**  
**Management's Discussion and Analysis**  
**June 30, 2025**

**Using this Annual Report**

This annual report consists of a series of financial statements. The statement of net position and the statement of activities provide information about the activities of the City of Farmington Hills, Michigan (the "City") on a government-wide basis. They are designed to present a long-term view of the City's finances. Fund financial statements follow the above-mentioned statements and illustrate how the services provided by the City were financed in the short term, as well as what remains for future spending. Additionally, fund financial statements report the City's operations in more detail than the government-wide financial statements.

**The City of Farmington Hills as a Whole**

The City's combined primary government net position increased \$24.6 million or 5.9 percent, from \$415.9 million to \$440.5 million, due primarily to the net increase of \$15.1 million of capital assets and \$16.8 million of restricted assets, primarily in the Road Funds, due to the acquisition of infrastructure, facilities, and equipment, and the net increase in funds restricted for road construction, due to the timing of capital project expenditures over the fiscal year end. Of that amount, \$64.1 million (unrestricted net position) may be used to meet the City's ongoing obligations to citizens/creditors. Governmental activities net position increased by \$22.7 million or 8.3 percent. Unrestricted net position of governmental activities was approximately \$4.5 million as of June 30, 2025. Business-type activities net position increased by approximately \$2 million in net position or 1.4 percent. The unrestricted net position of business-type activities was approximately \$59.6 million as of June 30, 2025.

In condensed format, the table below shows the comparison of net position (in millions of dollars) as of June 30, 2025 to the prior year:

|                                       | Governmental Activities |                    | Business-type Activities |                 | Total           |                    |
|---------------------------------------|-------------------------|--------------------|--------------------------|-----------------|-----------------|--------------------|
|                                       | 2025                    | 2024<br>(Restated) | 2025                     | 2024            | 2025            | 2024<br>(Restated) |
| <b>Assets</b>                         |                         |                    |                          |                 |                 |                    |
| Current assets                        | \$ 144.8                | \$ 135.2           | \$ 64.5                  | \$ 64.7         | \$ 209.3        | \$ 199.9           |
| Noncurrent assets:                    |                         |                    |                          |                 |                 |                    |
| Noncapital assets                     | 15.0                    | 10.7               | -                        | -               | 15.0            | 10.7               |
| Capital assets                        | 272.1                   | 262.0              | 124.4                    | 119.4           | 396.5           | 381.4              |
| Total assets                          | 431.9                   | 407.9              | 188.9                    | 184.1           | 620.8           | 592.0              |
| <b>Deferred Outflows of Resources</b> | 17.9                    | 21.2               | -                        | -               | 17.9            | 21.2               |
| <b>Liabilities</b>                    |                         |                    |                          |                 |                 |                    |
| Current liabilities                   | 18.6                    | 34.1               | 5.1                      | 3.9             | 23.7            | 38.0               |
| Long-term liabilities                 | 127.7                   | 112.8              | 39.1                     | 37.5            | 166.8           | 150.3              |
| Total liabilities                     | 146.3                   | 146.9              | 44.2                     | 41.4            | 190.5           | 188.3              |
| <b>Deferred Inflows of Resources</b>  | 7.7                     | 9.0                | -                        | -               | 7.7             | 9.0                |
| <b>Net Position</b>                   |                         |                    |                          |                 |                 |                    |
| Invested in capital assets            | 228.4                   | 222.6              | 85.1                     | 81.4            | 313.5           | 304.0              |
| Restricted                            | 62.9                    | 46.1               | -                        | -               | 62.9            | 46.1               |
| Unrestricted (deficit)                | 4.5                     | 4.5                | 59.6                     | 61.3            | 64.1            | 65.8               |
| Total net position                    | <u>\$ 295.8</u>         | <u>\$ 273.2</u>    | <u>\$ 144.7</u>          | <u>\$ 142.7</u> | <u>\$ 440.5</u> | <u>\$ 415.9</u>    |

**City of Farmington Hills**  
**Management's Discussion and Analysis**  
**June 30, 2025**

The following table shows the changes in net position (in millions of dollars) for the years ended June 30, 2025 and 2024:

|  | Governmental Activities |                    | Business-type Activities |                 | Total           |                    |
|--|-------------------------|--------------------|--------------------------|-----------------|-----------------|--------------------|
|  | 2025                    | 2024<br>(Restated) | 2025                     | 2024            | 2025            | 2024<br>(Restated) |
| <b>Revenue</b>                                     |                         |                    |                          |                 |                 |                    |
| Program revenue:                                   |                         |                    |                          |                 |                 |                    |
| Charges for services                               | \$ 27.5                 | \$ 23.3            | \$ 38.1                  | \$ 36.3         | \$ 65.6         | \$ 59.6            |
| Operating grants and contributions                 | 16.9                    | 16.0               | -                        | -               | 16.9            | 16.0               |
| Capital grants and contributions                   | -                       | -                  | 0.2                      | 0.2             | 0.2             | 0.2                |
| General revenue:                                   |                         |                    |                          |                 |                 |                    |
| Property taxes                                     | 75.7                    | 71.8               | -                        | -               | 75.7            | 71.8               |
| State-shared revenue                               | 11.3                    | 11.1               | -                        | -               | 11.3            | 11.1               |
| Interest   | 6.7                     | 7.1                | 2.4                      | 1.5             | 9.1             | 8.6                |
| Other  | 0.7                     | 1.0                | 0.3                      | 0.4             | 1.0             | 1.4                |
| <b>Total revenue</b>                               | <b>138.8</b>            | <b>130.3</b>       | <b>41.0</b>              | <b>38.4</b>     | <b>179.8</b>    | <b>168.7</b>       |
| <b>Program Expenses</b>                            |                         |                    |                          |                 |                 |                    |
| General government                                 | 18.2                    | 19.6               | -                        | -               | 18.2            | 19.6               |
| Public safety                                      | 45.6                    | 41.5               | -                        | -               | 45.6            | 41.5               |
| Public services                                    | 29.5                    | 29.6               | -                        | -               | 29.5            | 29.6               |
| Health and welfare                                 | 0.7                     | 0.5                | -                        | -               | 0.7             | 0.5                |
| Community and economic development                 | 0.9                     | 2.1                | -                        | -               | 0.9             | 2.1                |
| Recreation and culture                             | 20.1                    | 15.4               | -                        | -               | 20.1            | 15.4               |
| Interest on long-term debt                         | 1.1                     | 1.0                | -                        | -               | 1.1             | 1.0                |
| Water and sewer                                    | -                       | -                  | 39.1                     | 39.9            | 39.1            | 39.9               |
| <b>Total program expenses</b>                      | <b>116.1</b>            | <b>109.7</b>       | <b>39.1</b>              | <b>39.9</b>     | <b>155.2</b>    | <b>149.6</b>       |
| <b>Change in Net Position</b>                      | <b>22.7</b>             | <b>20.6</b>        | <b>1.9</b>               | <b>(1.5)</b>    | <b>24.6</b>     | <b>19.1</b>        |
| <b>Net Position - Beginning of year (restated)</b> | <b>273.1</b>            | <b>252.6</b>       | <b>142.8</b>             | <b>144.2</b>    | <b>415.9</b>    | <b>396.8</b>       |
| <b>Net Position - End of year</b>                  | <b>\$ 295.8</b>         | <b>\$ 273.2</b>    | <b>\$ 144.7</b>          | <b>\$ 142.7</b> | <b>\$ 440.5</b> | <b>\$ 415.9</b>    |

**Governmental Activities**

The City's total governmental activities revenue increased by \$8.5 million or 6.5 percent. This was primarily attributed to:

- a \$4.2 million increase in Charges for Services due primarily to (a) increases in Advanced Life Support revenue (\$0.5 million), (b) City Staff Engineering work (\$1.0 million), (c) an increase in recreation user charge revenue due to increases in the utilization of recreational programming (\$0.6 million), (d) increases in fines & forfeitures (\$0.2 million), (e) as well as increases in other revenue (\$1.9 million);
- a \$0.9 million increase in Operating grants and contributions, due to increases in Opioid Settlement receipts;
- a \$3.9 million increase in Property Tax Revenue, due largely to strong residential property value inflation;

**City of Farmington Hills**  
**Management's Discussion and Analysis**  
**June 30, 2025**

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- an increase in State Shared Revenue of \$0.2 million, based on the State's FY 24-25 Budget allocation to local governments, and a slight increase in State Sales Tax receipts, which are allocated by formula under the State Constitution to local governments,
- a decrease in Interest of (\$0.4 million), based on cash investments that are highly sensitive to recent downward changes in the Federal Funds Interest Rate), and
- a decrease in Other of (\$0.3 million), based on a small decrease in insurance rebates, which fluctuate with random claims experience).

The City's total governmental activities program expenses increased by \$6.2 million or 5.6 percent. This is largely attributable to:

- decreases in General Government of (\$1.1 million) were caused by a larger proportion of capitalized projects in 24-25 versus 23-24, which caused a reduction in expenditures (and a related increase in capital assets on the entity-wide balance sheet);
- increases in Public Safety of \$4.9 million, inclusive of increased Police vehicle purchases of \$0.6 million, and increases in personnel costs of \$1.9 million, \$1.8 million of increased depreciation on capital assets, and an increase of \$0.7 million in the recognition of future compensated absences, as required by the new GASB Statement 101, and
- increases in Public Services and Health and Welfare of a combined \$0.7 million due to increases in the recognition of future compensated absences, as required by the new GASB Statement 101;
- decreases in Community and Economic Development of a larger proportion of capitalized projects in 24-25 versus 23-24, which caused a reduction of (\$1.2 million) in expenditures (and a related increase in capital assets on the entity-wide balance sheet); and
- increases in Recreation and Culture of \$5.0 million, including operations and programs of \$0.8 million, capital outlays of \$1.2 million, compensated absences of \$0.3 million, and increased depreciation expenses of \$2.7 million.

The City continues to pre-fund postretirement healthcare benefits as well as retirement benefits so that future taxpayers will not have to bear the burden of currently earned benefits. During the year, the City contributed 100 percent of the actuarial required contributions for the Employees' Retirement System Pension and the Postretirement Healthcare Plan.

### **Business-type Activities**

The City's business-type activities are recorded in the Water and Sewer Fund. The City provides water distribution and sanitary sewer disposal services, which are supplied by the Great Lakes Water Authority and operated, maintained, and administered by the Oakland County Water Resources Commissioner. The utility system incurred a \$1.9 million operating gain during fiscal year 2024-2025 compared to an operating loss of \$1.6 million in the previous fiscal period. The change in net operating income is primarily the result of the positive differential in interest earnings in FY 2024-25. The Water and Sewer Fund maintained a net position of \$144.7 million at year end, of which approximately \$59.6 million (unrestricted net position) may be used to meet the fund's ongoing obligations to citizens and creditors.

### **The City's Funds**

An analysis of the City's major funds follows the government-wide financial statements. The fund financial statements provide detailed information on the most significant funds, not the City as a whole. In addition to state legislative requirements to maintain separate funds for Act 51 major and local road money, the City Council creates funds to administer certain dedicated dollars and demonstrate accountability to the citizens for special tax millages voted by the citizens and earmarked bond proceeds. The City's major funds for fiscal year 2024-

**City of Farmington Hills**  
**Management's Discussion and Analysis**  
**June 30, 2025**

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2025 include the General Fund, the Municipal Street Fund, the Major Roads Fund, the Local Roads Fund, and the Public Safety Millage Fund.

**General Fund:**

The General Fund's fund balance increased by \$3.1 million or 5 percent, due primarily to the aforementioned \$3.9 million increase in Property Tax Revenue, an ongoing improvement of \$1.3 million increase in charges for services, reflecting the aforementioned increases in the utilization of the City's HAWK recreational facility and other recreational programming.

**Major Special Revenue Funds:**

The Major Roads Fund balance increased by approximately \$3.3 million or 21 percent. Total revenue and transfers in were \$.8 million more than the previous year, due to increases in Road Millage revenue (driven by a 6% improvement in the tax base, which was in turn driven by a broad improvement in housing values). Total expenditures and transfers out were \$2.7 million less than the previous year, due to decreased construction activity, which reflects the timing of construction activity that was in progress as of June 30<sup>th</sup>, 2025.

The Local Roads Fund balance increased by approximately \$4.2 million or 54.7 percent. This is due to an increase in total revenues and other financing sources by \$0.5 million, reflecting an increase in the annual transfer from the Major Roads Fund to the previous/normal transfer amount, while total expenditures and transfers out were \$2.7 million less than the previous year for local street construction projects, due to the timing of construction projects over year end.

The Public Safety Millage Fund balance increased by \$0.6 million, or 12.6 percent, due to the aforementioned increases in interest income and the City's tax base.

The Municipal Street Fund, inaugurated in 2019 – 2020; finished with a year-end fund balance of \$4.9 million, a \$1.6 million increase, due to the aforementioned increases in interest income and the City's tax base.

**General Fund Budgetary Highlights**

The city administration and City Council continuously monitor and amend the budget to reflect unanticipated events that occur during the year.

Differences between the final amended budget and year-end actuals can be briefly summarized as follows:

- Actual Revenue of \$81.6 million was \$3.3 million higher than the \$78.3 million Budgeted, due to increases in:
  - City Staff Engineering work exceeded the budget by \$1.5 million, for work conducted in support of City infrastructure projects;
  - Interest earnings exceeded the budget by \$0.7 million;
  - Building permits exceeded the budget by \$0.4 million;
  - Police Training & Smart grants exceeded the budget by \$0.3 million;
  - Recreation user charges exceeded the budget by \$0.4 million, due to increases in the utilization of recreational programming;
- Actual Expenditures of \$70.7 million were \$3.3 million less than the \$74.0 million budgeted. The approximate 4.5 percent decrease in total expenditures from the final amended budget are based primarily on positive staff vacancy variance due to normal retirement and departures, which saved \$1.6 million, and lower-than-anticipated operational expenses due to deferred projects, savings on support services expenses such as liability and property insurance, due to favorable loss experience.



**City of Farmington Hills**  
**Management's Discussion and Analysis**  
**June 30, 2025**

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**Capital Assets and Debt Administration**

On June 30, 2025, the City had approximately \$397 million in total capital assets ranging from land, buildings, equipment, technology equipment, and water and sewer lines. The value of infrastructure (roads, sidewalks, drains, water, and sewer) assets included in this report, net of depreciation and exclusive of construction on progress, is \$214.4 million (see Note 5 of the notes to financial statements for additional information).

Debt reported in these financial statements is related to the construction of the above-mentioned infrastructure assets and community center and is reported as a liability on the statement of net position. The City's total debt for governmental activities increased by \$5.2 million (14.5 percent). The increase was the result of the issuance of \$7.5 million of General Obligation Debt for the construction of drains (as part of the \$134 million regional project known as the Evergreen Farmington Sewer Drainage District Debt, or EFSDDD) and other infrastructure projects, net of the payoff of annual maturities on pre-existing debt (see Note 9 of the notes to financial statements- for additional information). The City maintained its AAA noninsured rating from Standard & Poor's and Aa1 noninsured rating from Moody's.

**Economic Factors and Next Year's Budgets and Rates**

The Fiscal Year 2025-2026 tax rate increased from 16.4241 to 16.4902 mills, due to the increase of the Road Millage, which was newly approved in November of 2024, paired with the standard state Constitutional (Headlee Amendment) provisions that require property tax millages to be reduced to offset property value inflationary increases. The City's tax base increased by 6.6 percent in fiscal year 2024-25, and increased 4.3 percent for FY 2025-26, driven primarily by a nationwide trend in housing price inflation. Our state equalized value (SEV) is \$6.4 billion in FY 2025-26, which is \$1.7 billion more than our taxable value. This is significant because taxes are based on taxable value, not SEV, and this positive differential creates a cushion for Taxable Values, in case market values of properties (and thus the SEV) should fall. A further hedge against property value downturns is the fact that the City's tax base is well diversified, with residential accounting for 69 percent, commercial 22 percent, industrial 3 percent, and personal property 6 percent. Tax base diversification is further demonstrated by the fact that the top 10 taxpayers in 2025-26 combined account for approximately 7.73 percent of the tax roll.

Taxes account for approximately 50 percent of the FY 2025-26 General Fund budgeted revenue, while state-shared revenue accounts for approximately 13 percent of the FY 2025-26 General Fund budgeted revenue. The Adopted FY 2024-25 Budget for the General Fund reflects the use of fund balance of \$5.7 million, which includes a continued contribution to the Capital Improvement Program. The FY 25-26 Budget represents the continuation of an ongoing effort to reduce the annual budgeted fiscal imbalance from over \$6 million in FY 2020-21 to an ultimate target of roughly \$2 million by FY 2029-30. This will be accomplished by (a) increases in Special Services rates for Parks and Recreation services, as well as further increases in users/customers of our Parks and Recreation facilities and programs, as well as significant reductions/efficiencies in Special Services expenditures. These increases in revenues and reductions/efficiencies in expenditures are based on the continued findings of the firm Sports Facilities Companies (SFC), which works nationally to consult with and operate municipal and regional parks and recreation programming and facilities.

On the expense side, the City operates with a relatively small labor force and low personnel costs, while maintaining all city services, with some inflationary cost increases. The City will continue to adjust expenditures through cost savings and efficiencies in FY 2025-26 to match revenue projections as they are revised.

**Contacting the City's Management**

This financial report is intended to provide our citizens, taxpayers, customers, and investors with a general overview of the City's finances and to show the City's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Thomas C. Skrobola, Finance Director/Treasurer, City of Farmington Hills, Michigan, 31555 West Eleven Mile Road, Farmington Hills, MI 48336.

**City of Farmington Hills**  
**Statement of Net Position**  
**June 30, 2025**

|   | Primary Government         |                             |                       | Component<br>Units  |
|---|----------------------------|-----------------------------|-----------------------|---------------------|
|   | Governmental<br>Activities | Business-type<br>Activities | Total                 |                     |
| <b>Assets</b>   |                            |                             |                       |                     |
| Cash and cash equivalents   | \$ 101,604,218             | \$ 54,107,455               | \$ 155,711,673        | \$ 4,031,338        |
| Investments   | 32,658,554                 | 6,515                       | 32,665,069            | 412,820             |
| Receivables   |                            |                             |                       |                     |
| Accounts  | 2,618,049                  | 12,111,619                  | 14,729,668            | -                   |
| Special assessments   | -                          | 35,048                      | 35,048                | -                   |
| Due from other units of government  | 4,325,574                  | 2,555                       | 4,328,129             | -                   |
| Internal balances   | 1,777,747                  | (1,777,747)                 | -                     | -                   |
| Inventories   | 1,036,712                  | -                           | 1,036,712             | -                   |
| Prepaid items   | 719,500                    | -                           | 719,500               | -                   |
| Capital assets not being depreciated  | 106,851,988                | 35,617,798                  | 142,469,786           | -                   |
| Capital assets, net of accumulated depreciation   | 165,287,296                | 88,799,091                  | 254,086,387           | -                   |
| Net OPEB asset  | 15,009,221                 | -                           | 15,009,221            | -                   |
| <b>Total assets</b>   | <b>431,888,859</b>         | <b>188,902,334</b>          | <b>620,791,193</b>    | <b>4,444,158</b>    |
| <b>Deferred outflows of resources</b>   |                            |                             |                       |                     |
| Pension related   | 13,199,129                 | -                           | 13,199,129            | -                   |
| OPEB related  | 4,719,454                  | -                           | 4,719,454             | -                   |
| <b>Total deferred outflows of resources</b>   | <b>17,918,583</b>          | <b>-</b>                    | <b>17,918,583</b>     | <b>-</b>            |
| <b>Liabilities</b>  |                            |                             |                       |                     |
| Checks written against future deposits  | 173,324                    | -                           | 173,324               | -                   |
| Accounts payable  | 7,231,654                  | 4,684,707                   | 11,916,361            | 202,429             |
| Contracts payable - retainage   | 890,909                    | 239,506                     | 1,130,415             | -                   |
| Due to other units of government  | 154,799                    | -                           | 154,799               | 16,330              |
| Payroll and other liabilities   | 9,473,528                  | 225,209                     | 9,698,737             | -                   |
| Interest payable  | 233,861                    | -                           | 233,861               | -                   |
| Unearned revenue  | 397,730                    | -                           | 397,730               | -                   |
| Noncurrent liabilities  |                            |                             |                       |                     |
| Debt due within one year  |                            |                             |                       |                     |
| Bonds, notes, leases, subscriptions, claims<br>and judgements, and compensated absences | 8,487,880                  | 1,650,315                   | 10,138,195            | -                   |
| Debt due in more than one year  |                            |                             |                       |                     |
| Bonds, notes, leases, subscriptions, claims<br>and judgements, and compensated absences | 45,946,566                 | 37,452,283                  | 83,398,849            | -                   |
| Net pension liability   | 73,275,837                 | -                           | 73,275,837            | -                   |
| <b>Total liabilities</b>  | <b>146,266,088</b>         | <b>44,252,020</b>           | <b>190,518,108</b>    | <b>218,759</b>      |
| <b>Deferred inflows of resources</b>  |                            |                             |                       |                     |
| Pension related   | 450,012                    | -                           | 450,012               | -                   |
| OPEB related  | 7,225,405                  | -                           | 7,225,405             | -                   |
| <b>Total deferred inflows of resources</b>  | <b>7,675,417</b>           | <b>-</b>                    | <b>7,675,417</b>      | <b>-</b>            |
| <b>Net position</b>   |                            |                             |                       |                     |
| Net investment in capital assets  | 228,429,276                | 85,074,785                  | 313,504,061           | -                   |
| Restricted for  |                            |                             |                       |                     |
| Roads   | 35,569,075                 | -                           | 35,569,075            | -                   |
| Police and fire operations  | 6,833,223                  | -                           | 6,833,223             | -                   |
| Parks and recreation  | 612,293                    | -                           | 612,293               | -                   |
| Health and welfare  | 3,134,760                  | -                           | 3,134,760             | -                   |
| OPEB asset  | 15,009,221                 | -                           | 15,009,221            | -                   |
| Construction code   | 1,778,287                  | -                           | 1,778,287             | -                   |
| Unrestricted  | 4,499,802                  | 59,575,529                  | 64,075,331            | 4,225,399           |
| <b>Total net position</b>   | <b>\$ 295,865,937</b>      | <b>\$ 144,650,314</b>       | <b>\$ 440,516,251</b> | <b>\$ 4,225,399</b> |

See Accompanying Notes to the Financial Statements

**City of Farmington Hills**  
**Statement of Activities**  
**For the Year Ended June 30, 2025**

|   | Program Revenues |                         |  |  | Net (Expense) Revenue and<br>Changes in Net Position |                             |                |                    |
|---|------------------|-------------------------|--|--|--|-----------------------------|----------------|--------------------|
|   | Expenses         | Charges for<br>Services | Operating<br>Grants and<br>Contributions | Capital<br>Grants and<br>Contributions | Primary Government                                   |                             |                | Component<br>Units |
|   |                  |                         |  |  | Governmental<br>Activities                           | Business-type<br>Activities | Total          |                    |
| Functions/programs  |                  |                         |  |  |  |                             |                |                    |
| <b>Primary government</b>                                 |                  |                         |  |  |  |                             |                |                    |
| Governmental activities                                   |                  |                         |  |  |  |                             |                |                    |
| General government  | \$ 18,236,665    | \$ 9,285,791            | \$ 607,109                               | \$ -                                   | \$ (8,343,765)                                       | \$ -                        | \$ (8,343,765) | \$ -               |
| Public safety   | 45,522,780       | 3,813,437               | 440,766                                  | -                                      | (41,268,577)   | -                           | (41,268,577)   | -                  |
| Public works  | 29,474,568       | 4,792,097               | 14,126,409                               | -                                      | (10,556,062)   | -                           | (10,556,062)   | -                  |
| Health and welfare  | 733,972          | -                       | 548,384                                  | -                                      | (185,588)  | -                           | (185,588)      | -                  |
| Community and economic<br>development                     | 895,308          | -                       | 402,028                                  | -                                      | (493,280)  | -                           | (493,280)      | -                  |
| Recreation and culture                                    | 20,167,779       | 9,593,094               | 806,738                                  | -                                      | (9,767,947)  | -                           | (9,767,947)    | -                  |
| Interest  | 1,112,312        | -                       | -  | -                                      | (1,112,312)  | -                           | (1,112,312)    | -                  |
| Total governmental activities                             | 116,143,382      | 27,484,419              | 16,931,434                               | -                                      | (71,727,529)   | -                           | (71,727,529)   | -                  |
| Business-type activities - Water and Sewer                | 39,104,602       | 38,091,848              | -  | 219,450                                | -  | (793,304)                   | (793,304)      | -                  |
| Total primary government                                  | \$ 155,247,984   | \$ 65,576,267           | \$ 16,931,434                            | \$ 219,450                             | (71,727,529)   | (793,304)                   | (72,520,833)   | -                  |
| <b>Component units</b>                                    |                  |                         |  |  |  |                             |                |                    |
| Local Brownfield Revolving                                | 68,234           | -                       | -  | -                                      | -  | -                           | -              | (68,234)           |
| Brownfield Redevelopment Authority                        | 222,009          | -                       | -  | -                                      | -  | -                           | -              | (222,009)          |
| Economic Development Authority                            | -                | -                       | -  | -                                      | -  | -                           | -              | -                  |
| Total component units                                     | \$ 290,243       | \$ -                    | \$ -                                     | \$ -                                   |  |                             |                | (290,243)          |
| General revenues  |                  |                         |  |  |  |                             |                |                    |
| Property taxes  |                  |                         |  |  | 75,731,013   | -                           | 75,731,013     | 1,218,658          |
| Unrestricted state-shared revenue                         |                  |                         |  |  | 11,320,836   | -                           | 11,320,836     | -                  |
| Unrestricted investment earnings                          |                  |                         |  |  | 6,685,993  | 2,354,915                   | 9,040,908      | 159,314            |
| Gain on sale of capital assets                            |                  |                         |  |  | 127,796  | -                           | 127,796        | -                  |
| Miscellaneous   |                  |                         |  |  | 560,344  | 330,725                     | 891,069        | 3,000              |
| Total general revenues                                    |                  |                         |  |  | 94,425,982   | 2,685,640                   | 97,111,622     | 1,380,972          |
| Change in net position                                    |                  |                         |  |  | 22,698,453   | 1,892,336                   | 24,590,789     | 1,090,729          |
| Net position - beginning of year, as previously presented |                  |                         |  |  | 275,333,920  | 142,757,978                 | 418,091,898    | 3,134,670          |
| Adjustments   |                  |                         |  |  | (2,166,436)  | -                           | (2,166,436)    | -                  |
| Net position - beginning of year, as restated             |                  |                         |  |  | 273,167,484  | 142,757,978                 | 415,925,462    | 3,134,670          |
| Net position - end of year                                |                  |                         |  |  | \$ 295,865,937                                       | \$ 144,650,314              | \$ 440,516,251 | \$ 4,225,399       |

See Accompanying Notes to the Financial Statements

**City of Farmington Hills**

**Governmental Funds**

**Balance Sheet**

**June 30, 2025**

|   |                      | Special Revenue Funds |                      |                      |                            | Nonmajor             | Total                 |
|---|----------------------|-----------------------|----------------------|----------------------|----------------------------|----------------------|-----------------------|
|   | General              | Municipal Street Fund | Major Roads Fund     | Local Roads Fund     | Public Safety Millage Fund | Governmental Funds   | Governmental Funds    |
| <b>Assets</b>   |                      |                       |                      |                      |                            |                      |                       |
| Cash and cash equivalents   | \$ 48,042,038        | \$ 4,861,256          | \$ 16,572,248        | \$ 14,132,533        | \$ 5,569,214               | \$ 12,426,929        | \$ 101,604,218        |
| Investments   | 19,184,710           | -                     | 2,860,168            | 561,415              | 3,437,323                  | 6,614,938            | 32,658,554            |
| Receivables   |                      |                       |                      |                      |                            |                      |                       |
| Accounts  | 961,789              | -                     | 252                  | -                    | -                          | 1,656,008            | 2,618,049             |
| Due from other units of government                                  | 2,163,811            | -                     | 1,422,327            | 495,661              | -                          | 243,775              | 4,325,574             |
| Due from other funds  | 6,611,401            | -                     | -                    | -                    | -                          | 1,679,292            | 8,290,693             |
| Prepaid items   | 719,500              | -                     | -                    | -                    | -                          | -                    | 719,500               |
| Total assets  | <u>\$ 77,683,249</u> | <u>\$ 4,861,256</u>   | <u>\$ 20,854,995</u> | <u>\$ 15,189,609</u> | <u>\$ 9,006,537</u>        | <u>\$ 22,620,942</u> | <u>\$ 150,216,588</u> |
| <b>Liabilities</b>  |                      |                       |                      |                      |                            |                      |                       |
| Accounts payable  | \$ 1,602,486         | \$ -                  | \$ 1,354,948         | \$ 2,269,686         | \$ -                       | \$ 2,004,534         | \$ 7,231,654          |
| Contracts payable - retainage                                       | -                    | -                     | 161,667              | 462,573              | -                          | 266,669              | 890,909               |
| Due to other funds  | 1,667,516            | -                     | 476,837              | 611,074              | 3,724,456                  | 33,063               | 6,512,946             |
| Payroll and other liabilities                                       | 9,473,528            | -                     | -                    | -                    | -                          | -                    | 9,473,528             |
| Checks written against future deposits                              | -                    | -                     | -                    | -                    | -                          | 173,324              | 173,324               |
| Unearned revenue  | -                    | -                     | -                    | -                    | -                          | 397,730              | 397,730               |
| Total liabilities   | <u>12,743,530</u>    | <u>-</u>              | <u>1,993,452</u>     | <u>3,343,333</u>     | <u>3,724,456</u>           | <u>2,875,320</u>     | <u>24,680,091</u>     |
| <b>Deferred inflows of resources</b>                                |                      |                       |                      |                      |                            |                      |                       |
| Unavailable revenue - receivables                                   | <u>299,826</u>       | <u>-</u>              | <u>-</u>             | <u>-</u>             | <u>-</u>                   | <u>1,611,621</u>     | <u>1,911,447</u>      |
| <b>Fund balances</b>  |                      |                       |                      |                      |                            |                      |                       |
| Non-spendable   |                      |                       |                      |                      |                            |                      |                       |
| Prepaid items   | 719,500              | -                     | -                    | -                    | -                          | -                    | 719,500               |
| Restricted for  |                      |                       |                      |                      |                            |                      |                       |
| Roads   | -                    | 4,861,256             | 18,861,543           | 11,846,276           | -                          | -                    | 35,569,075            |
| Police and fire   | -                    | -                     | -                    | -                    | 5,282,081                  | 1,551,142            | 6,833,223             |
| Parks and recreation  | -                    | -                     | -                    | -                    | -                          | 612,293              | 612,293               |
| Health and welfare  | -                    | -                     | -                    | -                    | -                          | 1,523,139            | 1,523,139             |
| Construction code   | 1,778,287            | -                     | -                    | -                    | -                          | -                    | 1,778,287             |
| Assigned  |                      |                       |                      |                      |                            |                      |                       |
| Capital projects  | -                    | -                     | -                    | -                    | -                          | 13,738,575           | 13,738,575            |
| Debt service  | -                    | -                     | -                    | -                    | -                          | 708,852              | 708,852               |
| Future expenditures   | 4,039,609            | -                     | -                    | -                    | -                          | -                    | 4,039,609             |
| Unassigned  | <u>58,102,497</u>    | <u>-</u>              | <u>-</u>             | <u>-</u>             | <u>-</u>                   | <u>-</u>             | <u>58,102,497</u>     |
| Total fund balances   | <u>64,639,893</u>    | <u>4,861,256</u>      | <u>18,861,543</u>    | <u>11,846,276</u>    | <u>5,282,081</u>           | <u>18,134,001</u>    | <u>123,625,050</u>    |
| Total liabilities, deferred inflows of resources, and fund balances | <u>\$ 77,683,249</u> | <u>\$ 4,861,256</u>   | <u>\$ 20,854,995</u> | <u>\$ 15,189,609</u> | <u>\$ 9,006,537</u>        | <u>\$ 22,620,942</u> | <u>\$ 150,216,588</u> |

See Accompanying Notes to the Financial Statements

**City of Farmington Hills**  
**Governmental Funds**  
**Reconciliation of Fund Balances of Governmental Funds**  
**to Net Position of Governmental Activities**  
**June 30, 2025**

|   |                              |
|---|------------------------------|
| <b>Total fund balances for governmental funds</b>   | <b>\$ 123,625,050</b>        |
| Total net position for governmental activities in the statement of net position is different because:                   |                              |
| Inventories used in governmental activities are reported on the purchase method in the funds.                           | 1,036,712                    |
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. |                              |
| Capital assets not being depreciated  | 106,851,988                  |
| Capital assets, net of accumulated depreciation   | 165,287,296                  |
| Certain receivables are not available to pay for current period expenditures and, therefore are deferred in the funds.  | 1,911,447                    |
| Deferred outflows (inflows) of resources.   |                              |
| Deferred outflows of resources resulting from net pension liability   | 13,199,129                   |
| Deferred outflows of resources resulting from net OPEB liability (asset)  | 4,719,454                    |
| Deferred inflows of resources resulting from net pension liability  | (450,012)                    |
| Deferred inflows of resources resulting from net OPEB liability (asset)   | (7,225,405)                  |
| Long-term liabilities that are not due and payable in the current period, and therefore, are not reported in the funds. |                              |
| Accrued interest  | (233,861)                    |
| Compensated absences  | (11,352,847)                 |
| Claims and judgments  | (262,500)                    |
| Bonds, notes, premiums and discounts  | (42,819,099)                 |
| Net pension liability   | (73,275,837)                 |
| Net OPEB asset  | 15,009,221                   |
| Amounts due to Oakland County for drain projects are not included as a liability in the governmental funds.             | <u>(154,799)</u>             |
| <b>Net position of governmental activities</b>  | <b><u>\$ 295,865,937</u></b> |

**City of Farmington Hills**  
**Governmental Funds**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**For the Year Ended June 30, 2025**

|  | Special Revenue Funds |                          |                      |                      |                               | Nonmajor<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|--|-----------------------|--------------------------|----------------------|----------------------|-------------------------------|-----------------------------------|--------------------------------|
|  | General               | Municipal Street<br>Fund | Major Roads<br>Fund  | Local Roads<br>Fund  | Public Safety<br>Millage Fund |                                   |                                |
| <b>Revenues</b>  |                       |                          |                      |                      |                               |                                   |                                |
| Taxes  | \$ 40,462,410         | \$ 19,814,421            | \$ -                 | \$ -                 | \$ 13,443,192                 | \$ 2,017,370                      | \$ 75,737,393                  |
| Licenses and permits                                     | 2,215,578             | -                        | -                    | -                    | -                             | -                                 | 2,215,578                      |
| Federal grants   | 6,000                 | -                        | -                    | -                    | -                             | 722,350                           | 728,350                        |
| State grants   | 11,270,718            | 559,882                  | 9,726,586            | 3,109,590            | 145,734                       | 728,049                           | 25,540,559                     |
| Local contributions                                      | 24,582                | -                        | 13,379               | -                    | -                             | 451,150                           | 489,111                        |
| Charges for services                                     | 19,603,006            | -                        | -                    | -                    | -                             | 15                                | 19,603,021                     |
| Fines and forfeitures                                    | 2,164,964             | -                        | -                    | -                    | -                             | -                                 | 2,164,964                      |
| Investment income  | 3,459,782             | 976,176                  | 621,057              | 270,995              | 859,891                       | 493,191                           | 6,681,092                      |
| Other revenue  | 2,409,446             | -                        | 98,283               | 1,921                | -                             | 1,767,467                         | 4,277,117                      |
| <b>Total revenues</b>                                    | <b>81,616,486</b>     | <b>21,350,479</b>        | <b>10,459,305</b>    | <b>3,382,506</b>     | <b>14,448,817</b>             | <b>6,179,592</b>                  | <b>137,437,185</b>             |
| <b>Expenditures</b>                                      |                       |                          |                      |                      |                               |                                   |                                |
| Current  |                       |                          |                      |                      |                               |                                   |                                |
| General government                                       | 16,808,391            | -                        | -                    | -                    | -                             | -                                 | 16,808,391                     |
| Public safety  | 27,073,873            | -                        | -                    | -                    | 13,858,857                    | 107,818                           | 41,040,548                     |
| Public works   | 8,778,409             | -                        | 10,985,214           | 14,246,276           | -                             | -                                 | 34,009,899                     |
| Health and welfare                                       | -                     | -                        | -                    | -                    | -                             | 710,413                           | 710,413                        |
| Community and economic development                       | 2,133,006             | -                        | -                    | -                    | -                             | 402,028                           | 2,535,034                      |
| Recreation and culture                                   | 15,336,760            | -                        | -                    | -                    | -                             | 518,264                           | 15,855,024                     |
| Capital outlay   | 59,587                | -                        | -                    | -                    | -                             | 12,846,534                        | 12,906,121                     |
| Debt service   |                       |                          |                      |                      |                               |                                   |                                |
| Principal retirement                                     | 405,877               | -                        | -                    | 755,000              | -                             | 1,880,000                         | 3,040,877                      |
| Interest and fiscal charges                              | 74,095                | -                        | -                    | 90,388               | -                             | 917,825                           | 1,082,308                      |
| Bond issuance costs                                      | -                     | -                        | -                    | -                    | -                             | 100,927                           | 100,927                        |
| <b>Total expenditures</b>                                | <b>70,669,998</b>     | <b>-</b>                 | <b>10,985,214</b>    | <b>15,091,664</b>    | <b>13,858,857</b>             | <b>17,483,809</b>                 | <b>128,089,542</b>             |
| <b>Excess (deficiency) of revenues over expenditures</b> | <b>10,946,488</b>     | <b>21,350,479</b>        | <b>(525,909)</b>     | <b>(11,709,158)</b>  | <b>589,960</b>                | <b>(11,304,217)</b>               | <b>9,347,643</b>               |
| <b>Other financing sources (uses)</b>                    |                       |                          |                      |                      |                               |                                   |                                |
| Transfers in   | 1,307,852             | -                        | 5,800,000            | 15,900,000           | -                             | 9,434,426                         | 32,442,278                     |
| Transfers out  | (9,434,426)           | (19,700,000)             | (2,000,000)          | -                    | -                             | (1,307,852)                       | (32,442,278)                   |
| Issuance of debt   | -                     | -                        | -                    | -                    | -                             | 7,475,000                         | 7,475,000                      |
| Premium on issuance of debt                              | -                     | -                        | -                    | -                    | -                             | 591,756                           | 591,756                        |
| Sale of capital assets                                   | 247,048               | -                        | -                    | -                    | -                             | -                                 | 247,048                        |
| <b>Total other financing sources (uses)</b>              | <b>(7,879,526)</b>    | <b>(19,700,000)</b>      | <b>3,800,000</b>     | <b>15,900,000</b>    | <b>-</b>                      | <b>16,193,330</b>                 | <b>8,313,804</b>               |
| <b>Net change in fund balances</b>                       | <b>3,066,962</b>      | <b>1,650,479</b>         | <b>3,274,091</b>     | <b>4,190,842</b>     | <b>589,960</b>                | <b>4,889,113</b>                  | <b>17,661,447</b>              |
| <b>Fund balances - beginning of the year</b>             | <b>61,572,931</b>     | <b>3,210,777</b>         | <b>15,587,452</b>    | <b>7,655,434</b>     | <b>4,692,121</b>              | <b>13,244,888</b>                 | <b>105,963,603</b>             |
| <b>Fund balances - end of year</b>                       | <b>\$ 64,639,893</b>  | <b>\$ 4,861,256</b>      | <b>\$ 18,861,543</b> | <b>\$ 11,846,276</b> | <b>\$ 5,282,081</b>           | <b>\$ 18,134,001</b>              | <b>\$ 123,625,050</b>          |

See Accompanying Notes to the Financial Statements

**City of Farmington Hills**  
**Governmental Funds**  
**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances**  
**of Governmental Funds to the Statement of Activities**  
**For the Year Ended June 30, 2025**

|  |                      |
|--|----------------------|
| <b>Net change in fund balances - total governmental funds</b>  | <b>\$ 17,661,447</b> |
| Total change in net position reported for governmental activities in the statement of activities is different because:   |                      |
| Governmental funds report inventory purchases and prepaid items as expenditures. However in the statement of activities purchases are recognized as inventory and expensed when consumed.  | 31,368               |
| Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation and amortization expense.  |                      |
| Depreciation and amortization expense  | (14,097,347)         |
| Capital outlay   | 24,328,366           |
| Sale of capital assets (net book value)  | (119,252)            |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.  | 1,276,854            |
| Expenses are recorded when incurred in the statement of activities.  |                      |
| Accrued interest   | (112,901)            |
| Compensated absences   | (2,355,850)          |
| Claims and judgments   | (19,700)             |
| The statement of net position reports the net pension liability and deferred outflows of resources and deferred inflows related to the net pension liability and pension expense. However, the amount recorded on the governmental funds equals actual pension contributions.        |                      |
| Net change in the net pension liability  | (1,346,525)          |
| Net change in the deferred outflow of resources related to the net pension liability   | (669,071)            |
| Net change in the deferred inflow of resources related to the net pension liability  | 32,210               |
| The statement of net position reports the net OPEB liability (asset) and deferred outflows of resources and deferred inflows related to the net OPEB liability (asset) and pension expense. However, the amount recorded on the governmental funds equals actual OPEB contributions. |                      |
| Net change in the net OPEB liability (asset)   | 4,215,455            |
| Net change in the deferred outflow of resources related to the net OPEB liability (asset)  | (2,594,825)          |
| Net change in the deferred inflow of resources related to the net OPEB liability (asset)   | 1,310,279            |
| Long-term liabilities and related transactions applicable to governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities.   |                      |
| Debt issued  | (8,066,756)          |
| Repayments of long-term debt   | 3,040,877            |
| Amortization of premiums, discounts and similar items  | 183,824              |
| <b>Change in net position of governmental activities</b>   | <b>\$ 22,698,453</b> |



**City of Farmington Hills**  
**Proprietary Fund**  
**Statement of Net Position**  
**June 30, 2025**

|   | <u>Enterprise Fund</u>   |
|---|--------------------------|
|   | <u>Water &amp; Sewer</u> |
| <b>Assets</b>                                   |                          |
| Current assets                                  |                          |
| Cash and cash equivalents                       | \$ 54,107,455            |
| Investments                                     | 6,515                    |
| Receivables                                     |                          |
| Accounts  | 12,111,619               |
| Special assessments                             | 35,048                   |
| Due from other units of government              | <u>2,555</u>             |
| Total current assets                            | <u>66,263,192</u>        |
| Noncurrent assets                               |                          |
| Capital assets not being depreciated            | 35,617,798               |
| Capital assets, net of accumulated depreciation | <u>88,799,091</u>        |
| Total noncurrent assets                         | <u>124,416,889</u>       |
| Total assets                                    | <u>190,680,081</u>       |
| <b>Liabilities</b>                              |                          |
| Current liabilities                             |                          |
| Accounts payable                                | 4,684,707                |
| Contracts payable - retainage                   | 239,506                  |
| Due to other funds                              | 1,777,747                |
| Payroll and other liabilities                   | 225,209                  |
| Current portion of long-term liabilities        | <u>1,650,315</u>         |
| Total current liabilities                       | <u>8,577,484</u>         |
| Noncurrent liabilities                          |                          |
| Long-term liabilities net of current portion    | <u>37,452,283</u>        |
| Total liabilities                               | <u>46,029,767</u>        |
| <b>Net position</b>                             |                          |
| Net investment in capital assets                | 85,074,785               |
| Unrestricted                                    | <u>59,575,529</u>        |
| Total net position                              | <u>\$ 144,650,314</u>    |

See Accompanying Notes to the Financial Statements

**City of Farmington Hills**  
**Proprietary Fund**  
**Statement of Revenues, Expenses and Changes in Fund Net Position**  
**For the Year Ended June 30, 2025**

|  | <u>Enterprise Fund</u>   |
|--|--------------------------|
|  | <u>Water &amp; Sewer</u> |
| <b>Operating revenue</b>                   |                          |
| Customer fees                              | \$ 35,529,009            |
| Other revenue                              | <u>330,725</u>           |
| Total operating revenue                    | <u>35,859,734</u>        |
| <b>Operating expenses</b>                  |                          |
| Cost of water                              | 9,571,715                |
| Cost of sewage treatment                   | 12,383,188               |
| Billing and administrative costs           | 6,600,397                |
| Other operating and maintenance costs      | 5,174,025                |
| Depreciation                               | <u>4,734,026</u>         |
| Total operating expenses                   | <u>38,463,351</u>        |
| Operating income (loss)                    | <u>(2,603,617)</u>       |
| <b>Nonoperating revenue (expenses)</b>     |                          |
| Investment income                          | 2,354,915                |
| Interest expense                           | (641,251)                |
| Debt service charge                        | <u>2,562,839</u>         |
| Total nonoperating revenues (expenses)     | <u>4,276,503</u>         |
| Income (loss) before capital contributions | 1,672,886                |
| <b>Capital Contributions</b>               |                          |
| Tap-in fees                                | 64,450                   |
| Lines donated by developers                | <u>155,000</u>           |
| Change in net position                     | 1,892,336                |
| Net position - beginning of year           | <u>142,757,978</u>       |
| Net position - end of year                 | <u>\$ 144,650,314</u>    |

See Accompanying Notes to the Financial Statements

**City of Farmington Hills**  
**Proprietary Fund**  
**Statement of Cash Flows**  
**For the Year Ended June 30, 2025**

|  | <u>Enterprise Fund</u>   |
|--|--------------------------|
|  | <u>Water &amp; Sewer</u> |
| <b>Cash flows from operating activities</b>  |                          |
| Receipts from customers  | \$ 34,485,703            |
| Receipts from other funds  | 57,455                   |
| Payments to suppliers  | <u>(32,175,869)</u>      |
| Net cash provided (used) by operating activities   | <u>2,367,289</u>         |
| <b>Cash flows from capital and related financing activities</b>                                      |                          |
| Tap-in fees and other  | 64,450                   |
| Proceeds from capital debt   | 3,076,441                |
| Proceeds from special assessments  | 7,349                    |
| Purchases/construction of capital assets   | (9,644,793)              |
| Principal and interest paid on long-term debt  | (2,287,483)              |
| Debt service charge  | <u>2,562,839</u>         |
| Net cash provided (used) by capital and related financing activities                                 | <u>(6,221,197)</u>       |
| <b>Cash flows from investing activities</b>  |                          |
| Interest received  | <u>2,388,334</u>         |
| Net change in cash and cash equivalents  | (1,465,574)              |
| Cash and cash equivalents - beginning of year  | <u>55,573,029</u>        |
| Cash and cash equivalents - end of year  | <u>\$ 54,107,455</u>     |
| <b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities</b> |                          |
| Operating income (loss)  | \$ (2,603,617)           |
| Adjustments to reconcile operating income to net cash from operating activities                      |                          |
| Depreciation and amortization expense  | 4,734,026                |
| Changes in assets and liabilities  |                          |
| Receivables (net)  | (1,371,476)              |
| Due from other units of government   | (2,555)                  |
| Accounts payable   | 1,553,456                |
| Due to other funds   | <u>57,455</u>            |
| Net cash provided (used) by operating activities   | <u>\$ 2,367,289</u>      |
| <b>Noncash transactions</b>  |                          |
| Lines donated by developers  | \$ 155,000               |
| Retainage payable related to construction contracts  | 239,506                  |
| Construction in progress and long-term debt  | <u>3,340,790</u>         |
|  | <u>\$ 3,735,296</u>      |

See Accompanying Notes to the Financial Statements

**City of Farmington Hills**  
**Fiduciary Fund**  
**Statement of Fiduciary Net Position**  
**June 30, 2025**

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|                                  | <u>Custodial<br/>Fund</u> |
|----------------------------------|---------------------------|
| <b>Assets</b>                    |                           |
| Cash and cash equivalents        | \$ 84,954                 |
| <b>Liabilities</b>               |                           |
| Accounts payable                 | 75,801                    |
| Due to other units of government | <u>9,153</u>              |
| Total liabilities                | <u>84,954</u>             |
| <b>Net position</b>              | <u><u>\$ -</u></u>        |

**City of Farmington Hills**  
**Fiduciary Fund**  
**Statement of Changes in Fiduciary Net Position**  
**For the Year Ended June 30, 2025**

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|  | Custodial<br>Fund     |
|--|-----------------------|
| <b>Additions</b>                               |                       |
| Property tax collections for other governments | <u>\$ 194,369,311</u> |
| <b>Deductions</b>                              |                       |
| Payments of property tax to other governments  | <u>194,369,311</u>    |
| Change in net position                         | -                     |
| Net position - beginning of year               | <u>-</u>              |
| Net position - end of year                     | <u><u>\$ -</u></u>    |

**City of Farmington Hills**  
**Component Units**  
**Combining Statement of Net Position**  
**June 30, 2025**

|                                  | Corridor<br>Improvement<br>Authority | Brownfield<br>Redevelopment<br>Authority | Economic<br>Development<br>Corporation | Total               |
|----------------------------------|--------------------------------------|--|--|---------------------|
| <b>Assets</b>                    |                                      |  |  |                     |
| Current assets                   |                                      |  |  |                     |
| Cash and cash equivalents        | 859,659                              | \$ 3,171,596                             | \$ 83                                  | \$ 4,031,338        |
| Investments                      | <u>412,203</u>                       | <u>-</u>                                 | <u>617</u>                             | <u>412,820</u>      |
| Total current assets             | <u>1,271,862</u>                     | <u>3,171,596</u>                         | <u>700</u>                             | <u>4,444,158</u>    |
| <b>Liabilities</b>               |                                      |  |  |                     |
| Current liabilities              |                                      |  |  |                     |
| Accounts payable                 | 15,000                               | 187,429                                  | -                                      | 202,429             |
| Due to other units of government | <u>-</u>                             | <u>16,330</u>                            | <u>-</u>                               | <u>16,330</u>       |
| Total current liabilities        | <u>15,000</u>                        | <u>203,759</u>                           | <u>-</u>                               | <u>218,759</u>      |
| <b>Net position</b>              |                                      |  |  |                     |
| Unrestricted                     | <u>\$ 1,256,862</u>                  | <u>\$ 2,967,837</u>                      | <u>\$ 700</u>                          | <u>\$ 4,225,399</u> |

**City of Farmington Hills**  
**Component Units**  
**Combining Statement of Activities**  
**For the Year Ended June 30, 2025**

|                                    | <u>Corridor<br/>Improvement<br/>Authority</u> | <u>Brownfield<br/>Redevelopment<br/>Authority</u> | <u>Economic<br/>Development<br/>Corporation</u> | <u>Total</u>        |
|------------------------------------|---|---|---|---------------------|
| <b>Expenses</b>                    |   |   |   |                     |
| Community and economic development | \$ 68,234                                     | \$ 222,009  | \$ -  | \$ 290,243          |
| <b>General revenues</b>            |   |   |   |                     |
| Property taxes                     | 347,320                                       | 871,338   | -   | 1,218,658           |
| Unrestricted investment earnings   | 35,229  | 124,051   | 34  | 159,314             |
| Miscellaneous                      | <u>-</u>                                      | <u>3,000</u>                                      | <u>-</u>  | <u>3,000</u>        |
| Total general revenues             | <u>382,549</u>                                | <u>998,389</u>                                    | <u>34</u>                                       | <u>1,380,972</u>    |
| Change in net position             | 314,315                                       | 776,380   | 34  | 1,090,729           |
| Net position - beginning of year   | <u>942,547</u>                                | <u>2,191,457</u>                                  | <u>666</u>                                      | <u>3,134,670</u>    |
| Net position - end of year         | <u>\$ 1,256,862</u>                           | <u>\$ 2,967,837</u>                               | <u>\$ 700</u>                                   | <u>\$ 4,225,399</u> |



**City of Farmington Hills**  
**Notes to the Financial Statements**  
**June 30, 2025**

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**Note 1 - Summary of Significant Accounting Policies**

**Reporting Entity**

The City of Farmington Hills (the "City") is governed by an elected seven-member Council. The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Although blended component units are legal separate entities, in substance, they are part of the government's operations. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government (see discussion below for description).

**Blended Component Units** – The Farmington Hills Building Authority (the "Authority") is governed by a board appointed by the City Council. Although it is legally separate from the City, the Authority is reported as if it were part of the primary government because its sole purpose is to finance and construct the City's public buildings. There was no activity during the current year.

**Discretely Presented Component Units** – The following component units are reported within the component units column in the financial statements. They are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the City. The component units do not issue separate financial statements. However, the City's basic financial statements include the statement of net position and the activities of the component units. For all component units, the fund-based statements are the same as the government-wide level because there are no differences resulting from the different basis of accounting. Therefore, fund-based statements are not presented.

**Economic Development Corporation** – The Economic Development Corporation (the "EDC") was created to encourage and assist commercial and industrial enterprises to locate and expand facilities and services to the City and its residents. The EDC has the potential for financial benefit or burden to the City. The EDC's governing body, which consists of nine individuals, is appointed by the City Council. In certain situations, members of the EDC board of directors may be removed by a majority vote of the City Council.

**Brownfield Redevelopment Authority** – The Brownfield Redevelopment Authority (the "BRA") was created to facilitate the implementation of plans for the identification, treatment, and revitalization of environmentally distressed areas within the City designated as Brownfield Redevelopment Zones. The BRA has the potential for financial benefit or burden to the City. The BRA's governing board of directors, consisting of nine members, is appointed by the mayor subject to approval by the City Council. In certain situations, members of the BRA board of directors may be removed by formal action of the City Council.

**Corridor Improvement Authority** – The Corridor Improvement Authority (the "CIA") was established to help correct and prevent deterioration in commercial corridor business districts, encourage historical preservation, and promote the economic growth of the districts. The CIA has the potential for financial benefit or burden to the City. The CIA's governing body, consisting of seven members, is appointed by the mayor, subject to approval by the City Council. In certain situations, members of the CIA board of directors may be removed by formal action of the City Council.

The City is party to the following jointly governed organizations:

The City participates in the Michigan 47th District Court Administration Fund with the City of Farmington, Michigan. The City provides approximately 84.70 percent of the funding for the Michigan 47th District Court Administration Fund.

In addition, the City is a member of the Resource Recovery and Recycling Authority of Southwest Oakland County (the "Recycling Authority"). The Recycling Authority is incorporated by the cities of Farmington,

**City of Farmington Hills**  
**Notes to the Financial Statements**  
**June 30, 2025**

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Farmington Hills, Novi, South Lyon, Southfield, Walled Lake, and Wixom, Michigan and the Charter Township of Lyon. The joint venture receives its operating revenue from member contributions and miscellaneous income.

The City is unaware of any circumstances that would cause an additional benefit or burden to the participating governments of any of the above joint ventures in the near future.

Complete financial statements for the 47th District Court Administration Fund and Resource Recovery and Recycling Authority of Southwest Oakland County can be obtained from the administrative offices at 31555 W. 11 Mile Road, Farmington Hills, MI 48336.

**Government-wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

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

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

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

**City of Farmington Hills**  
**Notes to the Financial Statements**  
**June 30, 2025**

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The City reports the following major governmental funds:

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

Municipal Street Fund – The Municipal Street Fund accounts for revenues provided by a dedicated millage adopted by the electorate of the City that is restricted for the rehabilitation or construction of municipal streets.

Major Roads Fund – The Major Roads Fund accounts for the resources of state gas and weight tax revenue that is restricted for use on major streets. The fund is operated under the provisions of Michigan's Act 51 of the Public Acts of 1951, as amended.

Local Roads Fund – The Local Roads Fund accounts for the resources of state gas and weight tax revenue that is restricted for use on local streets. The fund is operated under the provisions of Michigan's Act 51 of the Public Acts of 1951, as amended.

Public Safety Millage Fund – The Public Safety Millage Fund accounts for police and fire department staffing and equipment needs of the City. Financing is provided by a dedicated millage adopted by the electorate of the City.

The City reports the following major proprietary funds:

Water and Sewer Fund – The Water and Sewer Fund accounts for the activity of the water distribution and sewage collection systems administered by Oakland County, Michigan.

Additionally, the government reports the following fiduciary funds:

Custodial Fund – The custodial fund accounts for property tax and other deposits collected on behalf of other units and individuals.

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 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.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the sewer and water fund are charges to customers for sales and services. The government also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses

**City of Farmington Hills**  
**Notes to the Financial Statements**  
**June 30, 2025**

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for sewer and water funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**Assets, Liabilities, and Net Position or Fund Balance**

Cash and cash equivalents – 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 – Investments are reported at fair value or estimated fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investments that do not have an established market value are reported at estimated fair value, as determined by management.

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

All trade and property tax receivables are shown as net of allowance for uncollectible amounts. The City considers all accounts receivable to be fully collectible; accordingly, no allowance for uncollectible amounts is recorded.

Property tax revenue – Property taxes are levied on each July 1 on the taxable valuation of property as of the preceding December 31. The related property taxes are billed on July 1 and become a lien at that time. These taxes are payable at the City until August 31 without penalty. Taxes are considered delinquent on March 1 of the following year, at which time penalties and interest are assessed.

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

The 2024 final amended taxable valuation of the City totaled \$4,510,013,640 on which ad valorem taxes levied consisted of 7.8235 mills for operating purposes, 0.4530 mills for parks and recreation, 0.6452 mills for refuse, 0.0110 mills for economic development, 4.4632 for roads, and 3.0281 mills for public safety. This resulted in approximately \$34,720,000 for operations, \$2,010,000 for parks and recreation, \$2,863,000 for refuse, \$48,600 for economic development, \$19,806,000 for roads, and \$13,437,000 for public safety. These amounts are recognized in the respective General Fund, special revenue fund, and debt service fund financial statements as tax revenue, subsequent to Brownfield captures.

Inventories and prepaid items – Inventories are valued at cost, on a first-in, first-out basis. Inventories are recorded as expenditures when purchased in governmental funds but are capitalized in the statement of net position. Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both government-wide and fund financial statements.

Capital assets – Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, water and sewer distribution systems, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the City as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation. The

**City of Farmington Hills**  
**Notes to the Financial Statements**  
**June 30, 2025**

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reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or extend its useful life beyond the original estimate.

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

| <u>Capital Asset Class</u>           | <u>Useful Life</u> |
|--------------------------------------|--------------------|
| Roads and sidewalks                  | 20 to 50 years     |
| Water and sewer distribution systems | 40 to 50 years     |
| Drains                               | 50 years           |
| Land improvements                    | 15 to 30 years     |
| Buildings and building improvements  | 30 to 50 years     |
| Vehicles                             | 3 to 5 years       |
| Machinery and equipment              | 7 to 20 years      |
| Office equipment and furniture       | 5 to 7 years       |

Deferred outflows of resources – A deferred outflow of resources is a consumption of net assets by the government that is applicable to a future reporting period. The City reports deferred outflows of resources as a result of pension and OPEB earnings. This amount is the result of a difference between what the plans expected to earn from plan investments and what is actually earned. Changes in assumptions, experience differences, and changes in proportionate share relating to the net pension liability or net OPEB asset are deferred and amortized over the expected remaining services lives of the employees and retirees in the plan. Deferred amounts on bond refundings are included in the government-wide financial statements. The amounts represent the difference between the reacquisition price and the net carrying amount of the prior debt.

Compensated absences – It is the City's policy to permit employees to accumulate earned but unused sick and vacation pay benefits. The City records a liability for compensated absences for amounts that are more likely than not to be used or paid out. The government-wide and proprietary statements accrue all vacation, sick, and personal pay as it is earned. In prior years, the General Fund has been used to liquidate the liability for compensated absences.

Long-term obligations – In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund-type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed at the time they are incurred. In the fund financial statements, governmental fund types recognize bond issuances as an "other financing source," as well as bond premiums and discounts. Long-term obligations are typically liquidated by the applicable debt service funds, the Local Roads Fund, and the Water and Sewer Fund.

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

**City of Farmington Hills**  
**Notes to the Financial Statements**  
**June 30, 2025**

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Other post employment benefits (OPEB) – The City offers retiree healthcare benefits to retirees. The City records a net OPEB asset or 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 asset or liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the OPEB plan and additions to/deductions from the OPEB plan's fiduciary net position have been determined on the same basis as they are reported by the OPEB plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The contributions to fund the liability will be made by the fund which the employee's salary and wage was earned. Investments are reported at fair value.

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

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

Fund balance flow assumption – The City will sometimes fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Furthermore, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

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

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

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes, but do not meet the criteria to be classified as committed. The City Council has, by resolution, authorized the finance director and the city manager to assign fund balance. The City Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and

**City of Farmington Hills**  
**Notes to the Financial Statements**  
**June 30, 2025**

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appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

**Use of Estimates**

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

**Adoption of New Accounting Standards**

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

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

**Upcoming Accounting and Reporting Changes**

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

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

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

**Note 2 - Stewardship, Compliance, and Accountability**

**Budgetary Information**

The budget is constructed in compliance with the State Uniform Accounting Budgetary Act of 1968 (Public Act 22 of 1968), as amended, which categorizes elements of the accounting and budget system into Funds, Departments or categories, Reserves and Expenditures. The City budget is presented to the City Council on an activity, department, and fund-level basis. The City Council adopts the Budget Resolution based on fund-level appropriation centers. The City Manager is authorized by Budget Resolution to make budgetary transfers within

**City of Farmington Hills**  
**Notes to the Financial Statements**  
**June 30, 2025**

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the appropriation centers established through the budget. However, all increases of and transfers between appropriation centers may be made only by further action by the City Council.

City Council may make additional fund-level appropriations during the fiscal year for unanticipated expenditures required by the City, but such additional appropriations shall not exceed the amount of actual and/or anticipated revenue and available fund balance as estimated in the budget, unless the appropriations are necessary to relieve an emergency endangering the public health, safety or welfare. The Council may also reappropriate funds between appropriation centers. Council is apprised of the budget status through quarterly reports prepared by the Finance Department.

Encumbrances represent commitments related to unperformed contracts (or purchase orders) for goods or services. Encumbrances are not included as expenditures or liabilities; the amount of encumbrances outstanding at June 30, 2025 for all funds is not significant. General Fund encumbrances represent outstanding at the fiscal year end will not be charged to the current year budget but may be assigned from fund balance and automatically re-appropriated in the new budget year and when paid charged to the new fiscal year. The new fiscal year budget may need to be amended to support the re-appropriated encumbrances, if budget funds were not sufficiently available to be carried forward with the encumbrances.

The budget has been prepared in accordance with accounting principles generally accepted in the United States of America. The budget information for revenue and expenditures presented for the General Fund, special revenue funds, debt service funds, and capital projects funds is a summarization of the actual adopted budget. A comparison of the adopted budget with the actual revenue and expenditures for the year is presented as required supplementary information. Comparison schedules are presented on the same basis of accounting used in preparing the adopted budget. Individual amendments were not material in relation to the original appropriations that were adopted. Budget appropriations lapse at year-end.

**Expenditures in Excess of Appropriations**

During the year, the City incurred expenditures that were in excess of the amounts budgeted for various purposes as described below:

|                                 | <u>Appropriations</u> | <u>Actual</u> | <u>Budget<br/>Variance</u> |
|---------------------------------|-----------------------|---------------|----------------------------|
| General Fund                    |                       |               |                            |
| General government              |                       |               |                            |
| City council                    | \$ 163,207            | \$ 167,150    | \$ 3,943                   |
| Board and commissions           | 3,467,743             | 3,512,885     | 45,142                     |
| Public works                    |                       |               |                            |
| Building maintenance            | 533,663               | 537,560       | 3,897                      |
| Maintenance facility            | 1,385,705             | 1,454,992     | 69,287                     |
| Recreation and culture          |                       |               |                            |
| Parks and recreation department | 15,007,824            | 15,336,760    | 328,936                    |
| Transfers out                   | 9,273,787             | 9,434,426     | 160,639                    |
| Nutrition Grant Fund            | 513,365               | 518,264       | 4,899                      |

**Construction Code Fees**

The City oversees building construction, in accordance with the State's Construction Code Act, including inspection of building construction and renovation to ensure compliance with the building codes. The City charges fees for these services. The law requires that collection of these fees be used only for construction code



**City of Farmington Hills**  
**Notes to the Financial Statements**  
**June 30, 2025**

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costs, including an allocation of estimated overhead costs. A summary of the current year activity and the cumulative shortfall generated since July 1, 2000 is as follows:

|  |                |                     |
|--|----------------|---------------------|
| Restricted at July 1, 2024             |                | \$ 1,022,864        |
| Current year permit revenue            |                | 2,044,674           |
| Related expenses                       |                |                     |
| Direct costs                           | \$ 1,080,200   |                     |
| Estimated indirect costs               | <u>209,051</u> | <u>1,289,251</u>    |
| Current year                           |                | <u>755,423</u>      |
| Cumulative restricted at June 30, 2025 |                | <u>\$ 1,778,287</u> |

**Note 3 - Deposits and Investments**

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

|                          | Cash and Cash<br>Equivalents | Investments          | Total                 |
|--------------------------|------------------------------|----------------------|-----------------------|
| Governmental activities  | \$ 101,604,218               | \$ 32,658,554        | \$ 134,262,772        |
| Business-type activities | <u>54,107,455</u>            | <u>6,515</u>         | <u>54,113,970</u>     |
| Total                    | 155,711,673                  | 32,665,069           | 188,376,742           |
| Fiduciary funds          | 84,954                       | -                    | 84,954                |
| Component units          | <u>4,031,338</u>             | <u>412,820</u>       | <u>4,444,158</u>      |
| Total                    | <u>\$ 159,827,965</u>        | <u>\$ 33,077,889</u> | <u>\$ 192,905,854</u> |

**City of Farmington Hills**  
**Notes to the Financial Statements**  
**June 30, 2025**

The breakdown between deposits and investments is as follows:

|  | Primary<br>Government | Fiduciary<br>Funds | Component<br>Units  | Total                 |
|--|-----------------------|--------------------|---------------------|-----------------------|
| Bank deposits (checking and savings accounts, money markets and certificates of deposit) | \$ 155,702,933        | \$ 84,954          | \$ 4,031,338        | \$ 159,819,225        |
| Investments in securities, mutual funds and similar vehicles                             | 32,665,069            | -                  | 412,820             | 33,077,889            |
| Petty cash and cash on hand  | 8,740                 | -                  | -                   | 8,740                 |
|  | <u>\$ 188,376,742</u> | <u>\$ 84,954</u>   | <u>\$ 4,444,158</u> | <u>\$ 192,905,854</u> |

As of year end, the City had the following investments:

| Investment               | Carrying Value       | Weighted<br>Average<br>Maturities | Rating    | Rating<br>Organization |
|--------------------------|----------------------|-----------------------------------|-----------|------------------------|
| MI Class Investment Pool | \$ 21,294,852        | 84 days                           | AAAm      | S&P                    |
| Oakland County LGIP      | 11,783,037           | 4 days                            | Not Rated | N/A                    |
|                          | <u>\$ 33,077,889</u> |                                   |           |                        |

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

**Custodial credit risk of bank deposits** – Custodial credit risk is the risk that, in the event of a bank failure, the City's deposits may not be returned to it. The City's investment policy strives to minimize custodial credit risk by prequalifying the financial institutions, brokers/dealers, and intermediaries with which the City does business. At year-end, the City had \$163,968,226 of bank deposits (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. As a result, the City evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories.

**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. **City policy** – The City's investment policy does not restrict investment maturities other than commercial paper, which can only be purchased with a 270-day maturity.

**Credit risk** – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. **City policy** – State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations. The City has no investment policy that would further limit its investment choices.

**City of Farmington Hills**  
**Notes to the Financial Statements**  
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Concentration of credit risk – Concentration of credit risk is the risk of loss attributed to the magnitude of the investments in a single issuer.

Risks and uncertainties – The City invests in various securities. Investment securities are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the balance sheet. There are no limitations or restrictions on participant withdrawals for the investment pools that are recorded at amortized cost.

**Note 4 - Fair Value Measurements**

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

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

All of the City's investments are measured at fair value using the net asset value per share. Investments in entities that calculate net asset value per share – The City holds shares or interests in investment companies whereby the fair value of the investments is measured on a recurring basis using net asset value per share (or its equivalent) of the investment companies as a practical expedient and is presented in the following table.

As of June 30, 2025 the fair value, unfunded commitments, and redemption rules of those investments are as follows:

**Investments carried at net asset value**

|                           |                      |
|---------------------------|----------------------|
| External investment pools | <u>\$ 33,077,889</u> |
|---------------------------|----------------------|

The external investment pools include Michigan CLASS and the Oakland County Local Government Investment Pool. The fair value of the investments in this class has been estimated using the net asset value per share of the investments. There are no unfunded commitments or redemption restrictions.

At year end, the net asset value of the City's investment in Michigan CLASS was \$21,294,852. The investment pool had no unfunded commitments, specific redemption frequency or redemption notice period required. The Michigan CLASS investment pool invests in U.S. treasury obligations, federal agency obligations of the U.S. government, high-grade commercial paper (rated 'A-1' or better) collateralized bank deposits, repurchase agreements (collateralized at 102% by Treasuries and agencies), and approved money-market funds. The program seeks to provide safety, liquidity, convenience, and competitive rates of return, and is designed to meet the needs of Michigan public sector investors. It purchases securities that are legally permissible under state statutes and are available for investment by Michigan counties, cities, townships, school districts, authorities and other public agencies. Financial statements for Michigan CLASS may be obtained from the website: [www.michiganclass.org](http://www.michiganclass.org).

At year end, the net asset value of the City's investment in the Oakland County Local Government Investment Pool was \$11,783,037. The Oakland County Local Government Investment Pool is not registered with the SEC

**City of Farmington Hills**  
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**June 30, 2025**

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 shares, since the pool does not meet the requirements under GASB 79 to report its value for financial reporting purposes at amortized cost. Financial statements for the Oakland County LGIP are included in Oakland County's financial statements and may be obtained from the website: [www.oakgov.com](http://www.oakgov.com).

**Note 5 - Capital Assets**

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

|  | Beginning<br>Balance | Increases     | Decreases  | Transfers   | Ending<br>Balance |
|--|----------------------|---------------|------------|-------------|-------------------|
| <b>Governmental activities</b>               |                      |               |            |             |                   |
| Capital assets not being depreciated         |                      |               |            |             |                   |
| Land   | \$ 17,587,532        | \$ -          | \$ -       | \$ -        | \$ 17,587,532     |
| Construction-in-progress                     | 43,630,640           | 16,713,828    | -          | (2,641,942) | 57,702,526        |
| Right of Way                                 | 31,561,930           | -             | -          | -           | 31,561,930        |
| Total capital assets not being depreciated   | 92,780,102           | 16,713,828    | -          | (2,641,942) | 106,851,988       |
| Capital assets being depreciated             |                      |               |            |             |                   |
| Sidewalks                                    | 17,132,459           | 12,044        | -          | 169,480     | 17,313,983        |
| Drain rights                                 | 21,735,961           | -             | -          | -           | 21,735,961        |
| Land improvements                            | 22,938,575           | 3,981,850     | -          | -           | 26,920,425        |
| Buildings, additions and improvements        | 92,124,221           | -             | -          | -           | 92,124,221        |
| Machinery and equipment                      | 21,451,984           | 1,022,880     | 140,301    | -           | 22,334,563        |
| Vehicles                                     | 23,451,645           | 2,456,512     | 1,229,929  | -           | 24,678,228        |
| Office furnishings                           | 3,694,252            | 140,607       | 174,860    | -           | 3,659,999         |
| Major Roads                                  | 91,957,873           | 645           | -          | -           | 91,958,518        |
| Local Roads                                  | 134,125,746          | -             | -          | 2,472,462   | 136,598,208       |
| Right to use asset - intangibles             | 1,963,571            | -             | 149,645    | -           | 1,813,926         |
| Right to use asset - machinery and equipment | 345,706              | -             | -          | -           | 345,706           |
| Total capital assets being depreciated       | 430,921,993          | 7,614,538     | 1,694,735  | 2,641,942   | 439,483,738       |
| Less accumulated depreciation for            |                      |               |            |             |                   |
| Sidewalks                                    | 12,246,286           | 320,251       | -          | -           | 12,566,537        |
| Drain rights                                 | 11,180,291           | 869,438       | -          | -           | 12,049,729        |
| Land improvements                            | 17,970,920           | 1,442,533     | -          | -           | 19,413,453        |
| Buildings, additions and improvements        | 45,935,431           | 1,422,532     | -          | -           | 47,357,963        |
| Machinery and equipment                      | 12,743,101           | 1,383,028     | 84,099     | -           | 14,042,030        |
| Vehicles                                     | 12,052,646           | 1,916,260     | 1,166,805  | -           | 12,802,101        |
| Office furnishings                           | 2,799,110            | 123,167       | 174,860    | -           | 2,747,417         |
| Major Roads                                  | 58,671,875           | 2,810,065     | -          | -           | 61,481,940        |
| Local Roads                                  | 87,437,115           | 3,372,078     | -          | -           | 90,809,193        |
| Right to use asset - intangibles             | 324,900              | 405,192       | 149,719    | -           | 580,373           |
| Right to use asset - machinery and equipment | 312,903              | 32,803        | -          | -           | 345,706           |
| Total accumulated depreciation               | 261,674,578          | 14,097,347    | 1,575,483  | -           | 274,196,442       |
| Net capital assets being depreciated         | 169,247,415          | (6,482,809)   | 119,252    | 2,641,942   | 165,287,296       |
| Governmental activities net capital assets   | \$ 262,027,517       | \$ 10,231,019 | \$ 119,252 | \$ -        | \$ 272,139,284    |

**City of Farmington Hills**  
**Notes to the Financial Statements**  
**June 30, 2025**

|  | Beginning<br>Balance | Increases    | Decreases  | Ending<br>Balance |
|--|----------------------|--------------|------------|-------------------|
| <b>Business-type activities</b>        |                      |              |            |                   |
| Capital assets not being depreciated   |                      |              |            |                   |
| Construction-in-progress               | \$ 26,128,005        | \$ 9,993,649 | \$ 503,856 | \$ 35,617,798     |
| Capital assets being depreciated       |                      |              |            |                   |
| Water and sewer lines                  | 132,813,875          | 145,000      | -          | 132,958,875       |
| Sewer disposal system                  | 101,766,738          | 10,000       | -          | 101,776,738       |
| Total capital assets being depreciated | 234,580,613          | 155,000      | -          | 234,735,613       |
| Less accumulated depreciation for      |                      |              |            |                   |
| Water and sewer lines                  | 67,774,498           | 3,083,941    | -          | 70,858,439        |
| Sewer disposal system                  | 73,427,998           | 1,650,085    | -          | 75,078,083        |
| Total accumulated depreciation         | 141,202,496          | 4,734,026    | -          | 145,936,522       |
| Net capital assets being depreciated   | 93,378,117           | (4,579,026)  | -          | 88,799,091        |
| Business-type capital assets, net      | \$ 119,506,122       | \$ 5,414,623 | \$ 503,856 | \$ 124,416,889    |

Depreciation and amortization of right to use assets expenses were charged to programs of the primary government as follows:

**Governmental activities**

|                        |              |
|------------------------|--------------|
| General government     | \$ 1,224,741 |
| Public safety          | 1,956,698    |
| Public works           | 8,157,803    |
| Recreation and culture | 2,758,105    |

Total governmental activities 14,097,347

**Business-type activities**

|                 |           |
|-----------------|-----------|
| Water and sewer | 4,734,026 |
|-----------------|-----------|

Total primary government \$ 18,831,373

**City of Farmington Hills**  
**Notes to the Financial Statements**  
**June 30, 2025**

**Construction Commitments**

The City has active construction projects at year-end. The projects include road improvements and water main improvements that were budgeted for and planned. At year-end, the City's commitments are as follows:

|                     | Contract<br>Amount   | Spent<br>to Date     | Remaining<br>Commitment |
|---------------------|----------------------|----------------------|-------------------------|
| Local Roads         | \$ 37,036,790        | \$ 30,237,852        | \$ 6,798,938            |
| Major Roads         | 19,908,416           | 15,055,431           | 4,852,985               |
| Water               | 16,464,587           | 14,249,716           | 2,214,871               |
| Capital Improvement | 10,714,194           | 6,924,615            | 3,789,578               |
| Total               | <u>\$ 84,123,987</u> | <u>\$ 66,467,614</u> | <u>\$ 17,656,372</u>    |

**Note 6 - Interfund Receivables, Payables, and Transfers**

The composition of interfund balances is as follows:

|                             |                     | Payable Fund      |                     |                     |                               |                         |                     |
|-----------------------------|---------------------|-------------------|---------------------|---------------------|-------------------------------|-------------------------|---------------------|
|                             |                     | General Fund      | Major Roads<br>Fund | Local Roads<br>Fund | Public Safety<br>Millage Fund | Water and<br>Sewer Fund | NGF*                |
| Receivable Fund             |                     |                   |                     |                     |                               |                         | Total               |
| General Fund                | \$ -                | \$ 476,837        | \$ 611,074          | \$ 3,712,680        | \$ 1,777,747                  | \$ 33,063               | \$ 6,611,401        |
| Nonmajor Governmental Funds | 1,667,516           | -                 | -                   | 11,776              | -                             | -                       | 1,679,292           |
|                             | <u>\$ 1,667,516</u> | <u>\$ 476,837</u> | <u>\$ 611,074</u>   | <u>\$ 3,724,456</u> | <u>\$ 1,777,747</u>           | <u>\$ 33,063</u>        | <u>\$ 8,290,693</u> |

The outstanding balances between funds result mainly from the time lag between the dates that 1) interfund goods and services are provided or reimbursable expenditures occur, 2) transactions are recorded in the accounting system, and 3) payments between funds are made.

The details for interfund transfers are as follows:

|                  |    | Transfers Out    |            |             |           |           |    |            |    |            |
|------------------|----|------------------|------------|-------------|-----------|-----------|----|------------|----|------------|
|                  |    | Municipal Street |            | Major Roads |           |           |    |            |    |            |
|                  |    | General Fund     | Fund       | Fund        | NGF*      |           |    |            |    |            |
| Transfers In     |    |                  |            |             | Total     |           |    |            |    |            |
| General Fund     | \$ | -                | \$         | -           | \$        | 1,307,852 | \$ | 1,307,852  |    |            |
| Major Roads Fund |    | -                | 5,800,000  |             | -         |           |    | 5,800,000  |    |            |
| Local Roads Fund |    | -                | 13,900,000 |             | 2,000,000 |           | -  | 15,900,000 |    |            |
| NGF*             |    | 9,434,426        | -          |             | -         |           | -  | 9,434,426  |    |            |
|                  | \$ | 9,434,426        | \$         | 19,700,000  | \$        | 2,000,000 | \$ | 1,307,852  | \$ | 32,442,278 |

\*Denotes nonmajor governmental funds.

The transfers from the General Fund to the nonmajor funds represent the movement of resources for debt service payments. The transfer from the Municipal Streets Fund to the Local Roads Fund and Major Roads Fund represents the movement of resources for road improvements from the property tax millage. The transfer from the Major Roads Fund to the Local Roads Fund represents movement of resources for road improvements. The

**City of Farmington Hills**  
**Notes to the Financial Statements**  
**June 30, 2025**

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transfer from nonmajor governmental funds to the General Fund represents the movement of restricted funds to be used for restricted purposes in the General Fund.

**Note 7 - Leases**

**Lease Liability**

During the 2020 fiscal year, the City entered into a lease agreement for copiers and printers over an 84-month period. With the implementation of GASB Statement No. 87, an initial lease liability was recorded in the amount of \$345,706 as of July 1, 2022. As of June 30, 2025, the value of the lease liability was \$0.

**Note 8 - Subscription-Based Information Technology Arrangements (SBITA)**

The City has entered into subscription-based information technology arrangements (SBITAs) involving:

- Various desktop and server software subscriptions
- Information technology security software
- Cloud backup services software
- Payroll and human resources services software
- Officer safety software

The future subscription payments under SBITA agreements are as follows:

| Year Ending<br>June 30, | Governmental Activities |                   |
|-------------------------|-------------------------|-------------------|
|                         | Principal               | Interest          |
| 2026                    | \$ 364,279              | \$ 55,481         |
| 2027                    | 353,593                 | 37,499            |
| 2028                    | 338,192                 | 19,825            |
| 2029                    | 218,805                 | 4,123             |
|                         | <u>\$ 1,274,869</u>     | <u>\$ 116,928</u> |

**Note 9 - Long-Term Debt**

The City issues bonds to provide for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the City. County contractual agreements and installment purchase agreements are also general obligations of the government. Special assessment bonds provide for capital improvements that benefit specific properties and will be repaid from amounts levied against those properties that benefited from the construction. In the event that a deficiency exists because of unpaid or delinquent special assessments at the time a debt service payment is due, the City is obligated to provide resources to cover the deficiency until other resources (such as tax sale proceeds or a reassessment of the City) are received. Revenue bonds involve a pledge of specific income derived from the acquired or constructed assets to pay debt service.

# City of Farmington Hills

## Notes to the Financial Statements

### June 30, 2025

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

|   | Amount of<br>Issue | Maturity<br>Date | Interest<br>Rate<br>Ranges | Principal<br>Maturity<br>Ranges | Restated<br>Beginning<br>Balance | Additions     | Reductions   | Ending<br>Balance | Due Within<br>One Year |
|---|--------------------|------------------|----------------------------|---------------------------------|----------------------------------|---------------|--------------|-------------------|------------------------|
| <b>Governmental activities</b>  |                    |                  |                            |                                 |                                  |               |              |                   |                        |
| Bonds and notes payable   |                    |                  |                            |                                 |                                  |               |              |                   |                        |
| General obligation bonds  |                    |                  |                            |                                 |                                  |               |              |                   |                        |
| 2023 Capital Improvements Bonds   | \$ 6,285,000       | 2037             | 5.00%                      | \$320,000 - \$585,000           | \$ 6,010,000                     | \$ -          | \$ 305,000   | \$ 5,705,000      | \$ 320,000             |
| 2019 Capital Improvements Bonds   | 23,925,000         | 2040             | 2.00% - 3.00%              | \$1,045,000 - \$1,545,000       | 20,000,000                       | -             | 1,025,000    | 18,975,000        | 1,045,000              |
| 2020 Refunding Bonds  | 4,125,000          | 2030             | 1.35% - 1.85%              | \$510,000 - \$565,000           | 3,745,000                        | -             | 550,000      | 3,195,000         | 565,000                |
| County contractual obligations  |                    |                  |                            |                                 |                                  |               |              |                   |                        |
| Districts 345, 346, and 347 - 2016 Capital Improvement Bonds  | 8,475,000          | 2030             | 2.00% - 2.13%              | \$505,000 - \$665,000           | 3,875,000                        | -             | 665,000      | 3,210,000         | 665,000                |
| District 349 - 2017 Capital Improvement Bonds   | 1,225,000          | 2031             | 2.00% - 3.00%              | \$90,000                        | 720,000                          | -             | 90,000       | 630,000           | 90,000                 |
| 2025 Capital Improvement Bonds  | 7,475,000          | 2045             | 5.00%                      | \$235,000 - \$570,000           | -                                | 7,475,000     | -            | 7,475,000         | 235,000                |
| Deferred amounts  |                    |                  |                            |                                 |                                  |               |              |                   |                        |
| For issuance premiums   |                    |                  |                            |                                 | 1,946,298                        | 591,756       | 183,824      | 2,354,230         | -                      |
| Total   |                    |                  |                            |                                 | 36,296,298                       | 8,066,756     | 2,818,824    | 41,544,230        | 2,920,000              |
| Leases  |                    |                  |                            |                                 | 27,822                           | -             | 27,822       | -                 | -                      |
| Subscriptions   |                    |                  |                            |                                 | 1,652,924                        | -             | 378,055      | 1,274,869         | 364,279                |
| Claims and judgments  |                    |                  |                            |                                 | 242,800                          | 1,368,744     | 1,349,044    | 262,500           | 173,000                |
| Compensated absences  |                    |                  |                            |                                 | 8,996,997                        | 2,355,850     | -            | 11,352,847        | 5,030,601              |
| Total governmental activities   |                    |                  |                            |                                 | \$ 47,216,841                    | \$ 11,791,350 | \$ 4,573,745 | \$ 54,434,446     | \$ 8,487,880           |
| <b>Business-type activities</b>   |                    |                  |                            |                                 |                                  |               |              |                   |                        |
| Bonds and notes payable   |                    |                  |                            |                                 |                                  |               |              |                   |                        |
| Limited tax general obligation bonds  |                    |                  |                            |                                 |                                  |               |              |                   |                        |
| 2014 Evergreen and Middlebelt Transport and Storage Tunnel Bonds*   | \$ 19,750,005      | 2036             | 2.50%                      | \$934,560 - \$1,194,750         | \$ 13,721,881                    | \$ -          | \$ 910,665   | \$ 12,811,216     | \$ 934,560             |
| 2017 Evergreen and Farmington Sewage Disposal Systems Middlebelt Transport and Storage Tunnel Project Bonds | 528,345            | 2027             | 2.14%                      | \$55,755 - \$61,065             | 230,985                          | -             | 55,755       | 175,230           | 55,755                 |
| 2021A Water Supply System Refunding Bonds   | 3,990,000          | 2033             | 2.00% - 5.00%              | \$305,000 - \$420,000           | 3,200,000                        | -             | 290,000      | 2,910,000         | 305,000                |
| 2021B Water Supply System Refunding Bonds   | 5,470,000          | 2035             | 3.00% - 4.00%              | \$355,000 - \$540,000           | 4,830,000                        | -             | 350,000      | 4,480,000         | 355,000                |
| Evergreen Farmington Sanitary Drain Bonds, Series 2023**  | 36,081,006         | 2046             | 1.88%                      | \$1,503,614 - \$2,140,133       | 14,533,973                       | 3,340,790     | -            | 17,874,763        | -                      |
| For issuance premiums   |                    |                  |                            |                                 | 1,054,520                        | -             | 203,131      | 851,389           | -                      |
| Total business-type activities  |                    |                  |                            |                                 | \$ 37,571,359                    | \$ 3,340,790  | \$ 1,809,551 | \$ 39,102,598     | \$ 1,650,315           |

\* Issue of \$19,750,005 but only \$19,504,472 was drawn down in total as of June 30, 2025.

\*\*Issue of \$36,081,066 but only \$17,874,762 was drawn down in total as of June 30, 2025.

Compensated absences additions and reductions are reported net.



**City of Farmington Hills**  
**Notes to the Financial Statements**  
**June 30, 2025**

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

| Year Ending<br>June 30, | Governmental Activities |                      | Business-type Activities |                     |
|-------------------------|-------------------------|----------------------|--------------------------|---------------------|
|                         | Bonds                   |                      | Bonds                    |                     |
|                         | Principal               | Interest             | Principal                | Interest            |
| 2026                    | \$ 2,920,000            | \$ 1,264,686         | \$ 1,650,315             | \$ 878,076          |
| 2027                    | 2,765,000               | 1,245,750            | 1,719,210                | 824,400             |
| 2028                    | 2,795,000               | 1,164,048            | 3,294,374                | 757,806             |
| 2029                    | 2,865,000               | 1,079,430            | 3,303,149                | 677,752             |
| 2030                    | 2,940,000               | 991,528              | 3,400,334                | 596,066             |
| 2031-2035               | 11,345,000              | 3,701,583            | 17,503,799               | 1,757,490           |
| 2036-2040               | 10,975,000              | 1,647,325            | 11,407,387               | 319,608             |
| 2041-2045               | 2,585,000               | 400,250              | 9,938,279                | -                   |
| 2046-2050               | -                       | -                    | 4,240,666                | -                   |
|                         | <u>\$ 39,190,000</u>    | <u>\$ 11,494,600</u> | 56,457,513               | <u>\$ 5,811,198</u> |
| Less undrawn maturities |                         |                      | (18,206,304)             |                     |
|                         |                         |                      | <u>\$ 38,251,209</u>     |                     |

**Defeased Refundings**

The City defeased certain bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust accounts' assets and liabilities for the defeased bonds are not included in the basic financial statements. At June 30, 2025, the City's portion of bonds outstanding that are considered defeased approximates \$2,575,000.

**No Commitment Debt**

The City has issued Variable Rate Demand Hospital Revenue and Refunding Bonds under state law, which authorizes municipalities under certain circumstances to acquire and lease industrial sites, buildings, and equipment and lease them to third parties. The revenue bonds issued are payable solely from the net revenue derived from the respective leases and are not a general obligation of the City. After these bonds are issued, all financial activity is taken over by the paying agent. The bonds and related lease contracts are not reflected in the City's financial statements. Information regarding the status of each bond issue, including possible default, must be obtained from the paying agent or other knowledgeable source. As of June 30, 2025, there is approximately \$7,840,000 of no commitment debt outstanding.

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**Note 10 - Net Investment in Capital Assets**

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

|   | Governmental<br>Activities | Business-type<br>Activities |
|---|----------------------------|-----------------------------|
| Capital assets                                  |                            |                             |
| Capital assets not being depreciated            | \$ 106,851,988             | \$ 35,617,798               |
| Capital assets, net of accumulated depreciation | <u>165,287,296</u>         | <u>88,799,091</u>           |
| Total capital assets                            | <u>272,139,284</u>         | <u>124,416,889</u>          |
| Related debt                                    |                            |                             |
| General obligation bonds                        | (8,900,000)                | -                           |
| Other bonds                                     | (30,290,000)               | (38,251,209)                |
| SBITA liability                                 | (1,274,869)                | -                           |
| Premiums  | (2,354,230)                | (851,389)                   |
| Contracts payable - retainage                   | <u>(890,909)</u>           | <u>(239,506)</u>            |
| Total related debt                              | <u>(43,710,008)</u>        | <u>(39,342,104)</u>         |
| Net investment in capital assets                | <u>\$ 228,429,276</u>      | <u>\$ 85,074,785</u>        |

**Note 11 - Risk Management**

The City is exposed to various risks of loss related to property loss, torts, and omissions, and employee injuries (workers' compensation), as well as medical benefits provided to employees. The City participates in the Michigan Municipal League Workers' Compensation Fund for workers' compensation claims and participates in the Michigan Municipal Risk Management Authority risk pool for claims relating to general and auto liability, auto physical damage, and property loss claims.

As of September 2005, the City has also assumed a significant amount of financial responsibility for its actual incurred medical claims cost, subject to certain insured limitations, including \$120,000 per specific claim and a 120 percent stop loss with approximately \$3 million in aggregate claims. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

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

The Michigan Municipal Risk Management Authority ("MMRMA") risk pool program operates as a claims servicing pool for amounts up to member retention limits and operates as a common risk-sharing management program for losses in excess of member retention amounts. Although premiums are paid annually to MMRMA that it uses to pay claims up to the retention limits, the ultimate liability for those claims remains with the City. Depending upon the type of claim, stop-loss coverage for specific claims ranges from \$15,000 to \$200,000 and \$5.0 million in aggregate.

The City maintains insurance coverage through Blue Cross Blue Shield ("BCBS") for medical and general claims and estimates the liability for medical and general claims that have been incurred through the end of the fiscal year, including claims that have been reported, as well as those that have not yet been reported, which includes

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estimates of both future payments of losses and related claim adjustments expense, both allocated and unallocated. The liability is based on individual claims and management's evaluation of experience with respect to the probable number and nature of claims. Any adjustments resulting from the settlement of losses will be reflected in earnings at the time the adjustments are determined. These estimates are recorded in the General Fund and within the governmental activities column in the statement of net position.

Changes in the estimated liability for medical claims for the past two fiscal years were as follows:

|   | BCBS             |                   |
|---|------------------|-------------------|
|   | 2025             | 2024              |
| Estimated liability - beginning of year                   | \$ 112,800       | \$ 183,000        |
| Estimated claims incurred, including changes in estimates | (4,584,292)      | (1,615,386)       |
| Claim payments  | <u>4,560,992</u> | <u>1,545,186</u>  |
| Estimated liability - end of year                         | <u>\$ 89,500</u> | <u>\$ 112,800</u> |

Changes in the estimated liability for general claims for the past two fiscal years were as follows:

|   | MMRMA             |                   |
|---|-------------------|-------------------|
|   | 2025              | 2024              |
| Estimated liability - beginning of year                   | \$ 130,000        | \$ 162,000        |
| Estimated claims incurred, including changes in estimates | 219,442           | 116,321           |
| Claim payments  | <u>(176,442)</u>  | <u>(148,321)</u>  |
| Estimated liability - end of year                         | <u>\$ 173,000</u> | <u>\$ 130,000</u> |

**Note 12 - Employee Retirement and Benefit Systems**

**Defined Benefit Pension Plan**

Plan description – The City of Farmington Hills Employees' Retirement System Pension Board administers the City of Farmington Hills Employees' Retirement System - a multiple-employer cost-sharing defined benefit pension plan that provides retirement, disability, and death benefits for all eligible general, court, police, and fire plan members and their beneficiaries. Benefit terms have been established by employer policy and contractual agreements authorized by city ordinance, which may be amended by City Council actions.

Management of the plan is vested in the pension board, which consists of seven members - four elected by plan members, two appointed by City Council, and the city finance director/treasurer, who serves as an ex-officio member.

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Employees covered by benefit terms – At the June 30, 2024 valuation date, the following employees were covered by benefit terms:

|  |            |
|--|------------|
| Inactive employees or beneficiaries currently receiving benefits | 410        |
| Inactive employees entitled to, but not yet receiving benefits   | 14         |
| Active employees   | <u>402</u> |
|  | <u>826</u> |

The general group consists of union employees from TPOAM, formerly AFSCME, and Teamsters, nonunion employees, court employees, executive employees, and dispatch employees. The general group does not include firefighters, police officers, and police command employees.

Benefits provided – The pension plan provides retirement, disability, and death benefits to eligible plan members. Retirement benefits are calculated by multiplying the plan member's final average compensation (FAC) times the member's years of service times the multiplier applicable to the member's employee group. FAC is final average compensation consisting of the three highest consecutive years out of the last 10 years. FAC includes longevity on base pay for all employees plus lump-sum holiday pay for police, fire, and dispatch members. Benefits and refunds of the plan are recognized when due and payable in accordance with the terms of the plan. Administrative costs are financed with plan net position. The multipliers per employee group are as follows:

General – TPOAM, formerly AFSCME, employees are eligible to retire if the sum of the plan member's age and years of service equals 80 (minimum age 55) or at the age of 60 with eight years of service. The multiplier for this group is 2.8 percent up to 25 years of service and 1.0 percent for each year over 25 years of service, with a maximum multiplier of 75 percent.

General – Nonunion, court, and Teamsters employees are eligible to retire if the sum of the plan member's age and years of service equals 80 (minimum age 55) or at the age of 60 with eight years of service. The multiplier for this group is 2.8 percent up to 25 years of service and 1.0 percent for each year over 25 years of service, with a maximum multiplier of 80 percent.

General – Executive employees are eligible to retire if the sum of the plan member's age and years of service equals 80 (minimum age 55) or at the age of 60 with eight years of service. The multiplier for this group is 3.0 percent up to 25 years of service and 1.0 percent for each year over 25 years of service, with a maximum multiplier of 80 percent.

General – Dispatch employees are eligible to retire if the sum of the plan member's age and years of service equals 80 (minimum age 55) or at the age of 60 with eight years of service. The multiplier for this group is 2.8 percent up to 25 years of service (until age 67) and 1.0 percent for each year over 25 years of service, with a maximum multiplier of 75 percent, or 2.375 percent up to 25 years of service (at age 67) and 1.0 percent for each year over 25 years of service, with a maximum multiplier of 70 percent.

Firefighters are eligible to retire with 25 years of service, regardless of age. The multiplier for this group is 2.8 percent up to 25 years of service and 1.0 percent for each year over 25 years of service, with a maximum multiplier of 75 percent.

Police command employees are eligible to retire at the age of 50 with 25 years of service, or 30 years of service regardless of age with a minimum of 25 years as a sworn police officer. The multiplier for this group is 3.0 percent up to 25 years of service and 1.0 percent for each year over 25 years of service, with a maximum multiplier of 80 percent.

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Police officers are eligible to retire with 25 years of service, regardless of age. The multiplier for this group is 2.8 percent up to 25 years of service and 1.0 percent for each year over 25 years of service, with a maximum multiplier of 75 percent.

Any officer classified as "Tier Two" POAM members are eligible to retire with 25 years of service, regardless of age. The multiplier for this group is 2.8 percent up to 25 years of service and 1.0 percent for each year over 25 years of service, with a maximum multiplier of 75 percent.

An early retirement benefit is available and actuarially reduced from normal retirement age as follows:

- General employee – Age 57 with 8 years of service.
- Police employee – Age 50 with 20 years of service as a sworn officer.
- Patrol/Fire employee – Age 50 with 20 years of service.
- Police command employee – Age 50 with 15 years of service or under age 50 with 25 years of service as a sworn police officer.

Plan members are eligible for deferred (vested) retirement benefits if a general employee has eight or more years of service (benefit begins at age 60) or a police/fire employee has 15 or more years of service (benefits generally begin at age 55).

In addition to the normal, early, and deferred retirement provisions, the system provides nonduty death benefits to qualifying members. A nonduty death benefit is computed as a regular retirement pension reduced in accordance with a 100 percent joint and survivor option and shall be paid for life to a surviving spouse of an employee provided the member attained age 57 and has eight years of service or the member has 10 or more years of credited service regardless of age and died while an employee of the City. The system also provides duty death benefits to qualifying members, which is computed as a duty disability retirement with no age or service requirements. A duty death pension shall be paid for life to a surviving spouse of an employee who dies in service. A duty disability benefit is also available in accordance with an established formula and has no age or service requirements.

Prior to retirement, but not thereafter, a member may elect to receive a retirement benefit by one of the following three methods:

*1) Straight-life Retirement Benefits*

This allowance is a benefit payable to the member throughout his or her life. This is a nonsurvivor benefit and terminates upon the death of the member.

*2) Survivor Allowance Options*

Under three available options, a retiree receives a reduced straight-life benefit, payable for life. Upon death, the reduced pension benefit will continue to be paid throughout the beneficiary's life at the percentage option selected. The reduction of straight-life benefit is actuarially determined based on the ages of the member and his or her beneficiary at the time of retirement and the percentage option of primary benefit chosen. A greater reduction of straight-life benefit will be made to provide 100 percent of the primary pension benefit rather than 75 percent or 50 percent.

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The survivor allowance options are:

- Option A - 100 percent of primary pension benefit.
- Option B - 75 percent of primary pension benefit.
- Option C - 50 percent of primary pension benefit.

Should the named survivor beneficiary die before the retired member, the retired member's pension shall be recomputed (pop-up) to a straight-life benefit.

**3) Annuity Option**

In addition to the above survivor allowance options, all city and court employees may elect an annuity option.

Contributions – Article 9, Section 24 of the State of Michigan constitution requires that financial benefits arising on account of employee service rendered in each year be funded during that year. Accordingly, the pension board retains an independent actuary to determine the annual contribution. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. Contribution requirements of plan members are established and may be amended by the pension board in accordance with the city ordinance, union contracts, and plan provisions. For the year ended June 30, 2025, the average active member contribution rate was 4.50 percent of annual pay. The City's contribution was \$4,177,004 for police members and \$1,568,862 for fire members. For general and court members, the City's contribution was \$3,633,209 and \$411,130, respectively.

Pension plan reserves – In accordance with city ordinance, the following reserves are required to be set aside within the pension plan:

Retiree reserve – The retiree reserve is held in the retirement reserve fund and is to be computed annually by the actuary as the present value of estimated benefit payments for all current retirees. Actuarially computed unfunded liabilities are to be covered by a transfer from the employer reserve. The amounts reserved may be used solely to pay monthly retiree benefit payments.

Employee reserve – 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 and credits interest annually at a rate of 5 percent. For any employee who terminates before vesting in the pension plan, their balance is returned to them; for those who stay until retirement, the balance is transferred into the retiree reserve.

Employer reserve – The employer reserve account is held in the pension reserve fund and is used to account for the residual net position balance in the pension plan after funding the retiree reserve.

The balances of the reserve accounts at June 30, 2025 are as follows:

|                  | <u>Required Reserve</u> | <u>Amount Funded</u> |
|------------------|-------------------------|----------------------|
| Retiree reserve  | \$ 154,435,704          | \$ 154,435,704       |
| Employee reserve | 19,635,043              | 19,635,043           |
| Employer reserve | -                       | 17,321,067           |

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

At June 30, 2025, the City reported a liability of \$73,275,837 for its proportionate share of the City of Farmington Hills Employees Retirement System's net pension liability. The net pension liability was measured as of June

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30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation rolled forward from June 30, 2024. The City's proportion of the net pension liability was determined by dividing each employer's actuarially determined pension contributions to the system during the measurement period by the percent of pension contributions required from all applicable employers during the measurement period. At June 30, 2025, the City's proportion was 95.80060 percent, which was an increase of .37209 percent compared to its proportion of 95.42851 percent from its proportion measured as of June 30, 2024. For the year ending June 30, 2025, the City recognized pension expense of \$11,362,462.

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

|   | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources | Total to<br>Amortize |
|---|--------------------------------------|-------------------------------------|----------------------|
| Differences in experience   | \$ 9,222,542                         | \$ -                                | \$ 9,222,542         |
| Change in proportionate share   | 268,787                              | (383,852)                           | (115,065)            |
| Differences in assumptions  | 3,707,800                            | -                                   | 3,707,800            |
| Net difference between projected and actual earning on plan investments | -                                    | (66,160)                            | (66,160)             |
| Total   | <u>\$ 13,199,129</u>                 | <u>\$ (450,012)</u>                 | <u>\$ 12,749,117</u> |

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

| <u>Year ended June 30,</u> |                      |
|----------------------------|----------------------|
| 2026                       | \$ 8,255,266         |
| 2027                       | 1,149,200            |
| 2028                       | 1,109,959            |
| 2029                       | 1,371,064            |
| 2030                       | 863,628              |
|                            | <u>\$ 12,749,117</u> |

The net pension liability is generally liquidated by the General Fund.

Actuarial assumptions – The total pension liability in the June 30, 2024 annual actuarial valuation was determined using the following actuarial assumptions:

|                           |  |
|---------------------------|--|
| Inflation                 | 2.50%  |
| Salary increases          | 4.00 - 23.00%, average, including inflation                        |
| Investment rate of return | 7.00%, net of pension plan investment expense, including inflation |

Mortality rates used were based on the Pub-2010 Mortality Tables using scale MP-2018.

Discount rate – The discount rate used to measure the total pension liability is 7.0%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plans fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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The long-term expected rate of return on pension plan investments was determined using a model method in which the best-estimate ranges of expected future real rates of return (expected returns, net of investment and administrative expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates or arithmetic real rates of return for each major asset class are summarized in the following tables:

| Asset Class              | Target<br>Allocation |
|--------------------------|----------------------|
| Domestic equity          | 41.00                |
| International equity     | 16.00                |
| Domestic bonds           | 20.00                |
| Real estate              | 10.00                |
| Alternative assets       | 11.00                |
| Cash or cash equivalents | 2.00                 |
|                          | <u>100.00</u>        |

| Asset Class          | Long-term<br>Expected Real<br>Rate of Return |
|----------------------|--|
| Domestic equity      | 7.50   |
| International equity | 8.50   |
| Domestic bonds       | 2.50   |
| Real estate          | 4.50   |
| Alternative assets   | 6.05   |

For the year ended June 30, 2025, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 9.62 percent.

Sensitivity of the net pension liability to changes in the discount rate – The following presents the net pension liability of the employer, calculated using the discount rate of 7.0%, as well as what the employer's net pension liability would be using a discount rate that is 1% point lower (6.0%) or 1% higher (8.0%) than the current rate.

|                       | 1% Decrease           | Current<br>Discount Rate | 1% Increase          |
|-----------------------|-----------------------|--------------------------|----------------------|
| Net pension liability | <u>\$ 103,851,662</u> | <u>\$ 73,275,837</u>     | <u>\$ 47,646,620</u> |

Refer to the separately issued City of Farmington Hills Employees' Retirement System financial statements for additional information and disclosures. The City of Farmington Hills Employees' Retirement System's financial statements may be obtained at the City of Farmington Hills' city hall.



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**Note 13 - Other Postemployment Benefits**

**Defined Contribution Plan**

The City provides a Retirement Health Savings (RHS) account for eligible employees and their dependents. The plan covers Teamsters, (formerly AFSCME), executive, and general employees hired on or after July 1, 2006; dispatch employees hired on or after January 1, 2007; Teamster and POAM employees hired on or after January 1, 2008; and IAFF employees hired on or after July 1, 2008. This is a defined contribution plan administered by the City. The collective bargaining agreements and/or city ordinance require all employees to contribute 1.5 percent of their base salary or wage plus longevity pay. The City contributes \$80 per month for the dispatch employees, \$167 per month for police employees, \$225 per month for tier 2 police command, and \$117 per month for all other participating employee groups. All contributions plus interest allocated to the employees' accounts are fully vested after seven years of service. Once plan members terminate employment, they are eligible to use all vested contributions for allowable medical related expenses.

During the year ended June 30, 2025, the City made contributions of \$462,738, and the plan members contributed \$362,228 to the plan.

**Defined Benefit Plan**

Plan description – The City of Farmington Hills Employees' Retirement System Pension Board administers the City of Farmington Hills Post-Retirement Healthcare Finance Fund – a multiple-employer cost-sharing defined benefit OPEB plan that is used to provide postemployment benefits other than pensions (OPEB) for all eligible general, court, police, and fire plan members and their beneficiaries.

Management of the plan is vested in the pension board, which consists of seven members – four elected by plan members, two appointed by the City, and the City finance/treasurer, who serves as an ex-officio member.

Benefits provided – The fund provides healthcare and prescription benefits for retirees and their dependents. Benefits are provided through a third-party insurer, and the full cost of benefits is covered by the plan. Benefits terms have been established by employer policy and contractual agreements authorized by city ordinance, which may be amended by City Council actions.

Employees covered by benefit terms – At June 30, 2023, the plan membership consisted of the following:

|  |            |
|--|------------|
| Inactive employees or beneficiaries currently receiving benefits | 226        |
| Active employees   | <u>393</u> |
|  | <u>619</u> |

Contributions – Contribution requirements of plan members are established and may be amended by the pension board in accordance with city ordinance, union contracts, and plan provisions. The board establishes contribution rates based on an actuarially determined rate per a funding valuation. For the year ended June 30, 2025, the City's contribution was \$242,536. Plan members are required to contribute at 1.50 percent of pay.

OPEB plan reserves – In accordance with city ordinance, the following reserves are required to be set aside within the OPEB plan:

Retiree reserve – The retiree reserve is held in the healthcare benefits reserve fund and is to be computed annually by the actuary as the present value of estimated healthcare benefit payments for all current retirees.

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Actuarially computed unfunded liabilities are to be covered by a transfer from the employer reserve. The amounts reserved may be used solely to pay retiree healthcare benefit payments.

Employee reserve – 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 and credits interest annually at a rate of 5 percent. For any employee who terminates before vesting in the OPEB plan, their balance is returned to them; for those who stay until retirement, the balance is transferred into the retiree reserve.

Employer reserve – The employer reserve account is held in the healthcare reserve fund and is used to account for the residual net position balance in the OPEB plan after funding the retiree reserve.

The balances of the reserve accounts at June 30, 2025 are as follows:

|                  | <u>Required Reserve</u> | <u>Amount Funded</u> |
|------------------|-------------------------|----------------------|
| Retiree reserve  | \$ 60,079,579           | \$ 60,079,579        |
| Employee reserve | 3,840,994               | 3,840,994            |
| Employer reserve | -                       | 38,953,158           |

**OPEB Liabilities or Assets, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

At June 30, 2025, the City reported an asset of \$15,009,221 for its proportionate share of the City of Farmington Hills OPEB plan's net OPEB asset. The net OPEB asset was measured as of June 30, 2025, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation rolled forward from June 30, 2023. The City's proportion of the net OPEB asset was determined by dividing each employers' actuarially determined OPEB contributions to the plan during the measurement period by the percent of OPEB contributions required from all applicable employers during the measurement period. At June 30, 2025, the City's proportion was 98.6031 percent, which was an increase of .57698 percent compared to its proportion of 98.02612 percent from its proportion measured as of June 30, 2024. For the year ending June 30, 2025, the City recognized OPEB expense of \$(2,688,372).

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

|   | <u>Deferred<br/>Outflows of<br/>Resources</u> | <u>Deferred<br/>Inflows of<br/>Resources</u> | <u>Total to<br/>Amortize</u> |
|---|---|--|------------------------------|
| Differences in experience   | \$ -  | \$ (5,876,351)                               | \$ (5,876,351)               |
| Differences in assumptions  | 4,719,454                                     | -  | 4,719,454                    |
| Change in proportionate share   | -   | (552,119)                                    | (552,119)                    |
| Net difference between projected and actual earning on plan investments | -   | (796,935)                                    | (796,935)                    |
| Total   | <u>\$ 4,719,454</u>                           | <u>\$ (7,225,405)</u>                        | <u>\$ (2,505,951)</u>        |

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

| <u>Year ended June 30,</u> |                       |
|----------------------------|-----------------------|
| 2026                       | \$ 1,873,498          |
| 2027                       | (1,495,288)           |
| 2028                       | (1,238,932)           |
| 2029                       | (962,552)             |
| 2030                       | (317,789)             |
| 2031 - 2035                | (364,888)             |
|                            | <u>\$ (2,505,951)</u> |

The net OPEB liability or asset is generally liquidated by the General Fund.

Actuarial assumptions – The total OPEB liability in the June 30, 2023 annual actuarial valuation was determined using the following actuarial assumptions:

|                             |  |
|-----------------------------|--|
| Inflation                   | 2.50%  |
| Investment rate of return   | 7%, net of OPEB plan investment expense, including inflation |
| Healthcare cost trend rates | Pre-65 7.25%, graded down to 3.50%                           |

Mortality rates used were based on the Pub-2010 Mortality Tables using scale MP-2018.

Discount rate – The discount rate used to measure the total OPEB liability is 7.0%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the OPEB plans fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

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

| <u>Asset Class</u>      | <u>Target Allocation</u> |
|-------------------------|--------------------------|
| Domestic equity         | 41.0%                    |
| International equity    | 16.0%                    |
| Domestic bonds          | 20.0%                    |
| Real estate             | 10.0%                    |
| Alternative investments | 11.0%                    |
| Cash                    | 2.0%                     |

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| <u>Asset Class</u>   | <u>Long-term<br/>Expected Real<br/>Rate of Return</u> |
|----------------------|---|
| Domestic equity      | 7.50%   |
| International equity | 8.50%   |
| Domestic bonds       | 2.50%   |
| Real estate          | 4.50%   |
| Alternative assets   | 6.05%   |
| Cash                 | 0.00%   |

For the year ended June 30, 2025, the annual money-weighted rate of return on OPEB plan investments, net of OPEB plan investment expense, was 9.81 percent.

Sensitivity of the net OPEB liability (asset) to changes in the discount rate – The following presents the net OPEB liability (asset) of the employer, calculated using the discount rate of 7.0%, as well as what the employer's net OPEB liability (asset) would be using a discount rate that is 1% point lower (6.0%) or 1% higher (8.0%) than the current rate.

|                | <u>1% Decrease</u> | <u>Current<br/>Discount Rate</u> | <u>1% Increase</u> |
|----------------|--------------------|----------------------------------|--------------------|
| Net OPEB asset | \$ (5,110,156)     | \$ (15,009,221)                  | \$ (23,329,368)    |

Sensitivity of the net OPEB liability (asset) to changes in the healthcare cost trend rate – The following presents the net OPEB liability (asset), calculated using the healthcare cost trend rate of 7.25%, as well as what the net OPEB liability (asset) would be if it were calculated using a healthcare cost trend rate that is 1% lower (6.25%, decreasing to 2.5%) or 1% higher (8.25% decreasing to 4.5%).

|                | <u>1% Decrease</u> | <u>Healthcare<br/>Cost Trend<br/>Rates</u> | <u>1% Increase</u> |
|----------------|--------------------|--|--------------------|
| Net OPEB asset | \$ (25,119,930)    | \$ (15,009,221)                            | \$ (2,906,790)     |

Refer to the separately issued City of Farmington Hills Post-Retirement Healthcare Finance Fund financial statements for additional information and disclosures. The City of Farmington Hills Post-Retirement Healthcare Finance Fund's financial statements may be obtained at the City of Farmington Hills' city hall.

**City of Farmington Hills**  
**Notes to the Financial Statements**  
**June 30, 2025**

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**Note 14 - Change in Accounting Principle**

During the year, the City implemented GASB Statement No. 101, *Compensated Absences*. The implementation had the following effect on net position:

|  | <u>Governmental<br/>Activities</u> |
|--|------------------------------------|
| Net position at June 30, 2024          | \$ 275,333,920                     |
| Adjustments                            |                                    |
| Implementation of GASB 101             | <u>(2,166,436)</u>                 |
| Adjusted net position at June 30, 2024 | <u><u>\$ 273,167,484</u></u>       |

**City of Farmington Hills**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Year Ended June 30, 2025**

|                              | Budgeted Amounts  |                   | Actual            | Actual<br>Over (Under) |
|------------------------------|-------------------|-------------------|-------------------|------------------------|
|                              | Original          | Final             |                   | Final<br>Budget        |
| <b>Revenues</b>              |                   |                   |                   |                        |
| Taxes                        |                   |                   |                   |                        |
| Property taxes               | \$ 38,583,530     | \$ 38,583,530     | \$ 38,345,264     | \$ (238,266)           |
| Administration fee           | 2,029,415         | 2,029,415         | 2,117,146         | 87,731                 |
| Licenses and permits         | 1,883,167         | 1,768,172         | 2,215,578         | 447,406                |
| Federal grants               | 50,000            | 80,000            | 6,000             | (74,000)               |
| State-shared revenue         | 9,762,434         | 9,762,434         | 9,746,637         | (15,797)               |
| State grants                 | 1,229,366         | 1,180,657         | 1,524,081         | 343,424                |
| Local contributions          | 55,616            | 55,616            | 24,582            | (31,034)               |
| Charges for services         | 18,619,741        | 18,031,754        | 19,603,006        | 1,571,252              |
| Fines and forfeitures        | 1,635,525         | 2,009,726         | 2,164,964         | 155,238                |
| Investment income            | 1,335,257         | 2,769,040         | 3,459,782         | 690,742                |
| Other revenue                | 1,940,749         | 2,084,426         | 2,409,446         | 325,020                |
|                              | <u>77,124,800</u> | <u>78,354,770</u> | <u>81,616,486</u> | <u>3,261,716</u>       |
| Total revenues               |                   |                   |                   |                        |
| <b>Expenditures</b>          |                   |                   |                   |                        |
| General government           |                   |                   |                   |                        |
| City Council                 | 166,177           | 163,207           | 167,150           | 3,943                  |
| Board and commissions        | 3,388,368         | 3,467,743         | 3,512,885         | 45,142                 |
| City administration          | 652,919           | 743,674           | 668,706           | (74,968)               |
| Public information           | 1,121,543         | 1,024,343         | 844,036           | (180,307)              |
| Finance department           | 2,376,706         | 2,399,344         | 2,183,698         | (215,646)              |
| Clerk                        | 1,093,423         | 1,093,624         | 1,026,182         | (67,442)               |
| Attorney/corporation counsel | 798,400           | 798,400           | 743,999           | (54,401)               |
| Human resources/personnel    | 921,347           | 878,363           | 715,179           | (163,184)              |
| Central services             | 1,578,988         | 1,542,508         | 1,286,467         | (256,041)              |
| Support services             | 7,156,955         | 7,091,117         | 5,660,089         | (1,431,028)            |
|                              | <u>19,254,826</u> | <u>19,202,323</u> | <u>16,808,391</u> | <u>(2,393,932)</u>     |
| Total general government     |                   |                   |                   |                        |
| Public safety                |                   |                   |                   |                        |
| Police                       | 20,376,217        | 20,304,236        | 19,198,094        | (1,106,142)            |
| Fire                         | 8,433,099         | 7,946,817         | 7,875,779         | (71,038)               |
|                              | <u>28,809,316</u> | <u>28,251,053</u> | <u>27,073,873</u> | <u>(1,177,180)</u>     |
| Total public safety          |                   |                   |                   |                        |

See Accompanying Notes to Required Supplementary Information

**City of Farmington Hills**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Year Ended June 30, 2025**

|   | Budgeted Amounts |               | Actual        | Actual<br>Over (Under) |
|---|------------------|---------------|---------------|------------------------|
|   | Original         | Final         |               | Final<br>Budget        |
| Public works                                      |                  |               |               |                        |
| Department of public works                        | \$ 588,001       | \$ 646,427    | \$ 498,296    | \$ (148,131)           |
| Roads, streets, bridges (not Act 51)              | 2,675,950        | 2,620,201     | 2,443,149     | (177,052)              |
| Engineers/engineering                             | 1,689,808        | 1,663,451     | 1,470,895     | (192,556)              |
| Rubbish collection/disposal                       | 4,291,140        | 4,320,986     | 4,306,039     | (14,947)               |
| Building maintenance                              | 524,924          | 533,663       | 537,560       | 3,897                  |
| Maintenance facility                              | 1,483,734        | 1,385,705     | 1,454,992     | 69,287                 |
| Public service reimbursement from road fund       | -                | (2,322,585)   | (1,932,522)   | 390,063                |
| Total public works                                | 11,253,557       | 8,847,848     | 8,778,409     | (69,439)               |
| Community and economic development                |                  |               |               |                        |
| Economic development                              | 2,485,808        | 2,454,522     | 1,989,545     | (464,977)              |
| Recreation and culture                            |                  |               |               |                        |
| Parks and recreation department                   | 14,945,695       | 15,007,824    | 15,336,760    | 328,936                |
| Capital outlay                                    | 60,500           | 63,528        | 59,587        | (3,941)                |
| Total expenditures                                | 76,749,202       | 73,991,169    | 70,669,998    | (3,300,561)            |
| Excess (deficiency) of revenues over expenditures | 375,598          | 4,363,601     | 10,946,488    | 6,562,277              |
| <b>Other financing sources (uses)</b>             |                  |               |               |                        |
| Transfers in                                      | 1,307,850        | 1,307,850     | 1,307,852     | 2                      |
| Transfers out                                     | (9,273,787)      | (9,273,787)   | (9,434,426)   | (160,639)              |
| Sale of capital assets                            | (89,037)         | (167,253)     | 247,048       | 414,301                |
| Total other financing sources (uses)              | (8,054,974)      | (8,133,190)   | (7,879,526)   | 253,664                |
| Net change in fund balance                        | (7,679,376)      | (3,769,589)   | 3,066,962     | 6,815,941              |
| Fund balance - beginning of year                  | 61,572,931       | 61,572,931    | 61,572,931    | -                      |
| Fund balance - end of year                        | \$ 53,893,555    | \$ 57,803,342 | \$ 64,639,893 | \$ 6,815,941           |

See Accompanying Notes to Required Supplementary Information

**City of Farmington Hills**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**Municipal Street Fund**  
**For the Year Ended June 30, 2025**

|   | Budgeted Amounts    |                     |                     | Actual<br>Over (Under)<br>Final<br>Budget |
|---|---------------------|---------------------|---------------------|---|
|   | Original            | Final               | Actual              |   |
| <b>Revenues</b>                                   |                     |                     |                     |   |
| Taxes   | \$ 20,058,423       | \$ 20,049,907       | \$ 19,814,421       | \$ (235,486)                              |
| State grants                                      | 218,242             | 218,242             | 559,882             | 341,640                                   |
| Investment income                                 | 21,218              | 21,218              | 976,176             | 954,958                                   |
|   |                     |                     |                     |   |
| Total revenues                                    | 20,297,883          | 20,289,367          | 21,350,479          | 1,061,112                                 |
|   |                     |                     |                     |   |
| <b>Expenditures</b>                               | -                   | -                   | -                   | -   |
|   |                     |                     |                     |   |
| Excess of revenues (deficiency) over expenditures | 20,297,883          | 20,289,367          | 21,350,479          | 1,061,112                                 |
|   |                     |                     |                     |   |
| <b>Other financing sources (uses)</b>             |                     |                     |                     |   |
| Transfers out                                     | (19,700,000)        | (19,700,000)        | (19,700,000)        | -   |
|   |                     |                     |                     |   |
| Net change in fund balance                        | 597,883             | 589,367             | 1,650,479           | 1,061,112                                 |
|   |                     |                     |                     |   |
| Fund balance - beginning of year                  | 3,210,777           | 3,210,777           | 3,210,777           | -   |
|   |                     |                     |                     |   |
| Fund balance - end of year                        | <u>\$ 3,808,660</u> | <u>\$ 3,800,144</u> | <u>\$ 4,861,256</u> | <u>\$ 1,061,112</u>                       |

See Accompanying Notes to Required Supplementary Information



**City of Farmington Hills**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**Major Roads Fund**  
**For the Year Ended June 30, 2025**

|   | Budgeted Amounts |               | Actual        | Actual<br>Over (Under) |
|---|------------------|---------------|---------------|------------------------|
|   | Original         | Final         |               | Final<br>Budget        |
| <b>Revenues</b>                                   |                  |               |               |                        |
| State grants                                      | \$ 8,194,167     | \$ 9,328,035  | \$ 9,726,586  | \$ 398,551             |
| Local contributions                               | -                | -             | 13,379        | 13,379                 |
| Investment income                                 | 266,667          | 266,667       | 621,057       | 354,390                |
| Other revenue                                     | -                | 250           | 98,283        | 98,033                 |
| Total revenues                                    | 8,460,834        | 9,594,952     | 10,459,305    | 864,353                |
| <b>Expenditures</b>                               |                  |               |               |                        |
| Current   |                  |               |               |                        |
| Public works                                      | 7,797,888        | 16,129,000    | 10,985,214    | (5,143,786)            |
| Excess of revenues (deficiency) over expenditures | 662,946          | (6,534,048)   | (525,909)     | 6,008,139              |
| <b>Other financing sources (uses)</b>             |                  |               |               |                        |
| Transfers in                                      | 5,800,000        | 5,800,000     | 5,800,000     | -                      |
| Transfers out                                     | (2,000,000)      | (2,000,000)   | (2,000,000)   | -                      |
| Total other financing sources (uses)              | 3,800,000        | 3,800,000     | 3,800,000     | -                      |
| Net change in fund balance                        | 4,462,946        | (2,734,048)   | 3,274,091     | 6,008,139              |
| Fund balance - beginning of year                  | 15,587,452       | 15,587,452    | 15,587,452    | -                      |
| Fund balance - end of year                        | \$ 20,050,398    | \$ 12,853,404 | \$ 18,861,543 | \$ 6,008,139           |

See Accompanying Notes to Required Supplementary Information

**City of Farmington Hills**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**Local Roads Fund**  
**For the Year Ended June 30, 2025**

|   | Budgeted Amounts    |                     | Actual               | Actual<br>Over (Under) |
|---|---------------------|---------------------|----------------------|------------------------|
|   | Original            | Final               |                      | Final<br>Budget        |
| <b>Revenues</b>                                   |                     |                     |                      |                        |
| State grants                                      | \$ 2,994,581        | \$ 3,006,456        | \$ 3,109,590         | \$ 103,134             |
| Investment income                                 | 75,000              | 81,668              | 270,995              | 189,327                |
| Other revenue                                     | -                   | -                   | 1,921                | 1,921                  |
| Total revenues                                    | <u>3,069,581</u>    | <u>3,088,124</u>    | <u>3,382,506</u>     | <u>294,382</u>         |
| <b>Expenditures</b>                               |                     |                     |                      |                        |
| Current   |                     |                     |                      |                        |
| Public works                                      | 18,001,565          | 20,893,900          | 14,246,276           | (6,647,624)            |
| Debt service                                      |                     |                     |                      |                        |
| Principal retirement                              | 755,000             | 755,000             | 755,000              | -                      |
| Interest and fiscal charges                       | <u>90,388</u>       | <u>90,388</u>       | <u>90,388</u>        | <u>-</u>               |
| Total expenditures                                | <u>18,846,953</u>   | <u>21,739,288</u>   | <u>15,091,664</u>    | <u>(6,647,624)</u>     |
| Excess of revenues (deficiency) over expenditures | (15,777,372)        | (18,651,164)        | (11,709,158)         | 6,942,006              |
| <b>Other financing sources</b>                    |                     |                     |                      |                        |
| Transfers in                                      | <u>15,900,000</u>   | <u>15,900,000</u>   | <u>15,900,000</u>    | <u>-</u>               |
| Net change in fund balance                        | 122,628             | (2,751,164)         | 4,190,842            | 6,942,006              |
| Fund balance - beginning of year                  | <u>7,655,434</u>    | <u>7,655,434</u>    | <u>7,655,434</u>     | <u>-</u>               |
| Fund balance - end of year                        | <u>\$ 7,778,062</u> | <u>\$ 4,904,270</u> | <u>\$ 11,846,276</u> | <u>\$ 6,942,006</u>    |

See Accompanying Notes to Required Supplementary Information

**City of Farmington Hills**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**Public Safety Millage Fund**  
**For the Year Ended June 30, 2025**

|   | Budgeted Amounts |               | Actual        | Actual<br>Over (Under) |
|---|------------------|---------------|---------------|------------------------|
|   | Original         | Final         |               | Final<br>Budget        |
| <b>Revenues</b>                                   |                  |               |               |                        |
| Taxes   | \$ 13,551,276    | \$ 13,603,452 | \$ 13,443,192 | \$ (160,260)           |
| State grants                                      | 200,513          | 200,513       | 145,734       | (54,779)               |
| Investment income                                 | 63,780           | 63,780        | 859,891       | 796,111                |
|   |                  |               |               |                        |
| Total revenues                                    | 13,815,569       | 13,867,745    | 14,448,817    | 581,072                |
| <b>Expenditures</b>                               |                  |               |               |                        |
| Public safety                                     | 13,040,998       | 13,932,517    | 13,858,857    | (73,660)               |
|   |                  |               |               |                        |
| Excess of revenues (deficiency) over expenditures | 774,571          | (64,772)      | 589,960       | 654,732                |
|   |                  |               |               |                        |
| Fund balance - beginning of year                  | 4,692,121        | 4,692,121     | 4,692,121     | -                      |
|   |                  |               |               |                        |
| Fund balance - end of year                        | \$ 5,466,692     | \$ 4,627,349  | \$ 5,282,081  | \$ 654,732             |

See Accompanying Notes to Required Supplementary Information

**City of Farmington Hills**  
**Required Supplementary Information**  
**Employees' Retirement System**  
**Schedule of the City's Proportionate Share of the Net Pension Liability**

| Fiscal year ended June 30,  | 2025          | 2024          | 2023          | 2022          | 2021          |
|---|---------------|---------------|---------------|---------------|---------------|
| City's proportion of the net pension liability (%)  | 95.80%        | 95.43%        | 96.47%        | 95.97%        | 95.78%        |
| City's proportionate share of the net pension liability   | \$ 73,275,837 | \$ 71,929,312 | \$ 63,709,201 | \$ 56,839,126 | \$ 25,804,703 |
| City's covered payroll  | \$ 33,120,716 | \$ 31,307,511 | \$ 20,528,927 | \$ 19,549,498 | \$ 19,720,115 |
| City's proportionate share of the net pension liability<br>as a percentage of its covered payroll | 221.24%       | 229.75%       | 310.35%       | 290.74%       | 130.85%       |
| Plan fiduciary net position as a percentage<br>of total pension liability                         | 71.45%        | 70.33%        | 72.50%        | 73.72%        | 87.74%        |

**City of Farmington Hills**  
**Required Supplementary Information**  
**Employees' Retirement System**  
**Schedule of the City's Proportionate Share of the Net Pension Liability**

| Fiscal year ended June 30,  | 2020          | 2019          | 2018          | 2017*         | 2016          |
|---|---------------|---------------|---------------|---------------|---------------|
| City's proportion of the net pension liability (%)  | 95.58%        | 95.43%        | 95.43%        | 95.26%        | 95.78%        |
| City's proportionate share of the net pension liability   | \$ 60,395,617 | \$ 50,973,877 | \$ 39,249,558 | \$ 37,396,907 | \$ 38,326,411 |
| City's covered payroll  | \$ 18,994,170 | \$ 19,118,157 | \$ 19,121,057 | \$ 19,032,521 | \$ 19,018,880 |
| City's proportionate share of the net pension liability<br>as a percentage of its covered payroll | 317.97%       | 266.63%       | 205.27%       | 196.49%       | 201.52%       |
| Plan fiduciary net position as a percentage<br>of total pension liability                         | 70.71%        | 74.55%        | 79.10%        | 79.21%        | 77.51%        |

\*The June 30, 2016 total pension liability was restated in the June 30, 2017 actuarial valuation to include the retiree healthcare opt-out stipend payments

**City of Farmington Hills**  
**Required Supplementary Information**  
**Employees' Retirement System of Michigan**  
**Schedule of Employer Contributions**

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| Fiscal Year<br>Ended | Actuarially<br>Determined<br>Contribution | Actual<br>Contribution | Contribution<br>Deficiency<br>(Excess) | Covered<br>Payroll | Actual<br>Contribution<br>as a % of<br>Covered Payroll |
|----------------------|---|------------------------|--|--------------------|--|
| 2016                 | \$ 4,511,908                              | \$ 4,511,908           | \$ -                                   | \$ 19,018,880      | 23.72%   |
| 2017                 | 4,487,059                                 | 4,487,059              | -                                      | 19,032,521         | 23.58%   |
| 2018                 | 5,107,572                                 | 5,490,506              | (382,934)                              | 19,121,057         | 28.71%   |
| 2019                 | 5,314,161                                 | 5,499,052              | (184,891)                              | 19,118,157         | 28.76%   |
| 2020                 | 5,665,884                                 | 5,665,884              | -                                      | 18,994,170         | 29.83%   |
| 2021                 | 6,397,376                                 | 6,397,376              | -                                      | 19,720,476         | 32.44%   |
| 2022                 | 6,890,885                                 | 6,890,885              | -                                      | 19,549,498         | 35.25%   |
| 2023                 | 6,747,849                                 | 6,747,860              | (11)                                   | 20,528,927         | 32.87%   |
| 2024                 | 7,164,736                                 | 7,164,736              | -                                      | 31,307,511         | 22.89%   |
| 2025                 | 9,379,075                                 | 9,379,075              | -                                      | 33,120,716         | 28.32%   |

See Accompanying Notes to Required Supplementary Information

**City of Farmington Hills**  
**Required Supplementary Information**  
**Employees' Retirement System**  
**Schedule of Investment Returns**

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| Fiscal Year<br>Ended<br>June 30, | Annual<br>Return* |
|----------------------------------|-------------------|
| 2016                             | (1.80)%           |
| 2017                             | 12.30%            |
| 2018                             | 7.26%             |
| 2019                             | 3.64%             |
| 2020                             | 1.36%             |
| 2021                             | 32.20%            |
| 2022                             | (9.87)%           |
| 2023                             | 8.11%             |
| 2024                             | 8.15%             |
| 2025                             | 9.62%             |

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

**City of Farmington Hills**  
**Required Supplementary Information**  
**Other Postemployment Benefits**  
**Schedule of the City's Proportionate Share of the Net OPEB Liability (Asset)**

| Fiscal year ended June 30,   | 2025            | 2024            | 2023           | 2022           |
|--|-----------------|-----------------|----------------|----------------|
| City's proportion of the net OPEB liability (%)  | 98.60%          | 98.03%          | 85.83%         | 85.83%         |
| City's proportionate share of the net OPEB liability (asset)   | \$ (15,009,221) | \$ (10,793,766) | \$ (7,642,629) | \$ (5,633,957) |
| City's covered payroll   | N/A             | N/A             | N/A            | N/A            |
| City's proportionate share of the net OPEB liability (asset)<br>as a percentage of its covered payroll | N/A             | N/A             | N/A            | N/A            |
| Plan fiduciary net position as a percentage<br>of total OPEB liability                                 | 117.37%         | 112.90%         | 110.69%        | 108.08%        |

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

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

Note: OPEB contributions are not based on a measure of pay and, therefore, covered payroll information has been omitted in accordance with GASB Statement No. 85.



**City of Farmington Hills**  
**Required Supplementary Information**  
**Other Postemployment Benefits**  
**Schedule of the City's Proportionate Share of the Net OPEB Liability (Asset)**

| Fiscal year ended June 30,   | 2021            | 2020         | 2019         | 2018           | 2017           |
|--|-----------------|--------------|--------------|----------------|----------------|
| City's proportion of the net OPEB liability (%)  | 93.30%          | 93.05%       | 92.51%       | 92.51%         | 95.95%         |
| City's proportionate share of the net OPEB liability (asset)   | \$ (20,484,443) | \$ 3,815,708 | \$ 1,330,769 | \$ (5,793,708) | \$ (4,878,157) |
| City's covered payroll   | N/A             | N/A          | N/A          | N/A            | N/A            |
| City's proportionate share of the net OPEB liability (asset)<br>as a percentage of its covered payroll | N/A             | N/A          | N/A          | N/A            | N/A            |
| Plan fiduciary net position as a percentage<br>of total OPEB liability                                 | 127.75%         | 95.00%       | 98.21%       | 108.83%        | 107.47%        |

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

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

Note: OPEB contributions are not based on a measure of pay and, therefore, covered payroll information has been omitted in accordance with GASB Statement No. 85.

**City of Farmington Hills**  
**Required Supplementary Information**  
**Other Postemployment Benefits**  
**Schedule of Employer Contributions**

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| Fiscal Year<br>Ending<br>June 30, | Actuarially<br>Determined<br>Contribution | Actual<br>Contribution | Contribution<br>Deficiency<br>(Excess) | Covered<br>Payroll | Actual<br>Contribution<br>as a % of<br>Covered Payroll |
|-----------------------------------|---|------------------------|--|--------------------|--|
| 2017                              | \$ 1,722,056                              | 1,722,056              | -                                      | N/A                | N/A  |
| 2018                              | 718,608                                   | 718,608                | -                                      | N/A                | N/A  |
| 2019                              | 710,062                                   | 710,062                | -                                      | N/A                | N/A  |
| 2020                              | 520,481                                   | 520,481                | -                                      | N/A                | N/A  |
| 2021                              | 504,451                                   | 504,451                | -                                      | N/A                | N/A  |
| 2022                              | 264,242                                   | 264,242                | -                                      | N/A                | N/A  |
| 2023                              | 244,802                                   | 244,802                | -                                      | N/A                | N/A  |
| 2024                              | 269,166                                   | 269,166                | -                                      | N/A                | N/A  |
| 2025                              | 242,536                                   | 242,536                | -                                      | N/A                | N/A  |

See Accompanying Notes to Required Supplementary Information

**City of Farmington Hills**  
**Required Supplementary Information**  
**Other Postemployment Benefits**  
**Schedule of Investment Returns**

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| Fiscal Year<br>Ended<br>June 30, | Annual<br>Return* |
|----------------------------------|-------------------|
| 2017                             | 11.90%            |
| 2018                             | 7.16%             |
| 2019                             | 3.66%             |
| 2020                             | 1.36%             |
| 2021                             | 32.62%            |
| 2022                             | (10.16)%          |
| 2023                             | 8.26%             |
| 2024                             | 8.28%             |
| 2025                             | 9.81%             |

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

**City of Farmington Hills**  
**Notes to the Required Supplementary Information**  
**June 30, 2025**

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**Pension Information**

**Notes to the Schedule of the City's Proportionate Share of the Net Pension Liability – Employees' Retirement System**

There were no changes in assumptions as of June 30, 2025.

There were no changes in assumptions as of June 30, 2024.

**Notes to the Schedule of Employer Contributions – Employees' Retirement System**

- Valuation date: June 30, 2024
- Actuarially determined contribution rates are calculated as of June 30 that is 12 months prior to the beginning of the fiscal year for which the contributions are presented.

Methods and assumptions used to determine contribution rates:

- Actuarial cost method: Entry age normal
- Amortization method: Closed, Level Percent-of-Payroll
- Remaining amortization period: Police and Fire employees: 20 years; General and Court employees: 16 years
- Asset valuation method: 5-year smoothed fair value
- Inflation: 2.5 percent
- Salary increase: 4.00 to 7.00 percent (general and court), 4.00 to 23.00 percent (police), 4.00 to 20.00 percent (fire).
- Investment rate of return: 7 percent net of pension plan investment expense, including inflation
- Mortality rates: General and Court: Pub-2010 and amount-weighted tables; Police and Fire: Pub-2010 headcount-weighted tables; All tables include future mortality improvements projected to 2025 using scale MP-2018.

**OPEB Information**

**Notes to the Schedule of the City's Proportionate Share of the Net OPEB Liability (Asset) – Other Postemployment Benefits**

There were no changes in assumptions as of June 30, 2025.

There were no changes in assumptions as of June 30, 2024.

**Notes to the Schedule of Employer Contributions – Other Postemployment Benefits**

- Valuation date for contributions: June 30, 2023
- Valuation date for liability: June 30, 2024
- Actuarially determined contribution rates are calculated as of June 30 that is 24 months prior to the beginning of the fiscal year for which the contributions are presented.

Methods and assumptions used to determine contribution rates:

- Actuarial cost method: Entry age normal
- Amortization method: Level dollar, closed
- Remaining amortization period: 12 years
- Asset valuation method: 5-year smoothed market value

**City of Farmington Hills**  
**Notes to the Required Supplementary Information**  
**June 30, 2025**

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- Healthcare cost trends: Pre-65 Initial trend of 7.25% gradually decreasing to an ultimate trend rate of 3.50% in year 15; Post-65 Initial trend of 6.50% gradually decreasing to an ultimate trend rate of 3.50% in year 15.
- Inflation: 2.5 percent
- Salary increase: 3.0 percent
- Investment rate of return: 7 percent net of pension plan investment expense, including inflation
- Mortality rates: General and Court: Pub-2010 amount-weighted tables; Police and Fire: Pub-2010 headcount-weighted; All tables include future mortality improvements projected to 2025 using scale MP-2018.

**City of Farmington Hills**  
**Other Supplementary Information**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2025**

Special Revenue Funds

|  | Community<br>Development<br>Block Grant | Nutrition Grant   | Forfeiture<br>Funds | Parks and<br>Recreation<br>Special Millage | MIDC Fund         | Opioid<br>Settlement -<br>General | Opioid<br>Settlement -<br>Special |
|--|---|-------------------|---------------------|--|-------------------|-----------------------------------|-----------------------------------|
| <b>Assets</b>  |   |                   |                     |  |                   |                                   |                                   |
| Cash and cash equivalents                              | \$ -                                    | \$ -              | \$ 162,495          | \$ 790,551                                 | \$ 87,992         | \$ 754,210                        | \$ 766,379                        |
| Investments  | -                                       | 51,237            | 1,459,897           | -  | -                 | -                                 | -                                 |
| Receivables  |   |                   |                     |  |                   |                                   |                                   |
| Accounts   | 7,215                                   | -                 | -                   | -  | -                 | 200,930                           | 1,410,691                         |
| Due from other units of government                     | 212,739                                 | 31,036            | -                   | -  | -                 | -                                 | -                                 |
| Due from other funds                                   | -                                       | 205,157           | 11,776              | -  | 182,083           | -                                 | -                                 |
|  | <u>-</u>                                | <u>205,157</u>    | <u>11,776</u>       | <u>-</u>                                   | <u>182,083</u>    | <u>-</u>                          | <u>-</u>                          |
| Total assets   | <u>\$ 219,954</u>                       | <u>\$ 287,430</u> | <u>\$ 1,634,168</u> | <u>\$ 790,551</u>                          | <u>\$ 270,075</u> | <u>\$ 955,140</u>                 | <u>\$ 2,177,070</u>               |
| <b>Liabilities</b>                                     |   |                   |                     |  |                   |                                   |                                   |
| Accounts payable                                       | \$ 163,185                              | \$ 34,211         | \$ 83,026           | \$ 178,258                                 | \$ 112,726        | -                                 | -                                 |
| Contracts payable - retainage                          | -                                       | -                 | -                   | -  | -                 | -                                 | -                                 |
| Due to other funds                                     | 33,063                                  | -                 | -                   | -  | -                 | -                                 | -                                 |
| Checks written against future deposits                 | 23,706                                  | 10,288            | -                   | -  | -                 | -                                 | -                                 |
| Unearned revenue                                       | -                                       | 242,931           | -                   | -  | 154,799           | -                                 | -                                 |
|  | <u>-</u>                                | <u>242,931</u>    | <u>-</u>            | <u>-</u>                                   | <u>154,799</u>    | <u>-</u>                          | <u>-</u>                          |
| Total liabilities                                      | <u>219,954</u>                          | <u>287,430</u>    | <u>83,026</u>       | <u>178,258</u>                             | <u>267,525</u>    | <u>-</u>                          | <u>-</u>                          |
| <b>Deferred inflows of resources</b>                   |   |                   |                     |  |                   |                                   |                                   |
| Unavailable revenue - receivables                      | -                                       | -                 | -                   | -  | -                 | 200,930                           | 1,410,691                         |
|  | <u>-</u>                                | <u>-</u>          | <u>-</u>            | <u>-</u>                                   | <u>-</u>          | <u>200,930</u>                    | <u>1,410,691</u>                  |
| <b>Fund balances</b>                                   |   |                   |                     |  |                   |                                   |                                   |
| Restricted for   |   |                   |                     |  |                   |                                   |                                   |
| Police and fire  | -                                       | -                 | 1,551,142           | -  | -                 | -                                 | -                                 |
| Parks and recreation                                   | -                                       | -                 | -                   | 612,293                                    | -                 | -                                 | -                                 |
| Health and welfare                                     | -                                       | -                 | -                   | -  | 2,550             | 754,210                           | 766,379                           |
| Assigned   |   |                   |                     |  |                   |                                   |                                   |
| Capital projects                                       | -                                       | -                 | -                   | -  | -                 | -                                 | -                                 |
| Debt service   | -                                       | -                 | -                   | -  | -                 | -                                 | -                                 |
|  | <u>-</u>                                | <u>-</u>          | <u>-</u>            | <u>-</u>                                   | <u>-</u>          | <u>-</u>                          | <u>-</u>                          |
| Total fund balances                                    | <u>-</u>                                | <u>-</u>          | <u>1,551,142</u>    | <u>612,293</u>                             | <u>2,550</u>      | <u>754,210</u>                    | <u>766,379</u>                    |
| Total liabilities, deferred inflows, and fund balances | <u>\$ 219,954</u>                       | <u>\$ 287,430</u> | <u>\$ 1,634,168</u> | <u>\$ 790,551</u>                          | <u>\$ 270,075</u> | <u>\$ 955,140</u>                 | <u>\$ 2,177,070</u>               |

**City of Farmington Hills**  
**Other Supplementary Information**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2025**

|  | Debt Service<br>Fund    | Capital<br>Projects Funds |                                       |                                    |   |
|--|-------------------------|---------------------------|---------------------------------------|------------------------------------|---|
|  | General Debt<br>Service | Capital<br>Improvement    | Golf Course<br>Capital<br>Improvement | Community<br>Center<br>Renovations | Total Nonmajor<br>Governmental<br>Funds |
| <b>Assets</b>  |                         |                           |                                       |                                    |   |
| Cash and cash equivalents                              | \$ -                    | \$ 9,750,757              | \$ 54                                 | \$ 114,491                         | \$ 12,426,929                           |
| Investments  | 30,125                  | 4,990,006                 | -                                     | 83,673                             | 6,614,938                               |
| Receivables  |                         |                           |                                       |                                    |   |
| Accounts   | -                       | 37,172                    | -                                     | -                                  | 1,656,008                               |
| Due from other units of government                     | -                       | -                         | -                                     | -                                  | 243,775                                 |
| Due from other funds                                   | 851,209                 | 429,067                   | -                                     | -                                  | 1,679,292                               |
|  |                         |                           |                                       |                                    |   |
| Total assets   | <u>\$ 881,334</u>       | <u>\$ 15,207,002</u>      | <u>\$ 54</u>                          | <u>\$ 198,164</u>                  | <u>\$ 22,620,942</u>                    |
|  |                         |                           |                                       |                                    |   |
| <b>Liabilities</b>                                     |                         |                           |                                       |                                    |   |
| Accounts payable                                       | \$ 33,152               | \$ 1,380,095              | \$ -                                  | \$ 19,881                          | \$ 2,004,534                            |
| Contracts payable - retainage                          | -                       | 266,669                   | -                                     | -                                  | 266,669                                 |
| Due to other funds                                     | -                       | -                         | -                                     | -                                  | 33,063                                  |
| Checks written against future deposits                 | 139,330                 | -                         | -                                     | -                                  | 173,324                                 |
| Unearned revenue                                       | -                       | -                         | -                                     | -                                  | 397,730                                 |
|  |                         |                           |                                       |                                    |   |
| Total liabilities                                      | <u>172,482</u>          | <u>1,646,764</u>          | <u>-</u>                              | <u>19,881</u>                      | <u>2,875,320</u>                        |
|  |                         |                           |                                       |                                    |   |
| <b>Deferred inflows of resources</b>                   |                         |                           |                                       |                                    |   |
| Unavailable revenue - receivables                      | -                       | -                         | -                                     | -                                  | 1,611,621                               |
|  |                         |                           |                                       |                                    |   |
| <b>Fund balances</b>                                   |                         |                           |                                       |                                    |   |
| Restricted for   |                         |                           |                                       |                                    |   |
| Police and fire  | -                       | -                         | -                                     | -                                  | 1,551,142                               |
| Parks and recreation                                   | -                       | -                         | -                                     | -                                  | 612,293                                 |
| Health and welfare                                     | -                       | -                         | -                                     | -                                  | 1,523,139                               |
| Assigned   |                         |                           |                                       |                                    |   |
| Capital projects                                       | -                       | 13,560,238                | 54                                    | 178,283                            | 13,738,575                              |
| Debt service   | 708,852                 | -                         | -                                     | -                                  | 708,852                                 |
|  |                         |                           |                                       |                                    |   |
| Total fund balances                                    | <u>708,852</u>          | <u>13,560,238</u>         | <u>54</u>                             | <u>178,283</u>                     | <u>18,134,001</u>                       |
|  |                         |                           |                                       |                                    |   |
| Total liabilities, deferred inflows, and fund balances | <u>\$ 881,334</u>       | <u>\$ 15,207,002</u>      | <u>\$ 54</u>                          | <u>\$ 198,164</u>                  | <u>\$ 22,620,942</u>                    |

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

|  | Special Revenue Funds                   |                 |                  |  |           |                                   |                                   |
|--|---|-----------------|------------------|--|-----------|-----------------------------------|-----------------------------------|
|  | Community<br>Development<br>Block Grant | Nutrition Grant | Forfeiture Funds | Parks and<br>Recreation<br>Special Millage | MIDC Fund | Opioid<br>Settlement -<br>General | Opioid<br>Settlement -<br>Special |
| <b>Revenues</b>                                      |   |                 |                  |  |           |                                   |                                   |
| Taxes  | \$ -                                    | \$ -            | \$ -             | \$ 2,010,990                               | \$ -      | \$ -                              | \$ -                              |
| Federal grants                                       | 402,028                                 | 184,733         | 135,589          | -  | -         | -                                 | -                                 |
| State grants   | -                                       | 94,167          | 50,755           | 56,826                                     | 526,301   | -                                 | -                                 |
| Local contributions                                  | -                                       | -               | -                | -  | 22,083    | -                                 | -                                 |
| Charges for services                                 | -                                       | -               | -                | -  | -         | -                                 | -                                 |
| Investment income                                    | -                                       | -               | 56,648           | 88,585                                     | 4,579     | -                                 | -                                 |
| Other revenue  | -                                       | 169,774         | -                | -  | -         | 754,210                           | 766,379                           |
| Total revenues                                       | 402,028                                 | 448,674         | 242,992          | 2,156,401                                  | 552,963   | 754,210                           | 766,379                           |
| <b>Expenditures</b>                                  |   |                 |                  |  |           |                                   |                                   |
| Current  |   |                 |                  |  |           |                                   |                                   |
| Public safety  | -                                       | -               | 107,818          | -  | -         | -                                 | -                                 |
| Health and welfare                                   | -                                       | -               | -                | -  | 710,413   | -                                 | -                                 |
| Community and economic development                   | 402,028                                 | -               | -                | -  | -         | -                                 | -                                 |
| Recreation and culture                               | -                                       | 518,264         | -                | -  | -         | -                                 | -                                 |
| Capital outlay                                       | -                                       | -               | 125              | 1,244,706                                  | -         | -                                 | -                                 |
| Debt service   |   |                 |                  |  |           |                                   |                                   |
| Principal retirement                                 | -                                       | -               | -                | -  | -         | -                                 | -                                 |
| Interest and fiscal charges                          | -                                       | -               | -                | -  | -         | -                                 | -                                 |
| Bond issuance costs                                  | -                                       | -               | -                | -  | -         | -                                 | -                                 |
| Total expenditures                                   | 402,028                                 | 518,264         | 107,943          | 1,244,706                                  | 710,413   | -                                 | -                                 |
| Excess (deficiency) of revenues<br>over expenditures | -                                       | (69,590)        | 135,049          | 911,695                                    | (157,450) | 754,210                           | 766,379                           |
| <b>Other financing sources (uses)</b>                |   |                 |                  |  |           |                                   |                                   |
| Transfers in   | -                                       | 69,590          | -                | -  | 160,000   | -                                 | -                                 |
| Transfers out  | -                                       | -               | -                | (1,307,852)                                | -         | -                                 | -                                 |
| Issuance of debt                                     | -                                       | -               | -                | -  | -         | -                                 | -                                 |
| Premium on issuance of debt                          | -                                       | -               | -                | -  | -         | -                                 | -                                 |
| Total other financing sources and uses               | -                                       | 69,590          | -                | (1,307,852)                                | 160,000   | -                                 | -                                 |
| Net change in fund balances                          | -                                       | -               | 135,049          | (396,157)                                  | 2,550     | 754,210                           | 766,379                           |
| Fund balances - beginning of year                    | -                                       | -               | 1,416,093        | 1,008,450                                  | -         | -                                 | -                                 |
| Fund balances - end of year                          | \$ -                                    | \$ -            | \$ 1,551,142     | \$ 612,293                                 | \$ 2,550  | \$ 754,210                        | \$ 766,379                        |



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

|  | Debt Service<br>Fund    | Capital Project<br>Funds |                                       |                                    |   |
|--|-------------------------|--------------------------|---------------------------------------|------------------------------------|---|
|  | General Debt<br>Service | Capital<br>Improvement   | Golf Course<br>Capital<br>Improvement | Community<br>Center<br>Renovations | Total Nonmajor<br>Governmental<br>Funds |
| <b>Revenues</b>                                      |                         |                          |                                       |                                    |   |
| Taxes  | \$ -                    | \$ 6,380                 | \$ -                                  | \$ -                               | \$ 2,017,370                            |
| Federal grants                                       | -                       | -                        | -                                     | -                                  | 722,350                                 |
| State grants   | -                       | -                        | -                                     | -                                  | 728,049                                 |
| Local contributions                                  | -                       | 429,067                  | -                                     | -                                  | 451,150                                 |
| Charges for services                                 | -                       | -                        | 15                                    | -                                  | 15                                      |
| Investment income                                    | 1,467                   | 335,827                  | -                                     | 6,085                              | 493,191                                 |
| Other revenue  | 77,104                  | -                        | -                                     | -                                  | 1,767,467                               |
| Total revenues                                       | 78,571                  | 771,274                  | 15                                    | 6,085                              | 6,179,592                               |
| <b>Expenditures</b>                                  |                         |                          |                                       |                                    |   |
| Current  |                         |                          |                                       |                                    |   |
| Public safety  | -                       | -                        | -                                     | -                                  | 107,818                                 |
| Health and welfare                                   | -                       | -                        | -                                     | -                                  | 710,413                                 |
| Community and economic development                   | -                       | -                        | -                                     | -                                  | 402,028                                 |
| Recreation and culture                               | -                       | -                        | -                                     | -                                  | 518,264                                 |
| Capital outlay                                       | -                       | 11,501,481               | -                                     | 100,222                            | 12,846,534                              |
| Debt service   |                         |                          |                                       |                                    |   |
| Principal retirement                                 | 1,880,000               | -                        | -                                     | -                                  | 1,880,000                               |
| Interest and fiscal charges                          | 917,825                 | -                        | -                                     | -                                  | 917,825                                 |
| Bond issuance costs                                  | 33,652                  | 67,275                   | -                                     | -                                  | 100,927                                 |
| Total expenditures                                   | 2,831,477               | 11,568,756               | -                                     | 100,222                            | 17,483,809                              |
| Excess (deficiency) of revenues<br>over expenditures | (2,752,906)             | (10,797,482)             | 15                                    | (94,137)                           | (11,304,217)                            |
| <b>Other financing sources (uses)</b>                |                         |                          |                                       |                                    |   |
| Transfers in   | 3,404,836               | 5,800,000                | -                                     | -                                  | 9,434,426                               |
| Transfers out  | -                       | -                        | -                                     | -                                  | (1,307,852)                             |
| Issuance of debt                                     | -                       | 7,475,000                | -                                     | -                                  | 7,475,000                               |
| Premium on issuance of debt                          | -                       | 591,756                  | -                                     | -                                  | 591,756                                 |
| Total other financing sources and uses               | 3,404,836               | 13,866,756               | -                                     | -                                  | 16,193,330                              |
| Net change in fund balances                          | 651,930                 | 3,069,274                | 15                                    | (94,137)                           | 4,889,113                               |
| Fund balances - beginning of year                    | 56,922                  | 10,490,964               | 39                                    | 272,420                            | 13,244,888                              |
| Fund balances - end of year                          | \$ 708,852              | \$ 13,560,238            | \$ 54                                 | \$ 178,283                         | \$ 18,134,001                           |

**City of Farmington Hills**  
**Other Supplementary Information**  
**Budgetary Comparison Schedule**  
**Community Development Block Grant Fund**  
**For the Year Ended June 30, 2025**

|   | Budgeted Amounts |               |             | Actual<br>Over (Under)<br>Final<br>Budget |
|---|------------------|---------------|-------------|---|
|   | Original         | Final         | Actual      |   |
| <b>Revenues</b>                                   |                  |               |             |   |
| Federal grants                                    | \$ 453,000       | \$ 577,950    | \$ 402,028  | \$ (175,922)                              |
| Investment income                                 | 50               | 50            | -           | (50)                                      |
|   |                  |               |             |   |
| Total revenues                                    | 453,050          | 578,000       | 402,028     | (175,972)                                 |
| <b>Expenditures</b>                               |                  |               |             |   |
| Community and economic development                | 452,950          | 577,900       | 402,028     | (175,872)                                 |
|   |                  |               |             |   |
| Excess of revenues (deficiency) over expenditures | 100              | 100           | -           | (100)                                     |
|   |                  |               |             |   |
| Fund balance - beginning of year                  | -                | -             | -           | -   |
|   |                  |               |             |   |
| Fund balance - end of year                        | <u>\$ 100</u>    | <u>\$ 100</u> | <u>\$ -</u> | <u>\$ (100)</u>                           |

**City of Farmington Hills**  
**Other Supplementary Information**  
**Budgetary Comparison Schedule**  
**Nutrition Grant Fund**  
**For the Year Ended June 30, 2025**

|   | Budgeted Amounts   |                    |                | Actual<br>Over (Under)<br>Final<br>Budget |
|---|--------------------|--------------------|----------------|---|
|   | Original           | Final              | Actual         |   |
| <b>Revenues</b>                                   |                    |                    |                |   |
| Federal grants                                    | \$ 286,722         | \$ 286,722         | \$ 184,733     | \$ (101,989)                              |
| State grants                                      | -                  | -                  | 94,167         | 94,167                                    |
| Investment income                                 | 5,000              | 5,000              | -              | (5,000)                                   |
| Other revenue                                     | 120,834            | 120,834            | 169,774        | 48,940                                    |
|   | <u>412,556</u>     | <u>412,556</u>     | <u>448,674</u> | <u>36,118</u>                             |
| Total revenues                                    |                    |                    |                |   |
| <b>Expenditures</b>                               |                    |                    |                |   |
| Recreation and culture                            | 513,365            | 513,365            | 518,264        | 4,899                                     |
|   | <u>513,365</u>     | <u>513,365</u>     | <u>518,264</u> | <u>4,899</u>                              |
| Excess of revenues (deficiency) over expenditures | (100,809)          | (100,809)          | (69,590)       | 31,219                                    |
| <b>Other financing sources (uses)</b>             |                    |                    |                |   |
| Transfers in                                      | 68,951             | 68,951             | 69,590         | 639                                       |
|   | <u>68,951</u>      | <u>68,951</u>      | <u>69,590</u>  | <u>639</u>                                |
| Net change in fund balance                        | (31,858)           | (31,858)           | -              | 31,858                                    |
| Fund balance - beginning of year                  | -                  | -                  | -              | -   |
| Fund balance (deficit) - end of year              | <u>\$ (31,858)</u> | <u>\$ (31,858)</u> | <u>\$ -</u>    | <u>\$ 31,858</u>                          |

**City of Farmington Hills**  
**Other Supplementary Information**  
**Budgetary Comparison Schedule**  
**Forfeiture Funds**  
**For the Year Ended June 30, 2025**

|   | Budgeted Amounts |              |              | Actual<br>Over (Under)<br>Final<br>Budget |
|---|------------------|--------------|--------------|---|
|   | Original         | Final        | Actual       |   |
| <b>Revenues</b>                                   |                  |              |              |   |
| Federal grants                                    | \$ -             | \$ 37,097    | \$ 135,589   | \$ 98,492                                 |
| State grants                                      | -                | 31,574       | 50,755       | 19,181                                    |
| Investment income                                 | 13,588           | 16,425       | 56,648       | 40,223                                    |
|   |                  |              |              |   |
| Total revenues                                    | 13,588           | 85,096       | 242,992      | 157,896                                   |
|   |                  |              |              |   |
| <b>Expenditures</b>                               |                  |              |              |   |
| Public safety                                     | 191,345          | 109,641      | 107,818      | (1,823)                                   |
|   |                  |              |              |   |
| Excess of revenues (deficiency) over expenditures | (177,757)        | (24,545)     | 135,049      | 159,594                                   |
|   |                  |              |              |   |
| Fund balance - beginning of year                  | 1,416,093        | 1,416,093    | 1,416,093    | -   |
|   |                  |              |              |   |
| Fund balance - end of year                        | \$ 1,238,336     | \$ 1,391,548 | \$ 1,551,142 | \$ 159,594                                |

**City of Farmington Hills**  
**Other Supplementary Information**  
**Budgetary Comparison Schedule**  
**Parks and Recreation Special Millage Fund**  
**For the Year Ended June 30, 2025**

|   | Budgeted Amounts  |                   |                   | Actual<br>Over (Under)<br>Final<br>Budget |
|---|-------------------|-------------------|-------------------|---|
|   | Original          | Final             | Actual            |   |
| <b>Revenues</b>                                   |                   |                   |                   |   |
| Taxes   | \$ 2,035,038      | \$ 2,034,942      | \$ 2,010,990      | \$ (23,952)                               |
| State grants                                      | 53,528            | 53,823            | 56,826            | 3,003                                     |
| Investment income                                 | 61,812            | 112,278           | 88,585            | (23,693)                                  |
|   |                   |                   |                   |   |
| Total revenues                                    | 2,150,378         | 2,201,043         | 2,156,401         | (44,642)                                  |
|   |                   |                   |                   |   |
| <b>Expenditures</b>                               |                   |                   |                   |   |
| Capital outlay                                    | 1,080,300         | 1,673,062         | 1,244,706         | (428,356)                                 |
|   |                   |                   |                   |   |
| Excess of revenues (deficiency) over expenditures | 1,070,078         | 527,981           | 911,695           | 383,714                                   |
|   |                   |                   |                   |   |
| <b>Other financing sources (uses)</b>             |                   |                   |                   |   |
| Transfers out                                     | (1,307,850)       | (1,307,850)       | (1,307,852)       | (2)                                       |
|   |                   |                   |                   |   |
| Net change in fund balance                        | (237,772)         | (779,869)         | (396,157)         | 383,712                                   |
|   |                   |                   |                   |   |
| Fund balance - beginning of year                  | 1,008,450         | 1,008,450         | 1,008,450         | -   |
|   |                   |                   |                   |   |
| Fund balance - end of year                        | <u>\$ 770,678</u> | <u>\$ 228,581</u> | <u>\$ 612,293</u> | <u>\$ 383,712</u>                         |

**City of Farmington Hills**  
**Other Supplementary Information**  
**Budgetary Comparison Schedule**  
**MIDC Fund**  
**For the Year Ended June 30, 2025**

|   | Budgeted Amounts |            |            | Actual<br>Over (Under)<br>Final<br>Budget |
|---|------------------|------------|------------|---|
|   | Original         | Final      | Actual     |   |
| <b>Revenues</b>                                   |                  |            |            |   |
| State grants                                      | \$ 742,642       | \$ 729,535 | \$ 526,301 | \$ (203,234)                              |
| Local contributions                               | 22,083           | 22,083     | 22,083     | -   |
| Investment income                                 | 1,000            | 2,000      | 4,579      | 2,579                                     |
|   |                  |            |            |   |
| Total revenues                                    | 765,725          | 753,618    | 552,963    | (200,655)                                 |
|   |                  |            |            |   |
| <b>Expenditures</b>                               |                  |            |            |   |
| Current   |                  |            |            |   |
| Health and welfare                                | 765,725          | 753,618    | 710,413    | (43,205)                                  |
|   |                  |            |            |   |
| Excess of revenues (deficiency) over expenditures | -                | -          | (157,450)  | (157,450)                                 |
|   |                  |            |            |   |
| <b>Other financing sources (uses)</b>             |                  |            |            |   |
| Transfers in                                      | -                | -          | 160,000    | 160,000                                   |
|   |                  |            |            |   |
| Net change in fund balance                        | -                | -          | 2,550      | 2,550                                     |
|   |                  |            |            |   |
| Fund balance - beginning of year                  | -                | -          | -          | -   |
|   |                  |            |            |   |
| Fund balance - end of year                        | \$ -             | \$ -       | \$ 2,550   | \$ 2,550                                  |

**City of Farmington Hills**  
**Other Supplementary Information**  
**Budgetary Comparison Schedule**  
**Opioid Settlement - General Fund**  
**For the Year Ended June 30, 2025**

|                                  | Budgeted Amounts |       |            | Actual<br>Over (Under)<br>Final<br>Budget |
|----------------------------------|------------------|-------|------------|---|
|                                  | Original         | Final | Actual     |   |
| <b>Revenues</b>                  |                  |       |            |   |
| Other revenue                    | \$ -             | \$ -  | \$ 754,210 | \$ 754,210                                |
| <b>Expenditures</b>              |                  |       |            |   |
|                                  | -                | -     | -          | -   |
| Net change in fund balance       | -                | -     | 754,210    | 754,210                                   |
| Fund balance - beginning of year | -                | -     | -          | -   |
| Fund balance - end of year       | \$ -             | \$ -  | \$ 754,210 | \$ 754,210                                |

**City of Farmington Hills**  
**Other Supplementary Information**  
**Budgetary Comparison Schedule**  
**Opioid Settlement - Special Fund**  
**For the Year Ended June 30, 2025**

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|                                  | Budgeted Amounts |             |                   | Actual<br>Over (Under)<br>Final<br>Budget |
|----------------------------------|------------------|-------------|-------------------|---|
|                                  | Original         | Final       | Actual            |   |
| <b>Revenues</b>                  |                  |             |                   |   |
| Other revenue                    | \$ -             | \$ -        | \$ 766,379        | \$ 766,379                                |
| <b>Expenditures</b>              |                  |             |                   |   |
|                                  | -                | -           | -                 | -   |
| Net change in fund balance       | -                | -           | 766,379           | 766,379                                   |
| Fund balance - beginning of year | -                | -           | -                 | -   |
| Fund balance - end of year       | <u>\$ -</u>      | <u>\$ -</u> | <u>\$ 766,379</u> | <u>\$ 766,379</u>                         |



**City of Farmington Hills**  
**Other Supplementary Information**  
**Budgetary Comparison Schedule**  
**General Debt Service Fund**  
**For the Year Ended June 30, 2025**

|   | Budgeted Amounts  |                   |                   | Actual<br>Over (Under)<br>Final<br>Budget |
|---|-------------------|-------------------|-------------------|---|
|   | Original          | Final             | Actual            |   |
| <b>Revenues</b>                                   |                   |                   |                   |   |
| Investment income                                 | \$ 200            | \$ 200            | \$ 1,467          | \$ 1,267                                  |
| Other revenue                                     | 50,000            | 50,000            | 77,104            | 27,104                                    |
| Total revenues                                    | 50,200            | 50,200            | 78,571            | 28,371                                    |
| <b>Expenditures</b>                               |                   |                   |                   |   |
| Debt service                                      |                   |                   |                   |   |
| Principal retirement                              | 1,880,000         | 1,880,000         | 1,880,000         | -   |
| Interest and fiscal charges                       | 918,825           | 918,825           | 917,825           | (1,000)                                   |
| Bond issuance costs                               | 405,544           | 405,544           | 33,652            | (371,892)                                 |
| Total expenditures                                | 3,204,369         | 3,204,369         | 2,831,477         | (372,892)                                 |
| Excess of revenues (deficiency) over expenditures | (3,154,169)       | (3,154,169)       | (2,752,906)       | 401,263                                   |
| <b>Other financing sources (uses)</b>             |                   |                   |                   |   |
| Transfers in                                      | 3,404,836         | 3,404,836         | 3,404,836         | -   |
| Net change in fund balance                        | 250,667           | 250,667           | 651,930           | 401,263                                   |
| Fund balance - beginning of year                  | 56,922            | 56,922            | 56,922            | -   |
| Fund balance - end of year                        | <u>\$ 307,589</u> | <u>\$ 307,589</u> | <u>\$ 708,852</u> | <u>\$ 401,263</u>                         |

**City of Farmington Hills**  
**Other Supplementary Information**  
**Budgetary Comparison Schedule**  
**Capital Improvement Fund**  
**For the Year Ended June 30, 2025**

|   | Budgeted Amounts     |                     |                      | Actual<br>Over (Under)<br>Final<br>Budget |
|---|----------------------|---------------------|----------------------|---|
|   | Original             | Final               | Actual               |   |
| <b>Revenues</b>                                   |                      |                     |                      |   |
| Taxes   | \$ -                 | \$ -                | \$ 6,380             | \$ 6,380                                  |
| Local contributions                               | 100,000              | 3,100,000           | 429,067              | (2,670,933)                               |
| Investment income                                 | 500,000              | 500,000             | 335,827              | (164,173)                                 |
|   |                      |                     |                      |   |
| Total revenues                                    | 600,000              | 3,600,000           | 771,274              | (2,828,726)                               |
|   |                      |                     |                      |   |
| <b>Expenditures</b>                               |                      |                     |                      |   |
| Capital outlay                                    | 10,276,000           | 23,205,373          | 11,501,481           | (11,703,892)                              |
|   |                      |                     |                      |   |
| Excess of revenues (deficiency) over expenditures | (9,676,000)          | (19,605,373)        | (10,797,482)         | 8,807,891                                 |
|   |                      |                     |                      |   |
| <b>Other financing sources (uses)</b>             |                      |                     |                      |   |
| Transfers in                                      | 5,800,000            | 5,800,000           | 5,800,000            | -   |
|   |                      |                     |                      |   |
| Net change in fund balance                        | 3,719,000            | (6,210,373)         | 3,069,274            | 9,279,647                                 |
|   |                      |                     |                      |   |
| Fund balance - beginning of year                  | 10,490,964           | 10,490,964          | 10,490,964           | -   |
|   |                      |                     |                      |   |
| Fund balance - end of year                        | <u>\$ 14,209,964</u> | <u>\$ 4,280,591</u> | <u>\$ 13,560,238</u> | <u>\$ 9,279,647</u>                       |

**City of Farmington Hills**  
**Other Supplementary Information**  
**Budgetary Comparison Schedule**  
**Golf Course Capital Improvement Fund**  
**For the Year Ended June 30, 2025**

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|   | Budgeted Amounts |              | Actual       | Actual<br>Over (Under)<br>Final<br>Budget |
|---|------------------|--------------|--------------|---|
|   | Original         | Final        |              |   |
| <b>Revenues</b>                                   |                  |              |              |   |
| Charges for services                              | \$ -             | \$ -         | \$ 15        | \$ 15                                     |
| <b>Expenditures</b>                               | -                | -            | -            | -   |
| Excess of revenues (deficiency) over expenditures | -                | -            | 15           | 15  |
| Fund balance - beginning of year                  | 39               | 39           | 39           | -   |
| Fund balance - end of year                        | <u>\$ 39</u>     | <u>\$ 39</u> | <u>\$ 54</u> | <u>\$ 15</u>                              |

**City of Farmington Hills**  
**Other Supplementary Information**  
**Budgetary Comparison Schedule**  
**Community Center Renovations Fund**  
**For the Year Ended June 30, 2025**

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|                                  | Budgeted Amounts |            | Actual     | Actual<br>Over (Under)<br>Final<br>Budget |
|----------------------------------|------------------|------------|------------|---|
|                                  | Original         | Final      |            |   |
| <b>Revenues</b>                  |                  |            |            |   |
| Investment income                | \$ 30,000        | \$ 30,000  | \$ 6,085   | \$ (23,915)                               |
| <b>Expenditures</b>              |                  |            |            |   |
| Capital outlay                   | 90,000           | 145,928    | 100,222    | (45,706)                                  |
| Net change in fund balance       | (60,000)         | (115,928)  | (94,137)   | 21,791                                    |
| Fund balance - beginning of year | 272,420          | 272,420    | 272,420    | -   |
| Fund balance - end of year       | \$ 212,420       | \$ 156,492 | \$ 178,283 | \$ 21,791                                 |

## **City of Farmington Hills**

### **Description of Statistical Section**

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This part of the City of Farmington Hills' Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplemental information says about the City's overall financial health. Many of the schedules present data for the past fiscal years that will allow the reader to discern trends that cannot be seen in a single year's financial statements.

#### **Contents**

##### **Financial Trends:**

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

##### **Revenue Capacity:**

These schedules contain information to help the reader assess the factors affecting the City's ability to generate its main income source - property taxes.

##### **Debt Capacity:**

These schedules present information to help the reader assess the affordability of the City's current level of outstanding debt and the ability to issue additional debt in the future.

##### **Demographic Information:**

These schedules present various demographic and economic indicators for the reader to understand the environment within the City that affects the City's financial statements.

##### **Operating Information:**

These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.

#### **Sources**

Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

**City of Farmington Hills**  
**Net Position by Component**  
**Last Ten Fiscal Years**  
**(Unaudited)**

|                                     | 2016                  | 2017                  | 2018                  | 2019                  | 2020                  | 2021                  | 2022                  | 2023                  | * 2024                | 2025                  |
|-------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| <b>Governmental Activities:</b>     |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Net investment in capital assets    | \$ 136,304,301        | \$ 140,687,061        | \$ 142,784,702        | \$ 152,362,081        | \$ 172,734,509        | \$ 189,055,502        | \$ 198,014,183        | \$ 202,562,652        | \$ 222,696,820        | \$ 228,429,276        |
| Restricted                          | 17,383,179            | 25,378,243            | 27,368,668            | 14,735,839            | 9,572,011             | 15,291,028            | 26,870,546            | 38,125,414            | 46,021,550            | 62,936,859            |
| Unrestricted                        | 5,341,244             | (914,254)             | 5,817,769             | (2,327,893)           | (4,906,858)           | 6,839,971             | 6,714,540             | 11,972,365            | 6,615,550             | 4,499,802             |
| Total net position                  | <u>\$ 159,028,724</u> | <u>\$ 165,151,050</u> | <u>\$ 175,971,139</u> | <u>\$ 164,770,027</u> | <u>\$ 177,399,662</u> | <u>\$ 211,186,501</u> | <u>\$ 231,599,269</u> | <u>\$ 252,660,431</u> | <u>\$ 275,333,920</u> | <u>\$ 295,865,937</u> |
| <b>Business-type Activities:</b>    |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Net investment in capital assets    | \$ 72,467,388         | \$ 66,261,936         | \$ 66,690,516         | \$ 66,301,953         | \$ 68,910,061         | \$ 70,436,527         | \$ 72,709,369         | \$ 78,773,242         | \$ 81,430,907         | \$ 85,074,785         |
| Unrestricted                        | 67,206,707            | 75,685,405            | 77,017,904            | 78,451,561            | 76,963,942            | 74,991,278            | 71,512,451            | 65,525,528            | 61,327,071            | 59,575,529            |
| Total net position                  | <u>\$ 139,674,095</u> | <u>\$ 141,947,341</u> | <u>\$ 143,708,420</u> | <u>\$ 144,753,514</u> | <u>\$ 145,874,003</u> | <u>\$ 145,427,805</u> | <u>\$ 144,221,820</u> | <u>\$ 144,298,770</u> | <u>\$ 142,757,978</u> | <u>\$ 144,650,314</u> |
| <b>Primary Government in Total:</b> |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Net investment in capital assets    | \$ 208,771,689        | \$ 206,948,997        | \$ 209,475,218        | \$ 218,664,034        | \$ 241,644,570        | \$ 259,492,029        | \$ 270,723,552        | \$ 281,335,894        | \$ 304,127,727        | \$ 313,504,061        |
| Restricted                          | 17,383,179            | 25,378,243            | 27,368,668            | 14,735,839            | 9,572,011             | 15,291,028            | 26,870,546            | 38,125,414            | 46,021,550            | 62,936,859            |
| Unrestricted                        | 72,547,951            | 74,771,151            | 82,835,673            | 76,123,668            | 72,057,084            | 81,831,249            | 78,226,991            | 77,497,893            | 67,942,621            | 64,075,331            |
| Total net position                  | <u>\$ 298,702,819</u> | <u>\$ 307,098,391</u> | <u>\$ 319,679,559</u> | <u>\$ 309,523,541</u> | <u>\$ 323,273,665</u> | <u>\$ 356,614,306</u> | <u>\$ 375,821,089</u> | <u>\$ 396,959,201</u> | <u>\$ 418,091,898</u> | <u>\$ 440,516,251</u> |

\* GASB 101 was implemented in 2025, the 2024 column has not been restated to reflect this change.

**City of Farmington Hills**  
**Changes in Governmental Net Position**  
**Last Ten Fiscal Years**  
**(Unaudited)**

|  | 2016                | 2017                 | 2018                | 2019                   | 2020                 | 2021                 | 2022                 | 2023                 | * 2024               | 2025                 |
|--|---------------------|----------------------|---------------------|------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>Expenses:</b>                               |                     |                      |                     |                        |                      |                      |                      |                      |                      |                      |
| General government                             | \$ 16,208,153       | \$ 12,966,197        | \$ 15,467,484       | \$ 17,593,114          | \$ 16,985,367        | \$ 10,616,854        | \$ 17,807,296        | \$ 17,441,760        | \$ 19,352,967        | \$ 18,236,665        |
| Public safety                                  | 31,598,884          | 32,569,828           | 33,101,621          | 38,570,736             | 37,350,515           | 30,488,230           | 35,374,948           | 41,650,599           | 40,738,209           | 45,522,780           |
| Public services                                | 19,333,197          | 20,560,119           | 20,309,790          | 27,456,946             | 21,949,505           | 21,792,879           | 21,642,494           | 27,687,683           | 28,927,939           | 29,474,568           |
| Health and Welfare                             | -                   | -                    | -                   | -                      | -                    | -                    | 199,574              | 359,628              | 499,463              | 733,972              |
| Community and economic development             | 2,175,213           | 1,938,615            | 1,995,922           | 1,925,343              | 1,970,504            | 2,550,617            | 2,182,133            | 2,754,805            | 2,165,107            | 895,308              |
| Recreation and culture                         | 9,000,976           | 8,990,365            | 9,769,002           | 8,664,042              | 9,436,459            | 9,703,991            | 14,302,545           | 15,919,670           | 15,094,522           | 20,167,779           |
| Interest on long-term debt                     | 499,969             | 571,203              | 521,785             | 470,284                | 1,191,147            | 918,731              | 785,557              | 687,530              | 965,100              | 1,112,310            |
| Total expenses                                 | 78,816,392          | 77,596,327           | 81,165,604          | 94,680,465             | 88,883,497           | 76,071,302           | 92,294,547           | 106,501,675          | 107,743,307          | 116,143,382          |
| <b>Program revenues:</b>                       |                     |                      |                     |                        |                      |                      |                      |                      |                      |                      |
| Charges for services                           |                     |                      |                     |                        |                      |                      |                      |                      |                      |                      |
| General government                             | 5,623,842           | 5,825,246            | 5,248,109           | 7,827,566              | 7,273,250            | 6,989,875            | 7,213,066            | 7,114,125            | 7,327,987            | 9,285,791            |
| Public safety                                  | 2,098,423           | 2,170,085            | 2,070,345           | 2,332,747              | 2,645,120            | 2,181,621            | 2,570,605            | 3,007,330            | 3,360,550            | 3,813,437            |
| Public services                                | 2,135,470           | 2,046,939            | 2,174,599           | 3,809,043              | 3,285,783            | 2,796,015            | 2,475,015            | 4,038,117            | 3,653,445            | 4,792,097            |
| Community & economic development               | 561,734             | 368,733              | 80,679              | -                      | -                    | -                    | -                    | -                    | -                    | -                    |
| Recreation and culture                         | 4,638,028           | 4,744,048            | 4,858,219           | 4,840,888              | 3,643,577            | 3,781,843            | 6,736,483            | 7,936,003            | 9,042,127            | 9,593,094            |
| Total charges for services                     | 15,057,497          | 15,155,051           | 14,431,951          | 18,810,244             | 16,847,730           | 15,749,354           | 18,995,169           | 22,095,575           | 23,384,109           | 27,484,419           |
| Operating grants and contributions             | 11,345,832          | 16,625,862           | 11,125,360          | 12,322,939             | 11,806,082           | 20,024,920           | 17,479,719           | 20,049,311           | 15,964,042           | 16,931,434           |
| Capital grants and contributions               | 148,957             | 175,637              | 851,238             | -                      | -                    | -                    | 7,635                | -                    | -                    | -                    |
| Total program revenue                          | 26,552,286          | 31,956,550           | 26,408,549          | 31,133,183             | 28,653,812           | 35,774,274           | 36,482,523           | 42,144,886           | 39,348,151           | 44,415,853           |
| <b>Excess of Expenses Over Program Revenue</b> | (52,264,106)        | (45,639,777)         | (54,757,055)        | (63,547,282)           | (60,229,685)         | (40,297,028)         | (55,812,024)         | (64,356,789)         | (68,395,156)         | (71,727,529)         |
| <b>General revenues:</b>                       |                     |                      |                     |                        |                      |                      |                      |                      |                      |                      |
| Property taxes                                 | 46,644,560          | 46,432,310           | 48,612,050          | 50,044,486             | 61,198,407           | 62,969,729           | 64,470,701           | 67,592,794           | 71,793,294           | 75,731,013           |
| State-shared revenues                          | 6,773,437           | 7,824,407            | 8,112,310           | 8,589,005              | 8,542,647            | 9,759,804            | 10,996,874           | 11,056,305           | 11,126,056           | 11,320,836           |
| Investment earnings                            | 718,517             | 518,714              | 879,918             | 1,872,340              | 2,206,577            | 600,963              | -                    | 6,333,121            | 7,106,339            | 6,685,993            |
| Gain (loss) on disposal                        | -                   | -                    | -                   | 144,963                | 157,129              | 160,606              | -                    | 140,958              | 173,787              | 127,796              |
| Special Items                                  | -                   | -                    | -                   | (8,982,681)            | -                    | -                    | -                    | -                    | -                    | -                    |
| Miscellaneous                                  | 3,107,106           | 2,625,365            | 3,113,354           | 680,257                | 754,560              | 438,153              | 780,305              | 294,773              | 869,169              | 560,344              |
| Total general revenues                         | 57,243,620          | 57,400,796           | 60,717,632          | 62,348,370             | 72,859,320           | 73,929,255           | 76,247,880           | 85,417,951           | 91,068,645           | 94,425,982           |
| <b>Transfers</b>                               | -                   | -                    | -                   | -                      | -                    | -                    | -                    | -                    | -                    | -                    |
| <b>Change in net position</b>                  | <u>\$ 4,979,514</u> | <u>\$ 11,761,019</u> | <u>\$ 5,960,577</u> | <u>\$ (11,198,912)</u> | <u>\$ 12,629,635</u> | <u>\$ 33,632,227</u> | <u>\$ 20,435,856</u> | <u>\$ 21,061,162</u> | <u>\$ 22,673,489</u> | <u>\$ 22,698,453</u> |

Source: Annual financial statements

\* GASB 101 was implemented in 2025, the 2024 column has not been restated to reflect this change.

**City of Farmington Hills**  
**Changes in Business-type Net Position**  
**Last Ten Fiscal Years**  
**(Unaudited)**

|  | 2016                | 2017                 | 2018                | 2019                   | 2020                 | 2021                 | 2022                  | 2023                 | * 2024                | 2025                 |
|--|---------------------|----------------------|---------------------|------------------------|----------------------|----------------------|-----------------------|----------------------|-----------------------|----------------------|
| <b>Program Revenue</b>                                 |                     |                      |                     |                        |                      |                      |                       |                      |                       |                      |
| Water and sewer  | \$ 26,460,743       | \$ 27,747,324        | \$ 27,029,571       | \$ 29,546,893          | \$ 27,163,569        | \$ 30,238,018        | \$ 31,011,125         | \$ 34,313,232        | \$ 36,700,148         | \$ 38,091,848        |
| Capital grants and contributions                       | 265,413             | 847,316              | 2,204,688           | 713,391                | 1,182,295            | 2,083,715            | 1,227,275             | 1,467,055            | 283,185               | 219,450              |
| Total program revenue                                  | 26,726,156          | 28,594,640           | 29,234,259          | 30,260,284             | 28,345,864           | 32,321,733           | 32,238,400            | 35,780,287           | 36,983,333            | 38,311,298           |
| <b>Operating Expenses</b>                              |                     |                      |                     |                        |                      |                      |                       |                      |                       |                      |
| Water and sewer  | 24,962,971          | 26,340,919           | 27,618,360          | 30,060,159             | 28,168,384           | 33,297,760           | 33,444,385            | 38,031,569           | 39,397,563            | 39,104,602           |
| Interest expense                                       | 426,514             | 556,588              | 781,888             | 980,526                | 747,083              | -                    | -                     | 381,016              | 570,808               | -                    |
| Total operating expenses                               | 25,389,485          | 26,897,507           | 28,400,248          | 31,040,685             | 28,915,467           | 33,297,760           | 33,444,385            | 38,412,585           | 39,968,371            | 39,104,602           |
| <b>Net (Expenses) Revenue</b>                          | 1,336,671           | 1,697,133            | 834,011             | (780,401)              | (569,603)            | (976,027)            | (1,205,985)           | (2,632,298)          | (2,985,038)           | (793,304)            |
| <b>General Revenue - Investment earnings and other</b> | 737,573             | 576,113              | 927,068             | 1,825,495              | 1,690,092            | 529,829              | -                     | 2,709,248            | 1,444,246             | 2,685,640            |
| <b>Transfers</b>                                       | -                   | -                    | -                   | -                      | -                    | -                    | -                     | -                    | -                     | -                    |
| <b>Total Change in Net Position</b>                    | <b>\$ 2,074,244</b> | <b>\$ 2,273,246</b>  | <b>\$ 1,761,079</b> | <b>\$ 1,045,094</b>    | <b>\$ 1,120,489</b>  | <b>\$ (446,198)</b>  | <b>\$ (1,205,985)</b> | <b>\$ 76,950</b>     | <b>\$ (1,540,792)</b> | <b>\$ 1,892,336</b>  |
| <b>Change in Net Position - Primary Government</b>     | <b>\$ 7,053,758</b> | <b>\$ 14,034,265</b> | <b>\$ 7,721,656</b> | <b>\$ (10,153,818)</b> | <b>\$ 13,750,124</b> | <b>\$ 33,186,029</b> | <b>\$ 19,229,871</b>  | <b>\$ 21,138,112</b> | <b>\$ 21,132,697</b>  | <b>\$ 24,590,789</b> |

\* GASB 101 was implemented in 2025, the 2024 column has not been restated to reflect this change.



**City of Farmington Hills**  
**Fund Balances - Governmental Funds**  
**Last Ten Fiscal Years**  
**(Unaudited)**

|                                      | 2016                 | 2017                 | 2018                 | 2019                 | 2020                 | 2021                 | 2022                 | 2023                 | 2024                 | 2025                 |
|--------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>General Fund:</b>                 |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Nonspendable                         | \$ 1,032,308         | \$ 983,364           | \$ 838,111           | \$ 867,649           | \$ 858,835           | \$ 304,826           | \$ 587,647           | \$ 240,863           | \$ 574,400           | \$ 719,500           |
| Restricted                           | -                    | -                    | -                    | -                    | -                    | -                    | -                    | 618,051              | 1,022,864            | 1,778,287            |
| Committed                            | 22,409               | 22,409               | 22,409               | -                    | -                    | -                    | -                    | -                    | -                    | -                    |
| Assigned                             | 16,409,880           | 17,599,194           | 19,224,548           | 20,714,136           | 18,207,555           | 19,711,996           | 11,072,450           | 4,490,061            | -                    | 4,039,609            |
| Unassigned                           | 13,418,341           | 14,558,909           | 14,941,090           | 15,684,325           | 20,905,683           | 25,512,066           | 35,554,064           | 50,944,877           | 59,975,667           | 58,102,497           |
| Total general fund                   | <u>\$ 30,882,938</u> | <u>\$ 33,163,876</u> | <u>\$ 35,026,158</u> | <u>\$ 37,266,110</u> | <u>\$ 39,972,073</u> | <u>\$ 45,528,888</u> | <u>\$ 47,214,161</u> | <u>\$ 56,293,852</u> | <u>\$ 61,572,931</u> | <u>\$ 64,639,893</u> |
| <b>All other governmental funds:</b> |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Nonspendable                         |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Special revenue funds                | \$ -                 | \$ 199,698           | \$ -                 | \$ -                 | \$ 612               | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 |
| Capital project funds                | -                    | -                    | 78,500               | -                    | -                    | -                    | -                    | -                    | -                    | -                    |
| Restricted                           |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Special revenue funds                | 9,301,626            | 10,213,655           | 16,215,802           | 18,117,308           | 13,089,014           | 15,745,839           | 24,854,395           | 30,101,867           | 33,570,327           | 44,537,730           |
| Capital project funds                | -                    | -                    | -                    | -                    | 15,953,360           | 1,334,343            | -                    | 402,745              | -                    | -                    |
| Debt service funds                   | 2,113,034            | 2,094,668            | 1,994,366            | -                    | -                    | -                    | -                    | -                    | -                    | -                    |
| Committed                            |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Special revenue funds                | 52,986               | 52,997               | 53,159               | -                    | -                    | -                    | -                    | -                    | -                    | -                    |
| Capital project funds                | 874,876              | 1,670,443            | 2,445,103            | -                    | -                    | -                    | -                    | -                    | -                    | -                    |
| Assigned                             |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Special revenue funds                | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    | -                    |
| Capital project funds                | 2,902,057            | 1,778,128            | 3,771,142            | 3,768,298            | 5,485,305            | 7,323,118            | 7,709,002            | 15,820,911           | 10,763,423           | 13,738,575           |
| Debt service funds                   | 162,344              | 144,293              | 137,484              | 146,786              | 273,594              | 89,047               | 102,189              | 140,653              | 56,922               | 708,852              |
| Total other governmental funds       | <u>\$ 15,406,923</u> | <u>\$ 16,153,882</u> | <u>\$ 24,695,556</u> | <u>\$ 22,032,392</u> | <u>\$ 34,801,885</u> | <u>\$ 24,492,347</u> | <u>\$ 32,665,586</u> | <u>\$ 46,466,176</u> | <u>\$ 44,390,672</u> | <u>\$ 58,985,157</u> |

Source: Annual Financial Statements

**City of Farmington Hills**  
**Change in Fund Balances - Governmental Funds**  
**Last Ten Fiscal Years**  
**(Unaudited)**

|  | 2016                 | 2017                 | 2018                 | 2019                 | 2020                 | 2021                 | 2022                 | 2023                  | 2024                  | 2025                  |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|-----------------------|-----------------------|
| <b>Revenue</b>   |                      |                      |                      |                      |                      |                      |                      |                       |                       |                       |
| Property taxes   | \$ 46,644,560        | \$ 46,432,310        | \$ 48,612,050        | \$ 50,218,109        | \$ 61,198,407        | \$ 62,969,729        | \$ 64,516,770        | \$ 67,607,002         | \$ 71,814,798         | \$ 75,737,393         |
| Special assessments                                    | 1,267,377            | 2,102,178            | 2,284,000            | 1,402,272            | -                    | -                    | -                    | -                     | -                     | -                     |
| Licenses and permits                                   | 1,558,094            | 1,913,682            | 1,417,161            | 1,783,163            | 1,890,690            | 1,620,709            | 1,685,309            | 2,151,403             | 1,941,690             | 2,215,578             |
| Federal grants   | 1,321,952            | 1,528,952            | 1,345,653            | 963,179              | 1,296,311            | 6,734,127            | 5,332,309            | 5,936,454             | 1,785,576             | 728,350               |
| State-shared revenue and grants                        | 14,284,441           | 15,546,926           | 17,428,020           | 19,179,709           | 18,857,483           | 20,925,527           | 22,913,998           | 24,916,727            | 24,660,912            | 25,540,559            |
| Other grants and contributions                         | 254,787              | 259,606              | 273,269              | 174,372              | 175,836              | 2,024,962            | 349,362              | (15,334)              | 88,046                | 489,111               |
| Charges for services                                   | 11,020,824           | 10,939,531           | 11,062,483           | 11,407,257           | 11,626,315           | 10,736,549           | 13,692,720           | 16,504,638            | 17,837,509            | 19,603,021            |
| Fines and forfeitures                                  | 2,145,354            | 2,006,801            | 2,085,541            | 2,197,948            | 1,751,346            | 1,647,759            | 1,548,589            | 1,531,952             | 1,980,676             | 2,164,964             |
| Investment income                                      | 718,517              | 518,714              | 879,918              | 1,926,079            | 2,207,078            | 600,996              | (2,495,624)          | 6,338,501             | 7,110,619             | 6,681,092             |
| Other and equipment rental                             | 2,686,204            | 2,883,400            | 3,691,309            | 3,067,183            | 2,543,594            | 2,085,684            | 2,693,431            | 2,426,003             | 2,677,873             | 4,277,117             |
| Total revenue  | 81,902,110           | 84,132,100           | 89,079,404           | 92,319,271           | 101,547,060          | 109,346,042          | 110,236,864          | 127,397,346           | 129,897,699           | 137,437,185           |
| <b>Expenditures</b>                                    |                      |                      |                      |                      |                      |                      |                      |                       |                       |                       |
| Current:   |                      |                      |                      |                      |                      |                      |                      |                       |                       |                       |
| General government                                     | 11,924,336           | 12,354,442           | 12,700,889           | 12,896,343           | 13,221,497           | 13,189,248           | 14,092,538           | 13,882,188            | 15,330,436            | 16,808,391            |
| Public safety  | 28,583,053           | 29,916,423           | 30,556,875           | 30,825,852           | 31,940,936           | 32,563,982           | 34,375,131           | 35,666,482            | 38,391,361            | 41,040,548            |
| Public services  | 14,299,423           | 15,523,489           | 14,115,430           | 19,879,270           | 36,699,154           | 30,821,569           | 26,200,373           | 34,404,521            | 39,191,523            | 34,009,899            |
| Health and Welfare                                     | -                    | -                    | -                    | -                    | -                    | -                    | 199,480              | 360,687               | 499,463               | 710,413               |
| Community and economic development                     | 2,141,207            | 2,024,943            | 1,984,459            | 1,924,657            | 1,969,161            | 2,556,330            | 2,239,964            | 2,750,891             | 2,449,496             | 2,535,034             |
| Recreation and culture                                 | 7,789,813            | 7,862,950            | 8,488,297            | 8,642,314            | 8,249,851            | 8,535,568            | 12,394,600           | 13,919,586            | 15,016,393            | 15,855,024            |
| Capital outlay   | 9,723,407            | 21,574,339           | 8,069,908            | 15,913,541           | 15,541,788           | 22,632,176           | 7,847,129            | 7,744,776             | 13,349,060            | 12,906,121            |
| Debt service   | 2,031,223            | 2,211,018            | 2,943,763            | 2,845,901            | 4,020,961            | 4,641,397            | 3,151,843            | 3,296,323             | 4,123,081             | 4,224,112             |
| Total expenditures                                     | 76,492,462           | 91,467,604           | 78,859,621           | 92,927,878           | 111,643,348          | 114,940,270          | 100,501,058          | 112,025,454           | 128,350,813           | 128,089,542           |
| <b>Excess of Revenue Over (Under) Expenditures</b>     | 5,409,648            | (7,335,504)          | 10,219,783           | (608,607)            | (10,096,288)         | (5,594,228)          | 9,735,806            | 15,371,892            | 1,546,886             | 9,347,643             |
| <b>Other Financing Sources (Uses)</b>                  |                      |                      |                      |                      |                      |                      |                      |                       |                       |                       |
| Debt issuance  | -                    | 14,015,246           | -                    | -                    | 25,297,018           | 4,125,000            | -                    | 7,331,707             | 1,482,792             | 8,066,756             |
| Transfers in   | 14,270,227           | 17,870,989           | 16,749,125           | 22,750,816           | 29,593,899           | 28,725,383           | 29,403,087           | 27,908,567            | 30,541,839            | 32,442,278            |
| Transfers out  | (14,270,227)         | (17,870,989)         | (16,749,125)         | (22,750,816)         | (29,593,899)         | (28,725,383)         | (29,403,087)         | (27,908,567)          | (30,541,839)          | (32,442,278)          |
| Proceeds from sale of capital assets                   | 92,304               | 112,115              | 184,173              | 185,395              | 274,726              | 162,171              | 122,706              | 176,682               | 173,897               | 247,048               |
| Debt defeasance  | -                    | (3,763,960)          | -                    | -                    | -                    | (3,600,278)          | -                    | -                     | -                     | -                     |
| Total other financing sources (uses)                   | 92,304               | 10,363,401           | 184,173              | 185,395              | 25,571,744           | 686,893              | 122,706              | 7,508,389             | 1,656,689             | 8,313,804             |
| <b>Net change in fund balances</b>                     | 5,501,952            | 3,027,897            | 10,403,956           | (423,212)            | 15,475,456           | (4,907,335)          | 9,858,512            | 22,880,281            | 3,203,575             | 17,661,447            |
| <b>Fund Balances - Beginning of year</b>               | 40,787,909           | 46,289,861           | 49,317,758           | 59,721,714           | 59,298,502           | 74,773,958           | 70,021,235           | 79,879,747            | 102,760,028           | 105,963,603           |
| <b>Prior Period Adjustment</b>                         | -                    | -                    | -                    | -                    | -                    | 154,612              | -                    | -                     | -                     | -                     |
| <b>Fund Balances - End of year</b>                     | <u>\$ 46,289,861</u> | <u>\$ 49,317,758</u> | <u>\$ 59,721,714</u> | <u>\$ 59,298,502</u> | <u>\$ 74,773,958</u> | <u>\$ 70,021,235</u> | <u>\$ 79,879,747</u> | <u>\$ 102,760,028</u> | <u>\$ 105,963,603</u> | <u>\$ 123,625,050</u> |
| <b>Debt Service as a % of Non Capital Expenditures</b> | 3.04%                | 3.16%                | 4.16%                | 3.70%                | 4.18%                | 5.03%                | 3.40%                | 3.16%                 | 3.59%                 | 3.67%                 |

**City of Farmington Hills**  
**Assessed Value and Actual Value of Taxable Property**  
**Last Ten Years**  
**(Unaudited)**

| Tax Year | Residential      | Commercial     | Industrial    | Personal Property | IFT          | Total Value      | Tax Rate (mills) | Estimated Actual Value | Taxable Value as a % of Actual |
|----------|------------------|----------------|---------------|-------------------|--------------|------------------|------------------|------------------------|--------------------------------|
| 2016     | \$ 2,181,346,960 | \$ 649,105,680 | \$ 93,312,600 | \$ 203,299,780    | \$ 1,036,930 | \$ 3,128,101,950 | 14.3273          | \$ 3,752,944,510       | 83.35%                         |
| 2017     | 2,244,198,190    | 666,176,630    | 94,984,180    | 202,500,580       | 929,350      | 3,208,788,930    | 14.6569          | 3,975,835,450          | 80.71%                         |
| 2018     | 2,328,645,800    | 686,193,840    | 105,437,480   | 195,872,700       | 846,360      | 3,316,996,180    | 14.5794          | 4,151,773,160          | 79.89%                         |
| 2019     | 2,424,630,660    | 715,406,880    | 111,975,400   | 207,556,420       | 667,030      | 3,460,236,390    | 17.1905          | 4,407,606,380          | 78.51%                         |
| 2020     | 2,517,986,910    | 746,753,390    | 120,726,760   | 211,527,870       | 603,160      | 3,597,598,090    | 17.0117          | 4,652,525,100          | 77.33%                         |
| 2021     | 2,595,436,420    | 782,346,140    | 125,654,300   | 226,793,400       | 221,760      | 3,730,452,020    | 16.8566          | 4,908,706,890          | 76.00%                         |
| 2022     | 2,750,297,650    | 858,650,680    | 137,060,770   | 231,069,790       | 3,369,780    | 3,980,448,670    | 16.5693          | 5,237,966,510          | 75.99%                         |
| 2023     | 2,938,629,300    | 923,405,640    | 145,725,250   | 230,364,150       | 3,512,890    | 4,241,637,230    | 16.5195          | 5,722,759,540          | 74.12%                         |
| 2024     | 3,161,728,100    | 973,806,960    | 154,554,910   | 227,490,450       | 3,659,790    | 4,521,240,210    | 16.4240          | 6,153,802,280          | 73.47%                         |
| 2025     | 3,308,094,140    | 1,009,811,110  | 162,267,970   | 235,831,160       | 3,605,610    | 4,719,609,990    | 16.4902          | 6,454,895,660          | 73.12%                         |

Note: Under Michigan law, the revenue base is taxable value. Taxes levied in a particular "tax year" become revenue of the subsequent fiscal year

Source: City Assessing Department records

**City of Farmington Hills**  
**Direct and Overlapping Property Tax Rates**  
**Last Ten Years**  
**(Unaudited)**

| Tax Year | General Operating | Debt   | Voted Special Purpose | Total Direct Taxes | Overlapping Taxes |        |         | Oakland Community College | Schoolcraft Community College | Intermediate School District | State Education | School: Homestead Farmington | School: Homestead Clarenceville | School: Homestead Walled Lake | School: Non-Homestead Farmington | School: Non-Homestead Clarenceville | School: Non-Homestead Walled Lake | Zoo       |               |
|----------|-------------------|--------|-----------------------|--------------------|-------------------|--------|---------|---------------------------|-------------------------------|------------------------------|-----------------|------------------------------|---------------------------------|-------------------------------|----------------------------------|-------------------------------------|-----------------------------------|-----------|---------------|
|          |                   |        |                       |                    | County            | OCPTA  | Library |                           |                               |                              |                 |                              |                                 |                               |                                  |                                     |                                   | Authority | Art Institute |
| 2015     | 8.2774            | 0.4488 | 5.6646                | 14.3908            | 4.5456            | 0.9998 | 1.5856  | 1.5819                    | 1.7967                        | 3.3633                       | 6.0000          | 12.4418                      | 4.5000                          | 7.2841                        | 21.4400                          | 22.5000                             | 23.1180                           | 0.0998    | 0.1996        |
| 2016     | 8.2218            | 0.4671 | 5.6384                | 14.3273            | 4.4938            | 0.9941 | 1.5781  | 1.5707                    | 1.7880                        | 3.3398                       | 6.0000          | 12.1482                      | 4.5000                          | 7.0150                        | 21.4400                          | 22.5000                             | 22.9279                           | 0.0990    | 0.1981        |
| 2017     | 8.6232            | 0.4434 | 5.5903                | 14.6569            | 4.4908            | 0.9863 | 1.5644  | 1.5555                    | 1.7766                        | 3.3079                       | 6.0000          | 11.4268                      | 4.5000                          | 6.9458                        | 21.3000                          | 22.5000                             | 20.4179                           | 0.0980    | 0.1961        |
| 2018     | 8.6410            | 0.3892 | 5.5492                | 14.5794            | 4.4878            | 1.0000 | 1.5517  | 1.5431                    | 1.7662                        | 3.2813                       | 6.0000          | 11.3026                      | 4.4626                          | 6.7968                        | 21.3000                          | 22.4626                             | 22.5643                           | 0.0982    | 0.1945        |
| 2019     | 8.4314            | 0.5216 | 8.2375                | 17.1905            | 4.4846            | 0.9927 | 1.5393  | 1.5303                    | 2.2516                        | 3.2539                       | 6.0000          | 10.8634                      | 4.3831                          | 6.2300                        | 21.3000                          | 22.3831                             | 21.9531                           | 0.0973    | 0.1929        |
| 2020     | 8.1292            | 0.7383 | 8.1442                | 17.0117            | 4.5904            | 0.9851 | 1.5209  | 1.5184                    | 2.2700                        | 3.2280                       | 6.0000          | 9.4482                       | 4.2940                          | 6.0742                        | 21.2000                          | 22.2940                             | 21.5648                           | 0.0956    | 0.1897        |
| 2021     | 8.1883            | 0.6017 | 8.0666                | 16.8566            | 4.5691            | 0.9765 | 1.5062  | 1.5057                    | 2.2700                        | 3.2012                       | 6.0000          | 9.4482                       | 4.2940                          | 6.0742                        | 21.2000                          | 22.2940                             | 21.5648                           | 0.0956    | 0.1897        |
| 2022     | 8.0081            | 0.5887 | 7.9725                | 16.5693            | 4.5187            | 0.9765 | 1.4860  | 1.4891                    | 2.2700                        | 3.1658                       | 6.0000          | 8.9067                       | 4.2257                          | 4.5969                        | 21.2000                          | 22.2257                             | 21.3430                           | 0.0945    | 0.1945        |
| 2023     | 7.9583            | 0.5887 | 7.9725                | 16.5195            | 4.5187            | 0.9500 | 1.4742  | 1.4891                    | 2.2700                        | 3.1658                       | 6.0000          | 8.7764                       | 4.2257                          | 4.6300                        | 21.2000                          | 22.2257                             | 21.3761                           | 0.0945    | 0.1945        |
| 2024     | 7.8931            | 0.5866 | 7.9443                | 16.4240            | 4.8101            | 0.9464 | 1.4688  | 1.4836                    | 2.2700                        | 3.1541                       | 6.0000          | 8.4029                       | 4.1809                          | 4.8567                        | 21.2000                          | 22.1809                             | 22.5481                           | 0.0941    | 0.1937        |

Note: Includes Capital, Refuse Removal and Economic Development Millages

Source: City Assessing Department records

**City of Farmington Hills**  
**Principal Property Taxpayers**  
**Last Ten Years**  
**(Unaudited)**

|    | Taxpayer                     | 2025 Taxable Value | Percentage of Total | 2016 Taxable Value | Percentage of Total | 2016 Rank |
|----|------------------------------|--------------------|---------------------|--------------------|---------------------|-----------|
| 1  | Oakland Management Co.       | \$ 81,554,600      | 1.73                | \$ 63,868,650      | 2.04                | 1         |
| 2  | Detroit Edison               | 51,423,070         | 1.09                | 38,168,280         | 1.22                | 2         |
| 3  | Meadows at Hunters Ridge LLC | 37,439,270         | 0.79                | 12,681,860         | 0.41                | 10        |
| 4  | Consumers Energy             | 36,284,820         | 0.77                | 9,806,690          | 0.31                | 13        |
| 5  | Edward Rose                  | 34,830,170         | 0.74                | 9,845,000          | 0.31                | 12        |
| 6  | FH Corporate Investors       | 30,500,950         | 0.65                | 20,912,900         | 0.67                | 3         |
| 7  | Independence Green Apts      | 30,410,890         | 0.64                | 19,403,140         | 0.62                | 4         |
| 8  | Green Hill Apartments        | 22,446,200         | 0.48                | 17,530,300         | 0.56                | 5         |
| 9  | Nissan Corp                  | 21,727,280         | 0.46                | 16,676,480         | 0.53                | 6         |
| 10 | Real Michigan Five LLC       | 18,021,170         | 0.38                | N/A                | N/A                 | N/A       |

Source: City Assessing Department Records

**City of Farmington Hills**  
**Property Tax Levies and Collections**  
**Last Ten Fiscal Years**  
**(Unaudited)**

| Fiscal Year | Total Levy (1) | Collections   | Percent Collected | Delinquent Collections (Real) | Total Tax Collections | Percent of Levy Collected |
|-------------|----------------|---------------|-------------------|-------------------------------|-----------------------|---------------------------|
| 2016        | \$ 44,773,169  | \$ 44,164,096 | 98.64%            | \$ 563,701                    | \$ 44,727,797         | 99.90%                    |
| 2017        | 44,753,190     | 44,190,157    | 98.74%            | 525,565                       | 44,715,722            | 99.92%                    |
| 2018        | 46,939,639     | 46,311,617    | 98.66%            | 585,082                       | 46,896,699            | 99.91%                    |
| 2019        | 48,336,062     | 47,730,339    | 98.75%            | 556,469                       | 48,286,808            | 99.90%                    |
| 2020        | 59,410,292     | 58,585,869    | 98.61%            | 731,998                       | 59,317,867            | 99.84%                    |
| 2021        | 61,140,114     | 60,420,160    | 98.82%            | 644,250                       | 61,064,410            | 99.88%                    |
| 2022        | 62,882,476     | 62,230,047    | 98.96%            | 554,277                       | 62,784,324            | 99.84%                    |
| 2023        | 65,955,776     | 65,199,295    | 98.85%            | 648,934                       | 65,848,229            | 99.84%                    |
| 2024        | 70,099,604     | 69,165,110    | 98.67%            | 792,388                       | 69,957,498            | 99.80%                    |
| 2025        | 74,156,689     | 73,144,192    | 98.63%            | 869,621                       | 74,013,813            | 99.81%                    |

(1) Does not include penalty and interest on late payment of taxes.

Source: City Treasurer's Office records

**City of Farmington Hills**  
**Ratios of Outstanding Debt**  
**Last Ten Fiscal Years**  
**(Unaudited)**

|   | 2016                 | 2017                 | 2018                 | 2019                 | 2020                 | 2021                 | 2022                 | 2023                 | 2024                 | 2025                 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>Governmental Activities:</b>             |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| General obligation bonds                    | \$ 12,240,000        | \$ 10,870,000        | \$ 9,380,000         | \$ 8,015,000         | \$ 30,500,000        | \$ 28,370,000        | \$ 25,995,000        | \$ 31,165,000        | \$ 29,755,000        | \$ 35,350,000        |
| Special assessment bonds                    | 11,290,000           | 11,020,000           | 10,100,000           | 9,110,000            | 7,585,000            | 6,845,000            | 6,950,000            | 5,785,000            | 4,595,000            | 3,840,000            |
| Unamortized premium                         | -                    | -                    | -                    | 699,185              | 2,009,313            | 1,701,571            | 1,567,526            | 2,150,759            | 1,946,298            | 2,354,230            |
| Leases                                      | -                    | -                    | -                    | -                    | -                    | -                    | 242,903              | 136,974              | 27,822               | -                    |
| Subscriptions                               | -                    | -                    | -                    | -                    | -                    | -                    | -                    | 454,042              | 1,652,924            | 1,274,869            |
| Total governmental activities               | <u>23,530,000</u>    | <u>21,890,000</u>    | <u>19,480,000</u>    | <u>17,824,185</u>    | <u>40,094,313</u>    | <u>36,916,571</u>    | <u>34,755,429</u>    | <u>39,691,775</u>    | <u>37,977,044</u>    | <u>42,819,099</u>    |
| <b>Business-type Activities:</b>            |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| County contractual obligations              | 30,610,124           | 34,018,350           | 31,558,439           | 30,079,768           | 28,564,570           | 27,421,102           | 25,011,367           | 31,611,692           | 36,516,839           | 38,251,208           |
| Unamortized premium                         | -                    | -                    | -                    | -                    | -                    | 657,604              | 1,518,593            | 1,277,271            | 1,054,520            | 851,390              |
| Total business-type activities              | <u>30,610,124</u>    | <u>34,018,350</u>    | <u>31,558,439</u>    | <u>30,079,768</u>    | <u>28,564,570</u>    | <u>28,078,706</u>    | <u>26,529,960</u>    | <u>32,888,963</u>    | <u>37,571,359</u>    | <u>39,102,598</u>    |
| <b>Total Debt of the Government</b>         | <b>\$ 54,140,124</b> | <b>\$ 55,908,350</b> | <b>\$ 51,038,439</b> | <b>\$ 47,903,953</b> | <b>\$ 68,658,883</b> | <b>\$ 64,995,277</b> | <b>\$ 61,285,389</b> | <b>\$ 72,580,738</b> | <b>\$ 75,548,403</b> | <b>\$ 81,921,697</b> |
| <b>Total Taxable Value</b>                  | \$ 3,129,873,560     | \$ 3,128,101,950     | \$ 3,208,788,930     | \$ 3,316,996,180     | \$ 3,460,236,390     | \$ 3,597,598,090     | \$ 3,730,452,020     | \$ 3,980,448,670     | \$ 4,241,637,230     | \$ 4,521,240,210     |
| <b>Ratio of Total Debt to Taxable Value</b> | 1.73%                | 1.79%                | 1.59%                | 1.44%                | 1.98%                | 1.81%                | 1.64%                | 1.82%                | 1.78%                | 1.81%                |
| <b>Total Population</b>                     | 81,910               | 91,412               | 81,803               | 81,129               | 81,093               | 80,612               | 83,968               | 83,292               | 82,737               | 84,173               |
| <b>Total Debt per Capita</b>                | \$ 661               | \$ 612               | \$ 624               | \$ 590               | \$ 847               | \$ 806               | \$ 730               | \$ 871               | \$ 913               | \$ 973               |
| <b>Personal Income</b>                      | \$ 2,382,461,814     | \$ 2,370,596,289     | \$ 2,367,002,730     | \$ 2,317,845,555     | \$ 2,349,102,738     | \$ 2,757,410,271     | \$ 2,828,780,496     | \$ 2,963,545,056     | \$ 3,328,866,552     | \$ 3,498,536,895     |
| <b>Ratio of Debt to Personal Income</b>     | 2.27%                | 2.36%                | 2.16%                | 2.07%                | 2.92%                | 2.36%                | 2.17%                | 2.45%                | 2.27%                | 2.34%                |

Source: City Annual Financial Statements: Population data reported from demographics data.

**City of Farmington Hills**  
**Ratios of General Bonded Debt Outstanding**  
**Last Ten Fiscal Years**  
**(Unaudited)**

| Fiscal Year<br>Ended June 30 | Advalorem + IFT<br>Assessed<br>Value (SEV) | Estimated<br>Population | General<br>Bonded Debt<br>Outstanding | Obligation Debt to<br>Assessed Value<br>(Percent) | General Obligation<br>Debt per Capita |
|------------------------------|--|-------------------------|---------------------------------------|---|---------------------------------------|
| 2016                         | \$ 3,752,944,510                           | 81,412                  | 23,530,000                            | 0.63%   | 289.02                                |
| 2017                         | 3,975,835,450                              | 81,803                  | 21,890,000                            | 0.55%   | 267.59                                |
| 2018                         | 4,151,773,160                              | 81,129                  | 19,480,000                            | 0.47%   | 240.11                                |
| 2019                         | 4,407,606,380                              | 81,093                  | 17,824,185                            | 0.40%   | 219.80                                |
| 2020                         | 4,652,525,100                              | 80,612                  | 40,094,313                            | 0.86%   | 497.37                                |
| 2021                         | 4,908,706,890                              | 83,986                  | 36,916,571                            | 0.75%   | 439.56                                |
| 2022                         | 5,237,966,510                              | 83,292                  | 34,755,429                            | 0.66%   | 417.27                                |
| 2023                         | 5,722,759,540                              | 82,737                  | 39,691,775                            | 0.69%   | 479.73                                |
| 2024                         | 6,153,802,280                              | 82,737                  | 37,977,044                            | 0.62%   | 459.01                                |
| 2025                         | 6,454,895,660                              | 84,173                  | 42,819,099                            | 0.66%   | 508.70                                |

Note: General bonded debt - Includes General Obligation and Building Authority Bonds.

Note: As of 2011, General Bonded Debt includes General Obligation Bonds for the Ice Arena.

The debt service requirements of all remaining debt are currently funded through revenue sources other than property taxes.



**City of Farmington Hills**  
**Direct and Overlapping Governmental Activities Debt**  
**June 30, 2025**  
**(Unaudited)**

| Jurisdiction                                | Net General<br>Bonded Debt<br>Outstanding | Percent Applicable<br>to Farmington<br>Hills Taxpayers | Amount Applicable<br>to Farmington<br>Hills Taxpayers |
|---|---|--|---|
| Direct Debt - City of Farmington Hills      | \$ 29,755,000                             | 100.00%  | \$ 29,755,000   |
| Overlapping debt:                           |   |  |   |
| Farmington School District                  | 155,205,000                               | 86.57%   | 134,360,969   |
| Walled Lake School District                 | 343,670,000                               | 2.92%  | 10,035,164  |
| Oakland County at Large                     | 123,902,591                               | 5.60%  | 6,938,545   |
| Oakland County Intermediate School District | 38,680,000                                | 5.62%  | 2,173,816   |
| Schoolcraft Community College               | 41,105,000                                | 0.64%  | 263,072   |
| Total overlapping debt                      | 702,562,591                               |  | 153,771,566   |
| Total direct and overlapping debt           | \$ 732,317,591                            |  | \$ 183,526,566  |

Note: Direct debt - For the purpose of this schedule, direct debt is defined as all Governmental Activities bonded debt less deferred amounts.

Source: City Records and the Municipal Advisory Council of Michigan

**City of Farmington Hills**  
**Legal Debt Margins**  
**Last Ten Fiscal Years**  
**(Unaudited)**

|  | 2016                         | 2017                         | 2018                         | 2019                         | 2020                         | 2021                         | 2022                         | 2023                         | 2024                         | 2025                         |
|--|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| <b>Debt Limit (Fiscal Year Ended) (1)</b>                    |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |
| State equalized valuation (previous year)                    | <u>\$ 3,555,094,530</u>      | <u>\$ 3,752,944,510</u>      | <u>\$ 3,975,835,450</u>      | <u>\$ 4,151,733,160</u>      | <u>\$ 4,652,525,100</u>      | <u>\$ 4,908,706,890</u>      | <u>\$ 5,237,966,510</u>      | <u>\$ 5,722,759,540</u>      | <u>\$ 6,153,802,280</u>      | <u>\$ 6,454,895,660</u>      |
| Debt limit (10 percent of SEV) (2)                           | 355,509,453                  | 375,294,451                  | 397,583,545                  | 415,173,316                  | 465,252,510                  | 490,870,689                  | 523,796,651                  | 572,275,954                  | 615,380,228                  | 645,489,566                  |
| <b>Debt Applicable to Debt Limit</b>                         |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |
| Total bonded debt  | 54,140,124                   | 55,908,350                   | 51,038,439                   | 47,903,953                   | 68,658,883                   | 64,995,277                   | 61,285,389                   | 72,580,738                   | 75,548,403                   | 81,921,697                   |
| Less deductions allowed by law:                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |                              |
| Special Assessment Bonds                                     | <u>11,290,000</u>            | <u>11,020,000</u>            | <u>10,100,000</u>            | <u>9,110,000</u>             | <u>7,585,000</u>             | <u>6,845,000</u>             | <u>6,950,000</u>             | <u>5,785,000</u>             | <u>4,595,000</u>             | <u>3,840,000</u>             |
| <b>Total amount of debt applicable to debt limit</b>         | <u>42,850,124</u>            | <u>44,888,350</u>            | <u>40,938,439</u>            | <u>38,793,953</u>            | <u>61,073,883</u>            | <u>58,150,277</u>            | <u>54,335,389</u>            | <u>66,795,738</u>            | <u>70,953,402</u>            | <u>78,081,695</u>            |
| <b>Legal Debt Margin</b>                                     | <u><b>\$ 312,659,329</b></u> | <u><b>\$ 330,406,101</b></u> | <u><b>\$ 356,645,106</b></u> | <u><b>\$ 376,379,363</b></u> | <u><b>\$ 404,178,627</b></u> | <u><b>\$ 432,720,412</b></u> | <u><b>\$ 469,461,262</b></u> | <u><b>\$ 505,480,216</b></u> | <u><b>\$ 544,426,826</b></u> | <u><b>\$ 567,407,871</b></u> |
| <b>Net Debt Subject to Limit as Percentage of Debt Limit</b> | 12.05%                       | 11.96%                       | 10.30%                       | 9.34%                        | 13.13%                       | 11.85%                       | 10.37%                       | 11.67%                       | 11.53%                       | 12.10%                       |

(1) The legal debt limit continues to be derived from State Equalized Value (SEV), not Taxable Value (TV).  
(2) Debt limit set forth in Section 4a, Act 279 of 1909 and Act 202, P.A. 1943 as amended by Act 42 P.A. 1960

Source: City budget and financial statements

**City of Farmington Hills**  
**Demographic and Economic Statistics**  
**Last Ten Fiscal Years**  
**(Unaudited)**

| Fiscal year | Population |     | Median Personal<br>Income Per<br>Household | Median Per Capita<br>Personal Income | Unemployment<br>Rate | Number of<br>Occupied<br>Households | Total Personal<br>Income |
|-------------|------------|-----|--|--------------------------------------|----------------------|-------------------------------------|--------------------------|
| 2016        | 81,412     | (1) | \$ 67,803                                  | \$ 29,119                            | 5.1%                 | 34,963                              | \$ 2,370,596,289         |
| 2017        | 81,803     | (1) | 67,803                                     | 28,935                               | 3.6%                 | 34,910                              | 2,367,002,730            |
| 2018        | 81,129     | (1) | 67,803                                     | 28,570                               | 3.9%                 | 34,185                              | 2,317,845,555            |
| 2019        | 81,093     | (1) | 67,803                                     | 28,968                               | 4.0%                 | 34,646                              | 2,349,102,738            |
| 2020        | 80,612     | (1) | 81,203                                     | 44,789                               | 16.3%                | 33,957                              | 2,757,410,271            |
| 2021        | 83,986     | (2) | 83,268                                     | 45,494                               | 2.3%                 | 33,972                              | 2,828,780,496            |
| 2022        | 83,292     | (2) | 85,152                                     | 50,082                               | 2.9%                 | 34,803                              | 2,963,545,056            |
| 2023        | 82,737     | (2) | 93,434                                     | 50,287                               | 2.2%                 | 35,628                              | 3,328,866,552            |
| 2024        | 82,528     | (2) | 101,728                                    | 53,661                               | 2.4%                 | 35,366                              | 3,597,712,448            |
| 2025        | 84,173     | (2) | 94,115                                     | 53,845                               | 4.0%                 | 37,173                              | 3,498,536,895            |

Note: Personal income is equal to the median household income and only available per the decennial census data/American Factfinder/SEMCOG

(1) U.S. Department of Commerce/Labor, Bureau of Labor Statistics/SEMCOG

(2) <https://www.census.gov/quickfacts/farmingtonhillscitymichigan>

**City of Farmington Hills**  
**Principal Employers**  
**June 30, 2025**  
**(Unaudited)**

| Employer                                 | 2025 Employees | Percentage of |  | 2016 Employees | Percentage of |  | 2016 Rank |
|--|----------------|---------------|--|----------------|---------------|--|-----------|
|  |                | Total         |  |                | Total         |  |           |
| 1 Comerica Bank Great Lakes Campus       | 2,100          | 3.58%         |  | 600            | 1.49%         |  | 7         |
| 2 Corewell Health - Farmington Hills (1) | 1,436          | 2.45%         |  | 2,746          | 6.80%         |  | 1         |
| 3 Farmington Public Schools              | 1,200          | 2.05%         |  | 1,418          | 3.51%         |  | 3         |
| 4 Nissan Technical Center                | 1,200          | 2.05%         |  | N/A            | N/A           |  | N/A       |
| 5 City of Farmington Hills               | 1,100          | 1.88%         |  | N/A            | N/A           |  | N/A       |
| 6 ZF                                     | 1,000          | 1.71%         |  | N/A            | N/A           |  | N/A       |
| 7 MAHLE                                  | 850            | 1.45%         |  | 1,600          | 3.96%         |  | 2         |
| 8 Robert Bosch Corp                      | 826            | 1.41%         |  | 500            | 1.24%         |  | 10        |
| 9 Panasonic Corporation of North America | 608            | 1.04%         |  | N/A            | N/A           |  | N/A       |
| 10 Amerisure                             | 500            | 0.85%         |  | N/A            | N/A           |  | N/A       |

Source: City Records, Individual Employers and United States Census Bureau

(1) Corewell Health, previously called Beaumont or Botsford Hospital

**City of Farmington Hills**  
**Full-time Equivalent Government Employees**  
**Last Ten Fiscal Years**  
**(Unaudited)**

| Function/Program              | 2016          | 2017          | 2018          | 2019          | 2020          | 2021          | 2022          | 2023          | 2024          | 2025          |
|-------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| <b>General Government</b>     |               |               |               |               |               |               |               |               |               |               |
| City administration           | 5.00          | 5.00          | 5.00          | 4.10          | 3.79          | 3.65          | 4.65          | 4.65          | 4.70          | 4.70          |
| Economic development          | 1.00          | 1.00          | 1.00          | 1.00          | 1.00          | 1.00          | 1.00          | 1.00          | 1.00          | 1.00          |
| Communications/Engagement     | -             | -             | -             | -             | -             | -             | -             | 6.00          | 8.50          | 7.65          |
| Finance                       | 20.00         | 20.00         | 20.00         | 20.09         | 20.09         | 20.00         | 20.00         | 20.50         | 20.50         | 21.25         |
| City clerk                    | 6.31          | 6.34          | 6.35          | 6.20          | 6.28          | 6.78          | 6.38          | 6.81          | 6.87          | 7.15          |
| Human resources               | 4.00          | 4.00          | 4.14          | 4.14          | 4.14          | 4.14          | 5.40          | 6.40          | 6.40          | 7.60          |
| Central services              | 9.40          | 9.40          | 9.40          | 9.90          | 9.90          | 9.97          | 10.88         | 10.88         | 10.88         | 13.50         |
| <b>Public Safety</b>          |               |               |               |               |               |               |               |               |               |               |
| Police                        | 153.88        | 154.14        | 153.79        | 153.74        | 152.79        | 153.47        | 154.22        | 160.22        | 163.22        | 164.22        |
| Fire and EMS                  | 93.63         | 93.63         | 91.70         | 93.92         | 91.69         | 92.81         | 93.99         | 95.99         | 103.99        | 103.99        |
| <b>Public Services</b>        |               |               |               |               |               |               |               |               |               |               |
| Administration                | 4.00          | 4.00          | 4.00          | 4.00          | 4.00          | 4.00          | 4.00          | 4.00          | 4.00          | 4.00          |
| Road maintenance              | 23.46         | 26.92         | 26.92         | 27.92         | 26.46         | 26.49         | 27.49         | 26.81         | 26.81         | 25.29         |
| Building maintenance          | 4.00          | 4.00          | 4.00          | 4.00          | 4.00          | 4.00          | 4.00          | 4.00          | 4.00          | 4.00          |
| Engineering                   | 15.31         | 15.31         | 15.39         | 15.32         | 15.32         | 15.99         | 17.47         | 17.28         | 17.28         | 17.10         |
| D.P.W. garage                 | 12.00         | 13.00         | 13.00         | 12.00         | 11.60         | 10.60         | 10.60         | 10.60         | 10.75         | 10.38         |
| Waste collection/recycling    | 1.00          | 1.00          | 1.00          | 1.00          | 1.00          | 1.00          | 1.00          | 1.00          | 1.00          | 1.00          |
| <b>Planning and Community</b> |               |               |               |               |               |               |               |               |               |               |
| Development                   | 18.00         | 19.00         | 19.04         | 19.37         | 19.50         | 19.50         | 20.00         | 20.00         | 20.00         | 21.94         |
| <b>Special Services</b>       |               |               |               |               |               |               |               |               |               |               |
| Administration                | 20.98         | 21.15         | 20.55         | 22.25         | 22.00         | 23.00         | 39.10         | 42.64         | 40.49         | 39.61         |
| Public information            | 4.00          | 4.00          | 6.10          | 6.10          | 6.10          | 5.50          | 5.50          | -             | -             | -             |
| Youth and families            | 8.00          | 9.56          | 9.73          | 9.73          | 9.73          | 9.73          | 7.88          | 9.73          | -             | -             |
| Senior adults                 | 27.53         | 26.13         | 26.13         | 26.16         | 26.25         | 27.01         | 27.96         | 27.08         | 27.08         | 24.36         |
| Parks division                | 24.87         | 25.83         | 25.70         | 25.59         | 24.92         | 26.92         | 26.55         | 26.17         | 26.17         | 26.17         |
| Cultural arts                 | 3.40          | 3.47          | 3.47          | 3.47          | 3.47          | 3.47          | 6.41          | 7.04          | 16.77         | 18.37         |
| Golf course division          | 13.01         | 13.57         | 13.46         | 13.41         | 13.43         | 13.43         | 12.88         | 12.88         | 12.88         | 13.88         |
| Recreation                    | 10.32         | 11.81         | 11.69         | 12.05         | 12.92         | 13.15         | 33.36         | 48.30         | 48.30         | 41.15         |
| Ice arena                     | 14.13         | 12.66         | 13.16         | 13.41         | 13.16         | 13.66         | 13.66         | 13.66         | 16.66         | 13.66         |
| <b>Total</b>                  | <u>497.23</u> | <u>504.92</u> | <u>504.72</u> | <u>508.87</u> | <u>503.54</u> | <u>509.27</u> | <u>554.38</u> | <u>583.64</u> | <u>598.25</u> | <u>591.97</u> |

Source: City personnel/budget records

**City of Farmington Hills**  
**Operating Indicators**  
**Last Ten Fiscal Years**  
**(Unaudited)**

| Function/Program                        | 2016         | 2017         | 2018         | 2019         | 2020        | 2021        | 2022        | 2023        | 2024        | 2025        |
|---|--------------|--------------|--------------|--------------|-------------|-------------|-------------|-------------|-------------|-------------|
| <b>Police:</b>                          |              |              |              |              |             |             |             |             |             |             |
| Physical Arrests                        | 2,486        | 2,805        | 2,830        | 2,692        | 1,579       | 1,750       | 1,819       | 2,899       | 2,980       | 2,276       |
| Traffic violations                      | 7,606        | 8,861        | 9,000        | 9,593        | 6,833       | 5,696       | 8,342       | 12,123      | 15,067      | 14,059      |
| <b>Fire:</b>                            |              |              |              |              |             |             |             |             |             |             |
| Total incidents                         | 9,027        | 9,208        | 9,524        | 9,500        | 10,383      | 10,920      | 11,354      | 12,250      | 13,143      | 14,198      |
| Public education programs               | 112          | 112          | 140          | 140          | 128         | 130         | 55          | 95          | 116         | 121         |
| Fire loss                               | \$ 2,719,603 | \$ 2,830,913 | \$ 8,577,000 | \$ 3,888,500 | \$3,229,451 | \$3,753,450 | \$2,298,561 | \$7,500,000 | \$3,853,500 | \$5,287,348 |
| <b>Public works:</b>                    |              |              |              |              |             |             |             |             |             |             |
| Dwelling units receiving refuse         | 23,329       | 23,343       | 23,356       | 23,372       | 23,393      | 23,452      | 23,467      | 23,493      | 23,569      | 23,576      |
| Percentage of waste stream              | 44.00        | 39.40        | 42.00        | 42.00        | 40.00       | 40.00       | 36.80       | 36.00       | 35.70       | 36.00       |
| <b>Parks and recreation:</b>            |              |              |              |              |             |             |             |             |             |             |
| Recreation programs                     | 2,660        | 2,670        | 2,690        | 2,714        | 2,735       | 2,850       | 2,860       | 2,905       | 3,016       | 3,125       |
| <b>Water:</b>                           |              |              |              |              |             |             |             |             |             |             |
| Water customers                         | 22,910       | 22,982       | 22,966       | 23,094       | 23,101      | 23,151      | 23,185      | 23,205      | 23,285      | 23,301      |
| Water main breaks                       | 40           | 53           | 47           | 39           | 49          | 68          | 74          | 71          | 38          | 42          |
| Total consumption (mcf)                 | 370,493      | 391,749      | 371,701      | 340,512      | 339,627     | 365,736     | 364,353     | 347,516     | 338,753     | 322,418     |
| Average consumption per user (mcf/year) | 16.17        | 17.05        | 16.18        | 14.75        | 14.70       | 15.80       | 15.72       | 14.98       | 14.54       | 14.00       |
| <b>Sewer:</b>                           |              |              |              |              |             |             |             |             |             |             |
| Average consumption per user            | 17.06        | 18.36        | 18.12        | 18.75        | 18.76       | 17.60       | 18.33       | 15.53       | 17.42       | 16.00       |
| Metered Volume (mcf)                    | 385,851      | 416,257      | 410,961      | 426,641      | 427,282     | 401,646     | 418,967     | 355,362     | 399,792     | 370,942     |
| Sewer customers                         | 22,618       | 22,667       | 22,684       | 22,756       | 22,771      | 22,820      | 22,858      | 22,878      | 22,954      | 22,988      |

Source: City records, Department annual reports, and Oakland County Water Resources Commissioner's Office

**City of Farmington Hills**  
**Capital Asset Statistics**  
**Last Ten Fiscal Years**  
**(Unaudited)**

| Function/ program                     | 2016      | 2017      | 2018      | 2019      | 2020      | 2021      | 2022      | 2023      | 2024      | 2025      |
|---------------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| <b>Police:</b>                        |           |           |           |           |           |           |           |           |           |           |
| Stations                              | 1         | 1         | 1         | 1         | 1         | 1         | 1         | 1         | 1         | 1         |
| Fleet vehicles                        | 68        | 69        | 69        | 69        | 72        | 66        | 74        | 73        | 73        | 71        |
| <b>Fire:</b>                          |           |           |           |           |           |           |           |           |           |           |
| Stations                              | 5         | 5         | 5         | 5         | 5         | 5         | 5         | 5         | 5         | 5         |
| Trucks (4)                            | 18        | 17        | 16        | 16        | 16        | 16        | 17        | 17        | 17        | 17        |
| <b>Public Works - Streets (miles)</b> |           |           |           |           |           |           |           |           |           |           |
| Major                                 | 58.36     | 58.36     | 58.36     | 58.36     | 58.36     | 58.36     | 58.36     | 58        | 58        | 58        |
| Local                                 | 246.38    | 246.38    | 246.38    | 246.87    | 246.87    | 246.87    | 246.87    | 247       | 247       | 247       |
| <b>Parks and recreation:</b>          |           |           |           |           |           |           |           |           |           |           |
| Acreage                               | 636       | 636       | 636       | 636       | 669       | 669       | 669       | 669       | 669       | 669       |
| Playgrounds                           | 4         | 6         | 6         | 6         | 6         | 6         | 6         | 6         | 6         | 6         |
| Football/Soccer fields (2)            | 19        | 19        | 19        | 19        | 19        | 19        | 19        | 19        | 19        | 19        |
| Baseball/Softball diamonds (3)        | 12        | 12        | 12        | 12        | 13        | 13        | 13        | 13        | 13        | 13        |
| Pools/Splash pads                     | 2         | 2         | 2         | 2         | 3         | 4         | 4         | 4         | 4         | 4         |
| Ice arena                             | 1         | 1         | 1         | 1         | 1         | 1         | 1         | 1         | 1         | 1         |
| Community center                      | 0         | 0         | 0         | 1         | 2         | 2         | 2         | 2         | 2         | 2         |
| Senior center                         | 1         | 1         | 1         | 1         | 1         | 1         | 1         | 1         | 1         | 1         |
| Golf course                           | 1         | 1         | 1         | 1         | 1         | 1         | 1         | 1         | 1         | 1         |
| <b>Water:</b>                         |           |           |           |           |           |           |           |           |           |           |
| Mains (miles)                         | 456       | 457       | 459       | 459       | 459       | 470       | 471       | 475       | 487       | 485       |
| Fire hydrants                         | 5,126     | 5,156     | 5,169     | 5,169     | 5,169     | 5,230     | 5,250     | 5,305     | 5,329     | 5,347     |
| Storage capacity (gallons)            | 3,000,000 | 3,000,000 | 3,000,000 | 3,000,000 | 3,000,000 | 3,000,000 | 3,000,000 | 3,000,000 | 3,000,000 | 3,000,000 |
| <b>Sewer:</b>                         |           |           |           |           |           |           |           |           |           |           |
| Miles of sanitary sewers              | 329       | 329       | 329       | 329       | 330       | 330       | 330       | 330       | 330       | 331       |
| Treatment capacity                    | (1)       | (1)       | (1)       | (1)       | (1)       | (1)       | (1)       | (1)       | (1)       | (1)       |

Source: City records, department annual reports, and Oakland County Drain Commission

(1) Information not available

(2) Plus the City maintains 31 football/soccer fields for other entities.

(3) Plus the City maintains 30 baseball/softball diamonds for other entities.

(4) Plus 18 other vehicles and equipment.