
Illustrative Annual Comprehensive Financial Report

This appendix offers a complete illustrative annual comprehensive financial report (ACFR). The numbers in this illustrative ACFR are supported by the journal entries, trial balances, and adjustments worksheet provided in Appendices A, B, and C.

Appendix D is available electronically at: www.gfoa.org/GAAFR/AppendixD

NAME OF GOVERNMENT, STATE
ANNUAL COMPREHENSIVE FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2027



Prepared by:

Department of Finance and Administration

NAME OF GOVERNMENT
Annual Comprehensive Financial Report
For the Fiscal Year Ended June 30, 2027
TABLE OF CONTENTS

| | <u>Page</u> |
|--|-------------|
| INTRODUCTORY SECTION | |
| Letter of Transmittal..... | 2 |
| GFOA Certificate of Achievement | 8 |
| Organizational Chart | 9 |
| List of Elected and Appointed Officials | 10 |
| FINANCIAL SECTION | |
| Independent Auditor's Report | 12 |
| Management's Discussion and Analysis..... | 15 |
| Basic Financial Statements: | |
| Government-wide Financial Statements: | |
| Statement of Net Position | 29 |
| Statement of Activities | 30 |
| Fund Financial Statements: | |
| Governmental Funds | |
| Balance Sheet | 31 |
| Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position | 32 |
| Statement of Revenues, Expenditures, and Changes in Fund Balances | 33 |
| Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities..... | 34 |
| Proprietary Funds | |
| Statement of Net Position | 35 |
| Statement of Revenues, Expenses, and Changes in Net Position | 36 |
| Statement of Cash Flows..... | 37 |
| Fiduciary Funds | |
| Statement of Fiduciary Net Position | 38 |
| Statement of Changes in Fiduciary Net Position..... | 39 |
| Notes to the Financial Statements | 40 |
| Summary of significant accounting policies | 40 |
| Description of government-wide financial statements | 40 |
| Reporting entity | 40 |
| Basis of presentation – government-wide financial statements..... | 41 |
| Basis of presentation – fund financial statements | 42 |
| Measurement focus and basis of accounting | 43 |
| Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance | 44 |
| Revenues and expenditures/expenses | 49 |

TABLE OF CONTENTS (continued)

| | <u>Page</u> |
|--|-------------|
| Notes to the Financial Statements (continued) | |
| Reconciliation of government-wide and fund financial statements..... | 50 |
| Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position..... | 50 |
| Explanation of certain differences between the proprietary fund statement of net position and the government-wide statement of position | 50 |
| Stewardship, compliance, and accountability | 51 |
| Violations of legal or contractual provisions | 51 |
| Deficit fund equity | 51 |
| Detailed notes on all activities and funds | 51 |
| Cash and investments | 51 |
| Cash deposits with financial institutions | 51 |
| Investments..... | 52 |
| Receivables..... | 54 |
| Capital assets | 55 |
| Accrued liabilities | 56 |
| Pension plans..... | 56 |
| Other postemployment benefit (OPEB) obligations | 71 |
| Construction and other significant commitments..... | 82 |
| Risk management..... | 83 |
| Leases..... | 84 |
| Public-private partnership (PPP)..... | 84 |
| Subscription-based information technology arrangement | 85 |
| Short-term debt | 86 |
| Long-term liabilities | 86 |
| Fund balance..... | 92 |
| Interfund receivables and payables | 92 |
| Interfund transfers | 93 |
| Discretely presented component units | 93 |
| Contingencies | 95 |
| Tax abatements..... | 95 |
| Subsequent events | 96 |
| Adjustments and restatements of beginning balances | 96 |
| Required Supplementary Information: | |
| Budgetary Comparisons | |
| General Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual | 98 |
| Community Development Block Grant Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual Fund | 99 |
| Notes to Required Supplementary Information | 100 |

TABLE OF CONTENTS (continued)

| | <u>Page</u> |
|---|-------------|
| Required Supplementary Information (continued) | |
| General Employees Retirement Fund: | |
| Schedule of the Government's Proportionate Share of the Net Pension Liability | 102 |
| Schedule of Employer's Contributions..... | 103 |
| Notes to Required Supplementary Information | 104 |
| Police Pension Plan: | |
| Schedule of Changes in the Government's Net Pension Liability and Related | |
| Ratios | 105 |
| Schedule of Employer Contributions..... | 106 |
| Schedule of Investment Returns | 107 |
| Notes to Required Supplementary Information..... | 108 |
| Firefighters Pension Plan: | |
| Schedule of Changes in the Government's Total Pension Liability and Related | |
| Ratios..... | 109 |
| Notes to Required Supplementary Information..... | 110 |
| State Retiree Health Insurance Trust Fund: | |
| Schedule of the Government's Proportionate Share of the Net OPEB Liability | 111 |
| Schedule of Employer Contributions..... | 112 |
| Notes to Required Supplementary Information..... | 113 |
| Public Safety Other Postemployment Benefit Plan: | |
| Schedule of Changes in the Government's Net OPEB Liability and Related | |
| Ratios..... | 114 |
| Schedule of Employer Contributions..... | 115 |
| Schedule of Investment Returns | 116 |
| Notes to Required Supplementary Information..... | 117 |
| Combining and Individual Fund Financial Statements and Schedules: | |
| Capital Projects Fund - Schedule of Revenues, Expenditures, and Changes in | |
| Fund Balance - Budget and Actual - From Inception of Current Projects and For | |
| the Year Ended June 30, 2027 | 119 |
| Debt Service Fund - Schedule of Revenues, Expenditures, and Changes in Fund | |
| Balance - Budget and Actual | 120 |
| Nonmajor Governmental Funds: | |
| Combining Balance Sheet | 122 |
| Combining Statement of Revenues, Expenditures, and Changes in Fund | |
| Balances..... | 123 |
| Library Fund - Schedule of Revenues, Expenditures, and Changes in Fund | |
| Balance - Budget and Actual | 124 |
| Internal Service Funds: | |
| Combining Statement of Net Position | 126 |
| Combining Statement of Revenues, Expenses, and Changes in Net Position | 127 |
| Combining Statement of Cash Flows..... | 128 |

TABLE OF CONTENTS (continued)

| | <u>Page</u> |
|---|-------------|
| Combining and Individual Fund Financial Statements and Schedules (continued) | |
| Fiduciary Funds – Pension (and Other Employee Benefit) Trust Funds: | |
| Combining Statement of Fiduciary Net Position | 130 |
| Combining Statement of Changes in Fiduciary Net Position..... | 131 |
| STATISTICAL SECTION | |
| Financial Trends: | |
| Net Position by Component..... | 133 |
| Changes in Net Position | 134 |
| Fund Balances of Governmental Funds | 136 |
| Changes in Fund Balances of Governmental Funds..... | 137 |
| Revenue Capacity: | |
| Assessed Value and Estimated Actual Value of Taxable Property | 138 |
| Property Tax Rates – Direct and Overlapping Governments | 139 |
| Principal Property Taxpayers | 140 |
| Property Tax Levies and Collections | 141 |
| Debt Capacity: | |
| Ratios of Outstanding Debt by Type | 142 |
| Ratios of General Bonded Debt Outstanding | 143 |
| Direct and Overlapping Governmental Activities Debt | 144 |
| Legal Debt Margin Information..... | 145 |
| Pledged-Revenue Coverage | 146 |
| Demographic and Economic Information: | |
| Demographic and Economic Statistics | 147 |
| Principal Employers | 148 |
| Operating Information: | |
| Full-Time Equivalent Employees by Function | 149 |
| Operating Indicators by Function | 150 |
| Capital Asset Statistics by Function | 151 |

INTRODUCTORY SECTION

LETTERHEAD OF NAME OF GOVERNMENT

October 15, 2027

To the Honorable Mayor, Members of the Governing Council and Citizens of the NAME OF GOVERNMENT:

State law requires that every general purpose local government publish, within six months of the close of each fiscal year, a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended June 30, 2027.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Bookman, Cobb, Heymann & Company, Certified Public Accountants, have issued an unmodified (“clean”) opinion on the NAME OF GOVERNMENT’s financial statements for the year ended June 30, 2027. The independent auditor’s report is located at the front of the financial section of this report.

Management’s discussion and analysis (MD&A) immediately follows the independent auditor’s report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the government

The NAME OF GOVERNMENT, incorporated in 1866, is located in the eastern part of the state, which is considered to be one of the top growth areas in both the state and the country. It currently occupies ten square miles and serves a population of approximately 57,500. The NAME OF GOVERNMENT is empowered to levy a property tax on real property located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexation, which it has done from time to time.

The NAME OF GOVERNMENT has operated under the mayor-council form of government since 1916, having been the first in the state to adopt this form of government. Policy-making and legislative authority are vested in the Governing Council (Council) consisting of the mayor and six other members, all of whom are elected at large. Council members serve four-year terms, with three members elected every two years. The Mayor is elected for a four-year term. The Mayor, with Council approval, appoints the NAME OF GOVERNMENT’s manager, who in turn appoints its department heads.

The NAME OF GOVERNMENT provides a full range of services, including police and fire protection; refuse collection; snow and leaf removal; traffic control; on- and off-street parking; building inspections; licenses and permits; vital statistics; the construction and maintenance of highways, streets, and other infrastructure; recreational and cultural activities; library services; low-income housing; and transit services. Water distribution services are provided through a legally separate entity, the Water Authority, which functions, in essence, as a department of the NAME OF GOVERNMENT and therefore has been included as an integral part of the NAME OF GOVERNMENT’s financial statements. The NAME OF GOVERNMENT also is financially accountable for a legally separate urban renewal agency and a legally separate cable television operation, both of which are

reported separately within the NAME OF GOVERNMENT's financial statements. Additional information on all three of these legally separate entities can be found in the notes to the financial statements (see note I.B).

The Council is required to adopt an initial budget for the fiscal year no later than May 31 preceding the beginning of the fiscal year on July 1. This annual budget serves as the foundation for the NAME OF GOVERNMENT's financial planning and control. The budget is prepared by fund, function (e.g., public safety), and department (e.g., police). Department heads may transfer resources within a department as they see fit. Transfers between departments, however, need special approval from the Council.

Local economy

The NAME OF GOVERNMENT is a suburb in an affluent metropolitan area and functions as a major commuter hub and suburban regional center. The NAME OF GOVERNMENT is headquarters for many corporations, and functions as a major regional shopping center for the metropolitan area. Major industries located within the NAME OF GOVERNMENT's boundaries or in close proximity include hospitals, manufacturers of computer hardware and software, retail stores, and several financial institutions and insurance companies. The school district and NAME OF GOVERNMENT also have a significant economic presence, employing in total more than 2,300 teachers, professionals, and support staff.

Because of its location in a region with a varied economic base, unemployment had been relatively stable until the effect of the current recession was felt during the current year. During the past ten years, the unemployment rate rose from an initial low of 3.1 percent (2018) to a decade high of 7.1 percent for the current year (2027). Although unemployment rates have risen nationwide over the last year, the NAME OF GOVERNMENT continues to experience unemployment rates consistently lower than national averages. The NAME OF GOVERNMENT's unemployment rate as of June 2027 was 7.1 percent compared to 9.5 percent nationally. The increases in unemployment rates during the current year reflect the current recession. Additional increases may occur in the near future. However, based on economic forecasts, a leveling off and subsequent decline in unemployment rates are anticipated in calendar year 2028.

Median household incomes within the NAME OF GOVERNMENT are significantly higher than the state as a whole. According to the year 2026 census, the NAME OF GOVERNMENT's median family income was \$71,891; the county's was \$79,881, while the state's was \$51,691. The NAME OF GOVERNMENT's population recently increased from 57,100 to 57,468 as of June 30, 2027, in part because of new residential developments in the downtown area. Despite the softening of the housing market nationwide, housing prices in the vicinity of the NAME OF GOVERNMENT continue to remain strong. At the end of the second quarter of 2027, the median price of a single-family home in the vicinity of the NAME OF GOVERNMENT was \$410,000.

Due to strong financial management and a structurally balanced budget, the NAME OF GOVERNMENT has maintained a credit rating of Aa1 from Moody's Investor Service since 2018, which is the highest bond rating given to any government within the state and which is shared by only one other government in the state.

The current downturn notwithstanding, during the past decade, the NAME OF GOVERNMENT has experienced a period of significant economic growth and investment. More than \$3 billion in new mixed-use and residential development has been completed or is in various phases of development throughout the downtown and surrounding areas, including the NAME OF GOVERNMENT's first new office building in more than twenty years. This development, combined with an easy commute to the nearby metropolitan center afforded by high quality transportation systems, the presence of retail and service industries and the presence of recreational, educational and health facilities has even further strengthened the NAME OF GOVERNMENT's

already strong economic base. Thanks to the diversity of its commercial base, the NAME OF GOVERNMENT expects a full recovery in all sectors of its local economy as the national economy improves.

The NAME OF GOVERNMENT's Historic Preservation Tax Abatement Program was unanimously approved by the Board in 2024. The economic development plan for the Historic Preservation Tax Abatement Program provided a ten-year analysis for the estimated costs and the potential benefits of implementing the abatement program. A copy of the analysis can be found on the NAME OF GOVERNMENT's website, www.NOghistorticplan.gov. The NAME OF GOVERNMENT implemented this program to help preserve the historic homes that have been in the community since its inception. Another benefit of this program is the tourism that these homes have generated. Tourism in the community has increased 112 percent since the inception of the program, which has provided an economic boost to local businesses as shown below.

| Year | Tourists | Economic | |
|------|----------|----------|-----------|
| | | Impact | |
| 2027 | 5,300 | \$ | 3,550,000 |
| 2026 | 4,900 | | 3,125,000 |
| 2025 | 4,200 | | 2,850,000 |
| 2024 | 2,500 | | 1,000,000 |
| 2023 | 2,450 | | 989,000 |

The program had an immediate impact on the local economy; the increase in tourism from 2024, the year the program began, to 2025 was 68 percent. The NAME OF GOVERNMENT estimates that the number of tourists will reach 7,500 in 2032 and with an economic impact of \$4.8 million. As part of the annual budget process, the NAME OF GOVERNMENT reduces property tax revenue that normally would have been received by the estimated amount of abatements awarded for the fiscal year. Abatements are granted to owners of historic homes who agree to restore and maintain their homes to standards specified in the program's authorizing legislation. The NAME OF GOVERNMENT's building department is responsible for monitoring the compliance with the program.

During the past ten years, the NAME OF GOVERNMENT's expenditures related to public safety have increased not only in amount, but also as a percentage of total expenditures in governmental funds (currently 33.7 percent, reflecting a ten-year increase of 8.2 percent). Much of this increase reflects a regional trend that has seen the salaries and benefits of police and firefighters growing at a much faster rate than those of other categories of public-sector employees.

During this same ten-year period, charges for services related to governmental funds have increased not only in amount, but also as a percentage of total revenues in governmental funds (currently 12.6 percent, reflecting a ten-year increase of 5.2 percent). The increase in charges for services has been necessary to offset decreases in other revenue sources (e.g., grants).

Long-term financial planning and major initiatives

The NAME OF GOVERNMENT's reserve policy is unrestricted fund balance (the total of the committed, assigned, and unassigned components of fund balance) in the general fund be within the range of 15 and 25 percent of total General Fund revenues. As of June 30, 2027, the unrestricted fund balance in the General Fund at year end was 15.5 percent of total General Fund revenues, just within the acceptable range. The Council recently reviewed the NAME OF GOVERNMENT's strategic plan, including the reserve policy guidelines, and plans to raise the lower threshold target to 18 percent of total General Fund revenues to reduce the amount that otherwise would need to be borrowed to finance future construction.

As part of its strategic plan, the Council also envisions the revitalization of its Main Street/Howard Avenue corridor, which will begin with the installation of new streetscapes on Main Street. Federal funding in the amount of \$1 million has been secured for this project, which will include new sidewalks, lighting fixtures, and benches.

The NAME OF GOVERNMENT has also completed a feasibility study on the development of a trolley system within the downtown area. This system is expected to benefit the NAME OF GOVERNMENT by providing traffic mitigation, air quality improvement, and economic development in the downtown area. Accordingly, the NAME OF GOVERNMENT will proceed with this project, which it has incorporated into its six-year Capital Improvement Program.

As mentioned earlier, the NAME OF GOVERNMENT has undergone a recent period of growth and expansion. New residential development in and around the downtown areas has been extremely strong, with nearly 1,400 new condominium and rental units being constructed and/or approved since 2019. These units are located throughout the NAME OF GOVERNMENT and consist of rental properties, affordable housing, market rate condominiums, and senior housing.

The NAME OF GOVERNMENT operates an Affordable Rental and Home Ownership Program, which is funded through payment by developers in lieu of providing affordable housing units. This program was established to assist qualified residents with home ownership and to provide grants to developers for the construction of affordable housing projects for low- and moderate-income housing. Over 200 affordable housing units have been approved under this program.

By charter, the NAME OF GOVERNMENT maintains a six-year Capital Improvement Program, which serves as its planning document to ensure that its facilities, equipment, and infrastructure are well maintained and operating in peak condition. Under the guidance of a Capital Projects Board, this process gives the NAME OF GOVERNMENT the ability to plan for its capital needs and allocate short- and long-term resources appropriately. As part of this process, the NAME OF GOVERNMENT identifies and quantifies the operational costs associated with its capital projects and budgets resources accordingly. In addition, the Vehicles and Equipment Committee monitors the condition of all government equipment and vehicles and makes recommendations on their replacement. The NAME OF GOVERNMENT maintains a vehicle replacement policy, which serves as its fleet replacement guide over a ten-year period. During FY2027 the Vehicles and Equipment Committee recommended, and the Council approved, to not exercise its option to renew the fire equipment lease for five additional years, but instead purchase new equipment that is better suited to the needs of the fire department. The fiscal year 2027-2028 Capital Improvement Program anticipates \$8.3 million in capital projects and \$1.2 million in rolling stock replacement. Included in this \$8.3 million is \$0.86 million for various parking facility improvements, \$0.7 million for municipal building improvements and \$6.45 million for infrastructure and water system improvements. The remainder of the program will finance improvements to the NAME OF GOVERNMENT's parks, traffic systems and technology. Because of fiscal constraints, the NAME OF GOVERNMENT's 2027-28 machinery, equipment and vehicles program will fund moderate and heavy-duty vehicles only. The NAME OF GOVERNMENT did not fund additions or replacements of passenger vehicles (including police vehicles). The purchase of these vehicles will be addressed as funding becomes available.

To provide residents with more recreational and fitness opportunities, the NAME OF GOVERNMENT entered into a 25-year public-private partnership (PPP) with Get Fit Inc., a local physical training business, in which Get Fit Inc. will operate the recreation center. During the term of the PPP, the NAME OF GOVERNMENT will retain ownership of the recreation center while Get Fit Inc. will be responsible for the day-to-day operations of the building, including repairs and insurance. Get Fit Inc. will charge customers for use of the facilities and retain

those fees throughout the term of the PPP. In addition to making annual payments of \$125,000, Get Fit Inc. will make various building improvements and purchase new furniture and fixtures that will become assets of the NAME OF GOVERNMENT as the improvements are put into service. Get Fit Inc. has estimated that the improvements and furniture and fixtures will be approximately \$2,500,000. During the current fiscal year, \$551,000 in building improvements were completed and placed into service. The remaining improvements and furniture and fixture purchases will be placed into service over the next three years in the following increments:

| | FY2028 | FY2029 | FY2030 | Totals |
|------------------------|-----------|-----------|-----------|-------------|
| Building improvements | \$500,000 | \$650,000 | \$500,000 | \$1,650,000 |
| Furniture and fixtures | 0 | 0 | 300,000 | 300,000 |
| Totals | \$500,000 | \$650,000 | \$800,000 | \$1,950,000 |

The PPP benefits the NAME OF GOVERNMENT, Get Fit Inc and the residents. Get Fit Inc. will be able to employ more staff to provide services to the residents. The NAME OF GOVERNMENT will get improvements performed to a facility that has been under-utilized for several years. The residents will now have an improved fitness facility and increased recreation programs.

Relevant financial policies

The NAME OF GOVERNMENT has adopted a comprehensive set of financial policies. During the current year, two of these policies were particularly relevant. The NAME OF GOVERNMENT has a policy that requires the adoption of a balanced annual operating budget (i.e., estimated revenues equal to or in excess of appropriations). As a result of the economic downturn, however, estimated revenues were less than appropriations (\$126,015,303 v. \$131,056,197). In such cases, the policy allows for the appropriation of fund balance to close the gap. The amount necessary for this purpose in the original budget was \$5,040,894, which increased to \$5,322,458 in the final amended budget. However, thanks to measures taken during the year to control expenditures, the NAME OF GOVERNMENT ultimately had to spend only \$3,779,425 to close the operating deficit for the year.

In addition, the NAME OF GOVERNMENT has a policy that nonrecurring (i.e., “one-time”) resource inflows are not used for operating purposes. During the current year, the State informed the NAME OF GOVERNMENT that it would provide compensation for the cost of retroactive compliance with the Local Wetlands Protection Act of 2020. The Council, in accordance with its policy, plans to use the amount it eventually receives for the acquisition of new park land.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the NAME OF GOVERNMENT for its annual comprehensive financial report (ACFR) for the fiscal year ended June 30, 2026. This was the 33rd consecutive year that the NAME OF GOVERNMENT has achieved this prestigious award. To be awarded a Certificate of Achievement, the NAME OF GOVERNMENT had to publish an easily readable and efficiently organized ACFR that satisfied both generally accepted accounting principles and applicable program requirements.

A Certificate of Achievement for Excellence in Financial Reporting is valid for a period of one year only. We believe that our current ACFR continues to meet the Certificate of Achievement for Excellence in Financial Reporting Program’s requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The NAME OF GOVERNMENT also received the GFOA's Distinguished Budget Presentation Award for its annual budget document dated May 28, 2026. To qualify for the Distinguished Budget Presentation Award, the NAME OF GOVERNMENT's budget document had to be judged proficient as a policy document, a financial plan, an operations guide, and a communications device.

Finally, NAME OF GOVERNMENT received GFOA's Popular Annual Financial Report (PAFR) for the first time for its first ever PAFR for the fiscal year ended June 30, 2026. The PAFR can be found on the NAME OF GOVERNMENT's website, www.NAMEOFGOV.gov.

As a result of receiving all three of GFOA's reporting awards, the NAME OF GOVERNMENT is a GFOA Triple Crown award winner.

The preparation of this report would not have been possible without the skill, effort, and dedication of the entire staff of the Finance and Administration Department. We wish to thank all NAME OF GOVERNMENT departments for their assistance in providing the data necessary to prepare this report. Credit also is due to the Mayor and the Council for their unfailing support for maintaining the highest standards of professionalism in the management of the NAME OF GOVERNMENT's finances.

Respectfully submitted,

James Falconer

James Falconer, Manager

Qun Wang

Qun Wang, Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

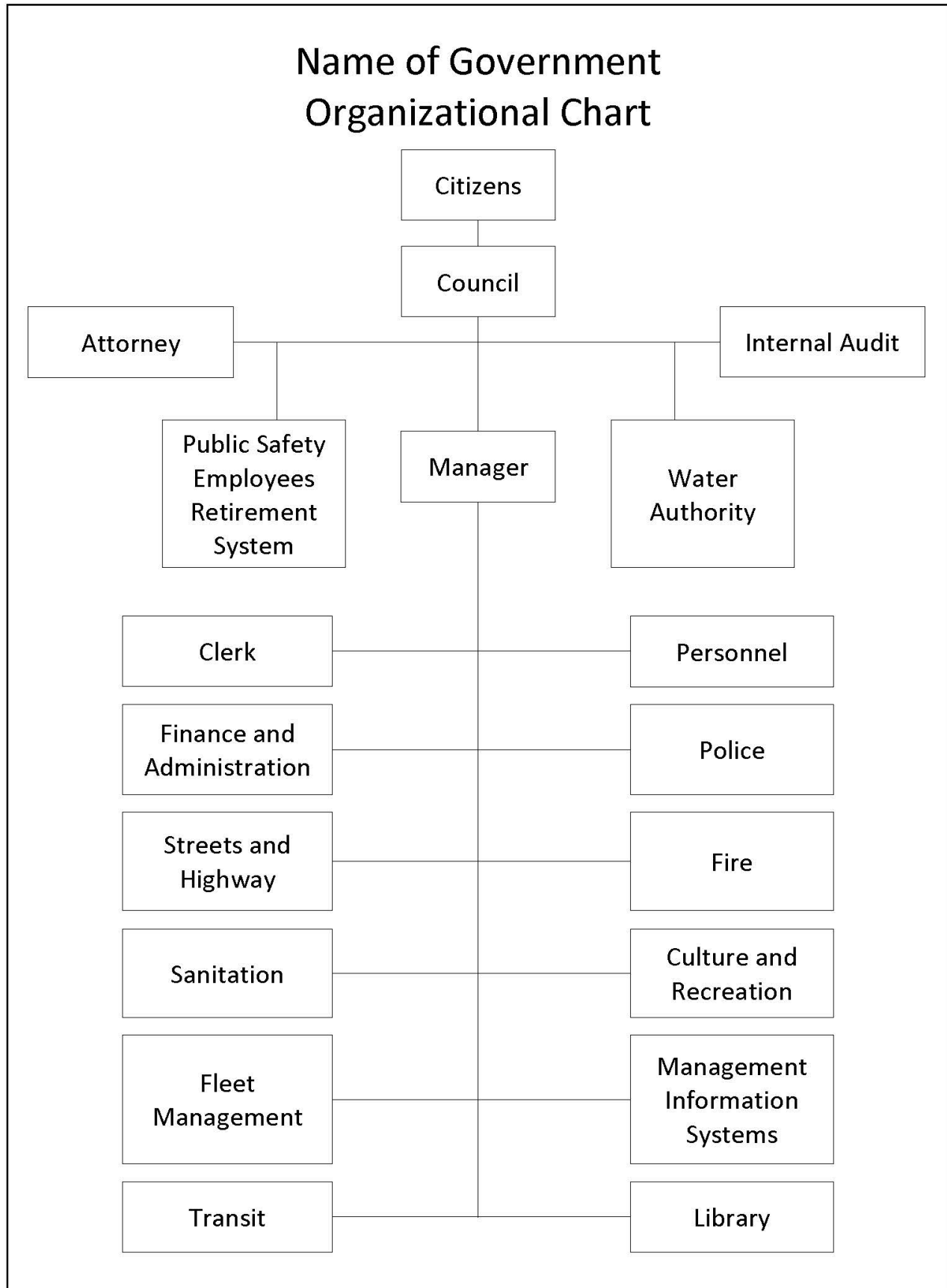
**Name of Government
State**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2026

Christopher P. Morill

Executive Director/CEO



NAME OF GOVERNMENT
List of Elected and Appointed Officials
as of June 30, 2027

Elected Officials

| | |
|---------------------------|--------------------|
| Mayor | Delores Smith |
| Council Member - Ward I | Susannah Filipovic |
| Council Member - Ward II | Lakesha Bean |
| Council Member - Ward III | Wesley Whitaker |
| Council Member - Ward IV | Alex Yanochik |
| Council Member - Ward V | Diane Griffin |
| Council Member – Ward VI | Daniel Le |

Appointed Officials

| | |
|---|-----------------------|
| Manager | James Falconer |
| Assistant Manager | Taher Khalil |
| Attorney | Raymond Matos |
| Clerk | James Phillips |
| Culture and Recreation Director | Robert Kotchen |
| Library Director | Eugenia Bellmon |
| Finance Director | Qun Wang |
| Accounting/Financial Reporting Director | Kim Hua |
| Fire Chief | Elantra Boyd |
| Fleet Management Director | Dashaunta Waddell |
| Internal Audit Director | Zhikuan Hu |
| Management Information Systems Director | Krissa Garner Dolezal |
| Human Resource Director | Melissa Oughton |
| Police Chief | Peg Hartnett |
| Public Relations Director | Kate Southard |
| Sanitation Director | Zaklina Lakic |
| Streets and Highways Director | Tami Garrett |
| Transit Manager | Lauren Cachey |
| Public Safety Employees Retirement System President | Qiu Jian Jiang |
| Water Authority Chair | John Fishbein |

FINANCIAL SECTION

OFFICIAL LETTERHEAD OF THE INDEPENDENT AUDITOR

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and
Members of the Governing Council
NAME OF GOVERNMENT, State

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of NAME OF GOVERNMENT, as of and for the year ended June 30, 2027, and the related notes to the financial statements, which collectively comprise the NAME OF GOVERNMENT's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the NAME OF GOVERNMENT, as of June 30, 2027, 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the NAME OF GOVERNMENT and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the NAME OF GOVERNMENT'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.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the NAME OF GOVERNMENT'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 NAME OF GOVERNMENT'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, Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual for the General Fund and the Community Development Block Grant Fund, Schedules of Changes in the NAME OF GOVERNMENT's Net and Total Pension and OPEB Liabilities and Related Ratios, Schedules of Employer Contributions, Schedules of Investment Returns, Schedules of the NAME OF GOVERNMENT's Proportionate Share of the Net Pension and OPEB Liabilities*, as listed 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 GAAS, 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 NAME OF GOVERNMENT's basic financial statements. The combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 15, 2027, on our consideration of the NAME OF GOVERNMENT's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the NAME OF GOVERNMENT's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering NAME OF GOVERNMENT's internal control over financial reporting and compliance.

Bookman, Cobb, Heymann & Company

Chicago, Illinois
October 15, 2027

Management's Discussion and Analysis

As management of the NAME OF GOVERNMENT, we offer the residents and other readers of the NAME OF GOVERNMENT's financial statements this management discussion and analysis (MD&A). The MD&A provides a narrative overview and analysis of the financial statements of the NAME OF GOVERNMENT for the fiscal year ended June 30, 2027, focusing on why amounts changed from the prior year. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 2-7 of this report.

Overview of the Financial Statements

The discussion and analysis provided here are intended to serve as an introduction to the NAME OF GOVERNMENT's basic financial statements. The NAME OF GOVERNMENT's basic financial statements consists of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) the notes to financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

Government-wide Financial Statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the NAME OF GOVERNMENT's finances, in a manner similar to a private-sector business. The government-wide financial statements include the governmental activities, the business-type activities and the NAME OF GOVERNMENT's discretely presented component units.

The *statement of net position* presents financial information on all the NAME OF GOVERNMENT's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the NAME OF GOVERNMENT is improving or deteriorating.

The *statement of activities* presents information showing how the NAME OF GOVERNMENT's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both government-wide financial statements distinguish functions of the NAME OF GOVERNMENT that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the NAME OF GOVERNMENT include general government, public safety, highways and streets, sanitation, culture and recreation, and community development. The business-type activities of the NAME OF GOVERNMENT include a water operation and a transit operation.

The government-wide financial statements include not only the NAME OF GOVERNMENT itself (known as the *primary government*), but also a legally separate urban renewal agency and a legally separate cable television operation for which the NAME OF GOVERNMENT is financially accountable. Financial information for these component units is reported separately from the financial information presented for the primary government itself. The Water Authority, although also legally separate, functions for all practical purposes as a department of the NAME OF GOVERNMENT, and therefore has been included as an integral part of the primary government.

The government-wide financial statements can be found on pages 29-30 of this report.

Fund Financial Statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The NAME OF GOVERNMENT, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the NAME OF GOVERNMENT can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in assessing a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The NAME OF GOVERNMENT maintains ten individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Community Development Block Grant fund, the Capital Projects Fund, and the Debt Service Fund, which are considered to be major funds. Data from the other governmental funds are combined into a single aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

The basic governmental fund financial statements can be found on pages 31-34 of this report.

Proprietary Funds. The NAME OF GOVERNMENT maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The NAME OF GOVERNMENT uses enterprise funds to account for its water and transit operations. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the NAME OF GOVERNMENT's various functions. The NAME OF GOVERNMENT uses internal service funds to account for the management of its retained risks and for its fleet of vehicles. Because both services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water Authority (a blended component unit reported as the Water Fund) and for the transit operation, both of which are considered to be major funds of the NAME OF GOVERNMENT. Conversely, both internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds are provided in the form of combining statements in the combining and individual fund statements and schedules section of this report.

The basic proprietary fund financial statements can be found on pages 35-37 of this report.

Fiduciary Funds. Fiduciary funds are used to account for resources for which the NAME OF GOVERNMENT acts as a trustee or custodian. Resources held in fiduciary funds are *not* available to support the NAME OF GOVERNMENT's own programs and therefore are *not* reported in the government-wide financial statements. The accounting used for fiduciary funds is much like that used for proprietary funds.

The NAME OF GOVERNMENT maintains four different types of fiduciary funds. The *pension (and other employee benefit) trust funds* are used to report resources held in trust for retirees and beneficiaries covered by the Police Pension Trust Fund and the Public Safety Other Postemployment Benefit Trust Fund. The *Private-Purpose Trust Fund* is used to report resources held in trust for prisoners to make purchases at the prison canteen. The *custodial funds* report resources, not in a trust, which are held by the NAME OF GOVERNMENT for other parties outside of NAME OF GOVERNMENT's reporting entity. One custodial fund, the *External Investment Pool Fund*, accounts for the deposits, withdrawals, and earnings of the local government investment fund, and is separately reported as an external investment pool for local governments.

The fiduciary fund financial statements can be found on pages 38-39 of this report.

Notes to the Financial Statements. The notes provide additional information that is necessary to acquire a full understanding of the data provided in the financial statements. The NAME OF GOVERNMENT uses notes to (1) present information in greater detail than is possible within the financial statements themselves, (2) explain the nature of amounts reported in the financial statements and how those amounts were determined, and (3) report certain information that does not meet the requirements for inclusion in the financial statements (such as certain contingencies). The notes to the financial statements can be found on pages 40-96 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents *required supplementary information*. The NAME OF GOVERNMENT presents budgetary comparison schedules for the General Fund and the Community Development Block Grant Fund; and the NAME OF GOVERNMENT's progress in funding its obligations to provide pension and OPEB benefits to its employees. Required supplementary information can be found immediately after the notes to the financial statements on pages 98-117.

The combining statements referred to earlier in connection with nonmajor governmental funds, internal service funds and pension (and other employee benefit) trust funds are presented immediately following the required supplementary information on budgetary comparisons, and pensions and OPEB. Combining and individual fund statements and schedules can be found on pages 119-131 of this report.

Financial Summary and detailed analysis

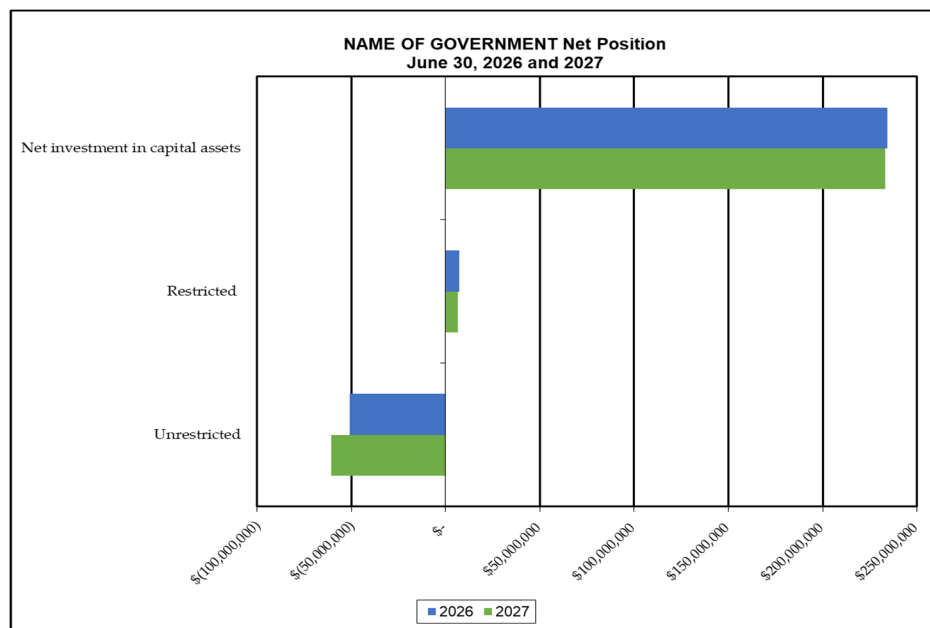
As noted earlier, net position over time may serve as a useful indicator of a government's financial position. In the case of the NAME OF GOVERNMENT, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$178.9 million, at the close of the most recent fiscal year, a decrease of \$10.9 million from the previous year.

NAME OF GOVERNMENT's Net Position

| | Governmental activities | | Business-type activities | | Total | |
|--------------------------------------|-------------------------|----------------|--------------------------|---------------|----------------|----------------|
| | 2027 | 2026 | 2027 | 2026 | 2027 | 2026 |
| Assets | | | | | | |
| Current and other assets | \$ 60,411,960 | \$ 64,976,760 | \$ 11,338,313 | \$ 9,759,615 | \$ 71,750,273 | \$ 74,736,375 |
| Capital assets | 287,917,430 | 284,327,887 | 39,978,275 | 39,818,579 | 327,895,705 | 324,146,466 |
| Total assets | 348,329,390 | 349,304,647 | 51,316,588 | 49,578,194 | 399,645,978 | 398,882,841 |
| Total deferred outflows of resources | 10,909,796 | 12,044,596 | 98,738 | 167,014 | 11,008,534 | 12,211,610 |
| Liabilities | | | | | | |
| Long-term liabilities outstanding | 181,664,335 | 180,898,807 | 11,382,278 | 12,458,097 | 193,046,613 | 193,356,904 |
| Other liabilities | 20,282,521 | 17,243,349 | 5,681,748 | 4,657,192 | 25,964,269 | 21,900,541 |
| Total liabilities | 201,946,856 | 198,142,156 | 17,064,026 | 17,115,289 | 219,010,882 | 215,257,445 |
| Total deferred inflows of resources | 12,490,539 | 5,268,408 | 234,810 | 146,427 | 12,725,349 | 5,414,835 |
| Net position: | | | | | | |
| Net investment in capital assets | 204,208,178 | 205,689,215 | 28,829,549 | 28,564,707 | 233,037,727 | 234,253,922 |
| Restricted | 6,288,470 | 7,147,294 | 257,452 | - | 6,545,922 | 7,147,294 |
| Unrestricted | (65,694,857) | (54,897,830) | 5,029,489 | 3,918,785 | (60,665,368) | (50,979,045) |
| Total net position | \$ 144,801,791 | \$ 157,938,679 | \$ 34,116,490 | \$ 32,483,492 | \$ 178,918,281 | \$ 190,422,171 |

By far the largest portion of the NAME OF GOVERNMENT's net position, \$233.0 million, reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, vehicles, and infrastructure), net of accumulated depreciation/amortization and less any related outstanding debt that was used to acquire those assets. The NAME OF GOVERNMENT uses these capital assets to provide a variety of services to its citizens. Accordingly, these assets are not available for future spending. Although the NAME OF GOVERNMENT's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the NAME OF GOVERNMENT's net position, \$6.5 million represents resources that are subject to external restrictions on how they may be used. As of the end of the current year, the NAME OF GOVERNMENT's unrestricted net position was a deficit balance of \$60.7 million. The deficit is caused primarily by the approximately \$88.9 million in postemployment liabilities for the NAME OF GOVERNMENT's three pension plans (\$49.7 million) and two other postemployment benefit plans for retiree healthcare (\$39.2 million).



Governmental activities. Current and other assets decreased in governmental activities by \$4.6 million from the prior year. To keep tax increases to a minimum, the NAME OF GOVERNMENT used cash reserves to pay for operations. During the current year, the NAME OF GOVERNMENT entered into a public-private partnership (PPP) with Get Fit, Inc., and will receive annual payments of \$125,000 for 25 years. As a result, a PPP receivable and a deferred inflow of resources for \$2.3 million were recognized. The deferred inflow of resources will be recognized as revenue over the term of the PPP.

Other liabilities in governmental activities increased \$3.1 million from the previous year due to the increase to short-term bond anticipation notes. During the current year, the NAME OF GOVERNMENT issued \$5.4 million in short-term capital borrowings to finance various capital projects throughout the NAME OF GOVERNMENT. The increase in bond anticipation notes was partially offset by the reduction of accounts payable. The NAME OF GOVERNMENT implemented a new vendor payment system in fiscal year 2026 which has significantly reduced the time to pay vendors for goods and services.

Long-term liabilities, which consist of bonds, notes, leases, subscription-based IT arrangements, compensated absences and postemployment benefit obligations, increased slightly by \$0.8 million from the previous year. The net OPEB liability decreased \$1.4 million due to the decrease in the NAME OF GOVERNMENT's share of the state's other postemployment benefits healthcare plan liability. The decrease in OPEB liability was offset by the \$1.7 million increase in the NAME OF GOVERNMENT's total pension liability for the firefighters pension plan, which is not prefunded.

During the current year the NAME OF GOVERNMENT did not exercise its option to renew its fire equipment lease. As a result of the non-renewal, the current year payment was the final payment on the lease, and the \$644,185 lease liability was eliminated. As discussed below, replacement equipment was purchased during the year. The NAME OF GOVERNMENT entered into a new lease during the current year for park equipment with a carrying value of \$49,587 as of June 30, 2027.

Business-type activities. The increases in current assets and other liabilities are primarily due to the issuance of \$1.5 million bond anticipation notes in the Water Fund during the current year. Long-term liabilities decreased by \$1.0 million due to the repayment of the Water Fund's revenue bonds.

The NAME OF GOVERNMENT's overall net position decreased \$10.9 million from the prior fiscal year. The reasons for this overall decrease are discussed in the following sections for governmental activities and business-type activities.

NAME OF GOVERNMENT's Changes in Net Position

| | Governmental activities | | Business-type activities | | Total | |
|--|-------------------------|-----------------------|--------------------------|----------------------|-----------------------|-----------------------|
| | 2027 | 2026 | 2027 | 2026 | 2027 | 2026 |
| Revenues: | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | \$ 37,919,945 | \$ 37,960,856 | \$ 10,384,139 | \$ 9,522,982 | \$ 48,304,084 | \$ 47,483,838 |
| Operating grants and contributions | 14,708,339 | 12,827,195 | 401,441 | 370,202 | 15,109,780 | 13,197,397 |
| Capital grants and contributions | 2,983,358 | 5,876,009 | 1,178,126 | 839,053 | 4,161,484 | 6,715,062 |
| General revenues: | | | | | | |
| Property taxes | 45,060,105 | 43,705,394 | - | - | 45,060,105 | 43,705,394 |
| Sales taxes | 44,368,865 | 45,588,771 | - | - | 44,368,865 | 45,588,771 |
| Franchise taxes | 1,537,833 | 1,897,939 | - | - | 1,537,833 | 1,897,939 |
| Payments in lieu of taxes | 2,345,545 | 2,288,147 | - | - | 2,345,545 | 2,288,147 |
| Grants and contributions not restricted to specific programs | 1,753,982 | 1,692,600 | - | - | 1,753,982 | 1,692,600 |
| Unrestricted investment earnings | 3,973,515 | 3,055,796 | 287,010 | 222,777 | 4,260,525 | 3,278,573 |
| Other | 2,618,643 | 1,858,896 | - | - | 2,618,643 | 1,858,896 |
| Total revenues | <u>157,270,130</u> | <u>156,751,603</u> | <u>12,250,716</u> | <u>10,955,014</u> | <u>169,520,846</u> | <u>167,706,617</u> |
| Expenses: | | | | | | |
| General government | 32,216,739 | 31,817,571 | - | - | 32,216,739 | 31,817,571 |
| Public safety | 59,935,190 | 59,427,149 | - | - | 59,935,190 | 59,427,149 |
| Highways and streets | 33,882,810 | 33,029,059 | - | - | 33,882,810 | 33,029,059 |
| Sanitation | 10,909,555 | 9,914,570 | - | - | 10,909,555 | 9,914,570 |
| Culture and recreation | 17,678,163 | 17,534,931 | - | - | 17,678,163 | 17,534,931 |
| Community development | 8,190,154 | 7,488,334 | - | - | 8,190,154 | 7,488,334 |
| Interest on long-term debt | 3,246,111 | 2,838,043 | - | - | 3,246,111 | 2,838,043 |
| Water | - | - | 8,359,864 | 8,356,237 | 8,359,864 | 8,356,237 |
| Transit | - | - | 5,974,954 | 5,762,334 | 5,974,954 | 5,762,334 |
| Total expenses | <u>166,058,722</u> | <u>162,049,657</u> | <u>14,334,818</u> | <u>14,118,571</u> | <u>180,393,540</u> | <u>176,168,228</u> |
| Increase (decrease) in net position before transfers | <u>(8,788,592)</u> | <u>(5,298,054)</u> | <u>(2,084,102)</u> | <u>(3,163,557)</u> | <u>(10,872,694)</u> | <u>(8,461,611)</u> |
| Transfers | (3,728,209) | (3,604,638) | 3,728,209 | 3,604,638 | - | - |
| Increase (decrease) in net position | <u>(12,516,801)</u> | <u>(8,902,692)</u> | <u>1,644,107</u> | <u>441,081</u> | <u>(10,872,694)</u> | <u>(8,461,611)</u> |
| Net position – beginning (2027 restated) | <u>157,318,592</u> | <u>166,841,371</u> | <u>32,472,383</u> | <u>32,042,411</u> | <u>189,790,975</u> | <u>198,883,782</u> |
| Net position – ending | <u>\$ 144,801,791</u> | <u>\$ 157,938,679</u> | <u>\$ 34,116,490</u> | <u>\$ 32,483,492</u> | <u>\$ 178,918,281</u> | <u>\$ 190,422,171</u> |

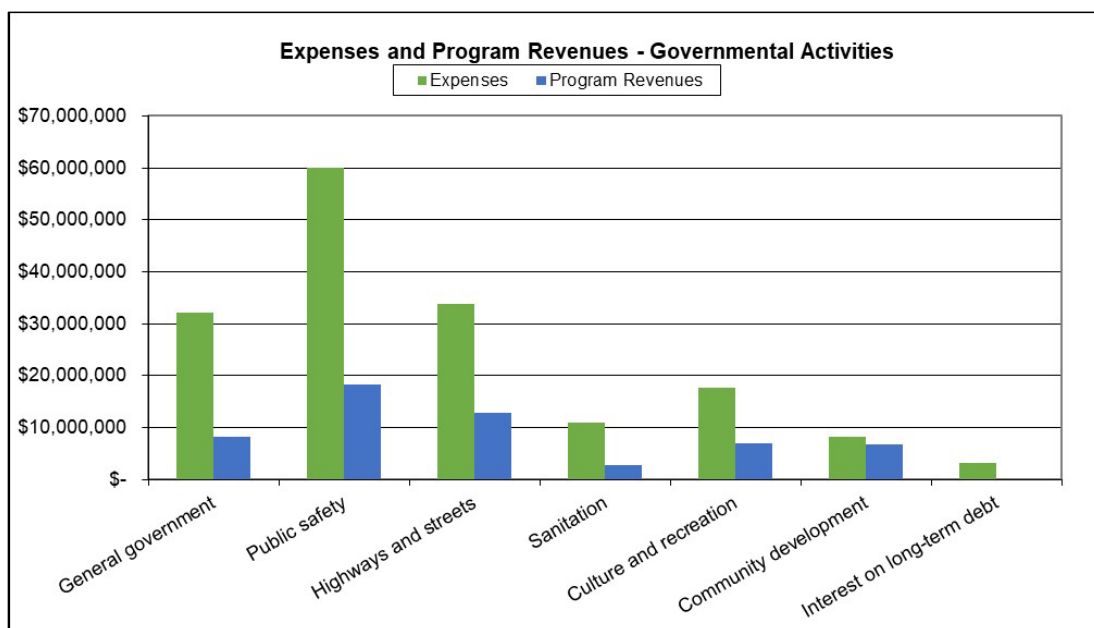
Governmental Activities. During the current fiscal year, net position for governmental activities decreased \$12.5 million from the prior fiscal year for an ending balance of \$144.8 million. While the current recession certainly had an impact on the NAME OF GOVERNMENT, management was able to take various actions (e.g., increasing rates for certain revenue sources, delaying certain nonrecurring expenses, reducing expenses related to non-essential ongoing programs in the culture and recreation function) that neutralized its effect on governmental activities. The decrease in the overall net position of governmental activities is primarily due to the \$12.7 million in postemployment benefit expense incurred during the current year that will provide pensions and health care benefits to current and future retirees and their eligible spouses and dependents during the life of the retiree.

Revenues increased slightly by \$0.5 million from the prior year. The state and federal government has decreased their funding for infrastructure projects because of the most recent budget reductions, as a result, capital grants revenue decreased by \$2.9 million. The decrease in capital grants was partially offset by a \$1.9 million increase in operating grants. The NAME OF GOVERNMENT's housing assistance program for low- and moderate-income families that is funded by grants from the state and the federal government's community development block grant program continues to grow. During the current year an additional \$1.5 million in grants was provided for the housing program. Property taxes remain the largest source of revenue at \$45.1 million for the current fiscal year. The assessed valuations have remained constant since 2018, however the rate charged to property owners has risen from \$89.15 in 2018 to \$147.48 per \$1,000 of assessed value in the current year. The

rate increase from the prior year was \$5.55 per \$1,000 of assessed value, or 3.9 percent. The sales tax revenue is composed of the state's sales taxes that are shared with participating municipalities based on a formula approved by the department of revenue and the NAME OF GOVERNMENT's local-option sales tax. The local-option sales tax rate remains at 3.2 percent. Sales tax revenue for the current year was \$44.4 million, a decrease of \$1.2 million from the previous year. The decrease is due to the current recession which has impacted retail sales at the shopping malls. The NAME OF GOVERNMENT's investments provided investment earnings of \$4.0 million, an increase of \$0.9 million from the previous year. Due to the increase in interest rates for the government securities and an increase in the stock market at the end of the current fiscal year, the investment income included a \$1.5 million fair value addition.

Expenses increased during the current year from \$162.0 million in the prior year to \$166.1 million in the current year. The most significant increase was \$0.9 million in the sanitation function due primarily to increased labor costs because of a new labor contract with sanitation workers, and the expansion of the NAME OF GOVERNMENT's recycling program. An increase in interest on long-term debt, also of \$0.4 million, resulted from interest on additional general obligations bonds issued in 2026 and notes privately placed in 2027, both of which support capital improvements which are discussed further in the section on the Capital Projects Fund. The NAME OF GOVERNMENT continues to make repairs and routine maintenance to the aging infrastructure. During the current year, expenses for highways and streets increased \$0.9 million from the previous year. The increased expenses are in line with the capital maintenance plan. Included in highways and streets are the labor costs for the public works employees who are in the first full year of a five-year labor contract, which represents \$0.5 million of the increase.

As shown in the chart below, revenues generated by the NAME OF GOVERNMENT's programs are not sufficient to cover the costs. The NAME OF GOVERNMENT relies on property taxes, sales taxes, investment income and other general revenues to cover the costs associated with the various programs.



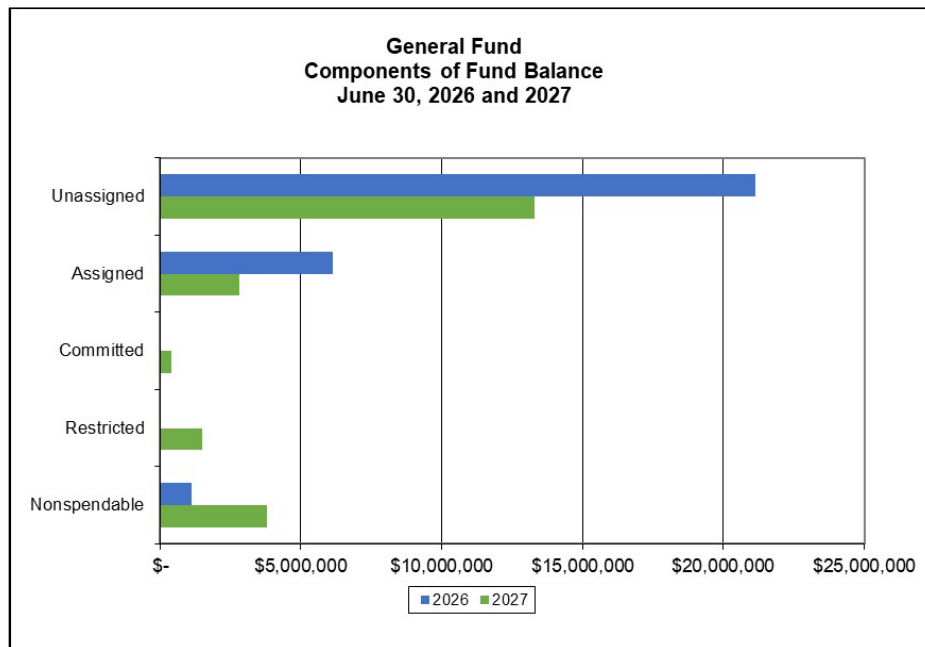
Business-type Activities. For the NAME OF GOVERNMENT's business-type activities, the results for the current fiscal year were positive in that overall net position increased to reach an ending balance of \$34.1 million. The total increase in net position for business-type activities (water and transit funds) was \$1.6 million or 5.1 percent from the prior fiscal year. The growth, in large part, is attributable to a 5 percent water rate increase enacted for the fiscal year 2026-2027 budget. As a result, revenues from water activity charges for services

increased \$0.8 million, over the previous year's amount. An additional cause for the overall increase was the receipt of a capital grant of \$1.1 million restricted for use in purchasing upgraded vehicles for the transit operation, an increase of \$0.4 million from the previous year.

Detailed Analysis of Governmental Funds

As noted earlier, the NAME OF GOVERNMENT uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The NAME OF GOVERNMENT reports four major funds individually in the governmental fund financial statements, the General Fund, the Community Development Block Grant Fund (a special revenue fund), the Debt Service Fund, and the Capital Projects Fund.

General Fund. The General Fund is the chief operating fund of the NAME OF GOVERNMENT. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$13.3 million, while total fund balance decreased to \$21.8 million. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total General Fund expenditures. Unassigned fund balance represents 10.5 percent of total general fund expenditures, while total fund balance represents 17.2 percent of that same amount.



The fund balance of the NAME OF GOVERNMENT's General Fund decreased by \$6.5 million during the current fiscal year. As discussed earlier in connection with governmental activities, the decrease was due to the contributions made by the NAME OF GOVERNMENT to the pension and other employee benefit healthcare plans. The actual total contributions made during the year from the General Fund were approximately \$12.0 million. The discussion of sales tax revenue and highways and streets expenses in the analysis of governmental activities applies to the General Fund.

Over the last decade the NAME OF GOVERNMENT has worked to identify and implement more charges for various programs and activities. This has included certain housing programs but has been especially true in the case of various cultural activities (e.g., performing arts) and recreational activities (e.g., use of recreational facilities such as swimming pools, indoor basketball courts, charges for nighttime lighting of outdoor facilities). The goal of this effort was to increase the percentage of total revenues that are provided by this classification. As discussed in the letter of transmittal this effort has been moderately successful in increasing the proportion of total revenues of governmental funds that results from these charges.

Ironically, the increase in investment earnings is also attributable to the current recession. As noted earlier in the discussion about governmental activities, actions were taken during the year to help mitigate the negative impact of the economic downturn. The result of these actions (e.g., delaying the payment of nonrecurring expenditures/expenses) the cash balance available for investment throughout much of the year was a significantly larger than anticipated. Moreover, in some cases it was possible to invest these amounts for longer periods, which also enhanced total investment earnings for the year.

Community Development Block Grant Fund. The Community Development Block Grant (CDBG) Fund is used to account for resources for the NAME OF GOVERNMENT's programs and activities that are used to prevent and eliminate slums and blight housing for the benefit of low- and moderate-income families. The intergovernmental revenue of \$2.3 million represents state and federal grants for the program. The federal government provided an additional \$1.0 million in community development block grant monies and the state grant increased \$0.5 million. The CDBG Fund's fund balance decreased \$0.3 million as management spent the available resources of the fund that has accumulated over the past few years. The restricted fund balance of \$4.2 million is the result of a \$4.0 million private grant provided by the Friends of Government Foundation in fiscal year 2025 to assist in revitalizing the housing in the NAME OF GOVERNMENT and create more affordable housing. The NAME OF GOVERNMENT has used the state and federal grant monies to start the projects and will use the private grant funds in future years as more projects are approved.

Capital Projects Fund. The Capital Projects Fund had an \$8.3 million decrease in fund balance during the current fiscal year which put the overall fund balance in a deficit position in the amount of \$2.2 million. The fund reports an even larger deficit of unassigned fund balance, -\$4.3 million, because of amounts restricted, \$0.9 million, and committed, \$1.2 million, for a special assessment project that began during the current fiscal year.

The large decrease in fund balance was caused mainly by the spending of resources obtained through the issuance of long-term debt in the prior period on capital acquisition and construction in the current period. That is, the fund balance that resulted from the previous long-term debt issuance was spent down during the current period as the related capital projects progressed.

Another reason for the decrease in fund balance for the current year was the use of short-term debt. In the case of the Capital Projects Fund, bond anticipation notes (BANS) were issued to finance expenditures of certain capital projects. When issued, short-term BANS are reported as a liability on the balance sheet, with no effect on fund balance (i.e., proceeds = liability for debt). However, as the proceeds are spent, the related expenditures cause a decrease in fund balance. BANS in the amount of \$6.9 million remained outstanding and were reported as a liability in the Capital Projects Fund at year end, while only \$2.6 million of the proceeds remained unspent. The difference between these two amounts, -\$4.3 million, is the amount reported as the deficit in unassigned fund balance in the Capital Projects Fund at the end of the year. It is the NAME OF GOVERNMENT's intent to issue long-term bonds to replace the BANS. The issuance of the long-term bonds will eliminate both the unassigned and the overall fund balance deficit in the Capital Projects Fund.

Debt Service Fund. The Debt Service Fund, the remaining major governmental fund, had an increase in fund balance during the current year of \$0.6 million to bring the year end fund balance to \$1.8 million. The increase primarily results from a special assessment project that began during the current year. First, a debt service restriction of \$0.8 million was established in the Debt Service Fund through a transfer from the Capital Projects Fund. Second, the first installment of the special assessment receivable, \$0.5 million, was collected, along with related interest of \$0.2 million. The NAME OF GOVERNMENT was able to use available cash to advance refund \$0.5 million of outstanding bonds during current year. The total increase in fund balance from these three amounts is \$1.5 million. The overall increase for the current year did not reach this amount because a portion of

the fund balance at the beginning of the year was used for debt service payments during the year.

Detailed Analysis of Enterprise Funds

The NAME OF GOVERNMENT reports its two enterprise funds as major funds in the proprietary fund financial statements, the Water Fund, and the Transit Fund. The enterprise funds provide the same type of information found in the business-type activities portion of the government-wide financial statements, but in more detail.

Unrestricted net position of the Water Fund at the end of the year was \$4.4 million and for the Transit Fund operation was \$0.3 million. The total growth in net position for each of the funds was \$1.4 million and \$0.3 million, respectively. As noted earlier in the discussion of business-type activities, the increase for the Water Fund results from a 5 percent water rate increase in the current year.

The Transit Fund received a capital grant of \$1.1 million restricted for use in purchasing upgraded vehicles and improved wheelchair accessibility at the Main Street station. At the end of the fiscal year, there was \$0.3 in unspent grant monies associated with the wheelchair accessibility project.

Significant Capital Asset and Long-term Financing Activity

Capital assets. The NAME OF GOVERNMENT's investment in capital assets for its governmental and business-type activities as of June 30, 2027, amounts to \$327.9 million (net of accumulated depreciation/amortization). This investment in capital assets includes land, buildings, machinery, equipment, vehicles, parks, roads, highways, bridges, the right to use other entities' assets (intangibles), and the water treatment plant. The total increase in capital assets for the current fiscal year was 1.2 percent.

NAME OF GOVERNMENT's Capital Assets (net of depreciation/amortization)

| | Governmental activities | | Business-type activities | | Total | |
|---------------------------------------|-------------------------|-----------------------|--------------------------|----------------------|-----------------------|-----------------------|
| | 2027 | 2026 | 2027 | 2026 | 2027 | 2026 |
| Land | \$ 50,067,172 | \$ 50,067,172 | \$ 1,911,400 | \$ 1,911,400 | \$ 51,978,572 | \$ 51,978,572 |
| Construction in progress | 9,870,118 | 22,974,097 | 5,363,783 | 6,726,334 | 15,233,901 | 29,700,431 |
| Buildings | 133,271,679 | 113,431,112 | 7,534,014 | 5,851,282 | 140,805,693 | 119,282,394 |
| Machinery, equipment, and vehicles | 12,969,252 | 11,740,088 | 3,767,350 | 3,193,858 | 16,736,602 | 14,933,946 |
| Infrastructure | 81,614,204 | 85,552,225 | - | - | 81,614,204 | 85,552,225 |
| Intangible assets | | | | | | |
| Subscription assets | 71,414 | - | - | - | 71,414 | - |
| Lease assets - equipment | 53,591 | 563,193 | - | - | 53,591 | 563,193 |
| Water distribution system | - | - | 21,401,728 | 22,135,705 | 21,401,728 | 22,135,705 |
| Total | <u>\$ 287,917,430</u> | <u>\$ 284,327,887</u> | <u>\$ 39,978,275</u> | <u>\$ 39,818,579</u> | <u>\$ 327,895,705</u> | <u>\$ 324,146,466</u> |

Major capital assets events during the current fiscal year included the following:

- Various projects related to streets, sidewalks, and storm water drains at a cost of \$4.8 million.
- A new parking garage with construction costs of \$20.5 million was completed and placed in service during the current year.
- Other parking structure and parking lot rehabilitation at a total cost of \$2.0 million.
- Completion of renovations to various fire protection facilities at a cost of \$7.2 million.
- Public safety dispatch upgrades and renovations to police and fire facilities (construction in progress as of the close of the fiscal year had reached \$2.5 million).
- Completion of an expanded maintenance facility for the transit operation at a cost of \$2.2 million.

- The purchase of fire safety equipment to replace previously leased equipment at a total cost of \$1.0 million.
- The purchase of various vehicles and equipment at a total cost of \$2.1 million.
- Completion of \$0.5 million in building improvements made by Get Fit Inc. as part of the public-private partnership.
- Lease remeasurement that reduced right-to-use leased fire equipment by \$0.5 million.
- New subscription-based information technology agreement (SBITA) entered into for public safety ticketing software.

Both leases and SBITAs are intangible, right to use assets. The NAME OF GOVERNMENT does not own these assets, but rather has the right to use them in operations, as specified in their respective contracts. When entering into a lease or SBITA contract, a liability is also recognized, which is included as part of long-term financings discussion below.

Additional information on the NAME OF GOVERNMENT's capital assets can be found in Note IV.E of this report.

Long-term financing. At the end of the current fiscal year, the NAME OF GOVERNMENT had total long-term financing liabilities of \$89.8 million, composed of general obligation bonds, special assessment bonds, notes payable, lease liabilities and subscription-based information technology liabilities. During the current year, long-term financing liabilities increased slightly by \$0.1 million.

NAME OF GOVERNMENT's Long-term Financings

| | Governmental activities | | Business-type activities | | Total | |
|--------------------------|-------------------------|----------------------|--------------------------|----------------------|----------------------|----------------------|
| | 2027 | 2026 | 2027 | 2026 | 2027 | 2026 |
| General obligation bonds | \$ 73,022,878 | \$ 77,994,507 | \$ - | \$ - | \$ 73,022,878 | \$ 77,994,507 |
| Special assessment bonds | 4,690,681 | - | - | - | 4,690,681 | - |
| Revenue bonds | - | - | 10,042,000 | 11,069,000 | 10,042,000 | 11,069,000 |
| Notes payable | 2,000,000 | - | - | - | 2,000,000 | - |
| Lease liabilities | 49,587 | 644,165 | - | - | 49,587 | 644,165 |
| Subscription liability | 42,105 | - | - | - | 42,105 | - |
| Total | <u>\$ 79,805,251</u> | <u>\$ 78,638,672</u> | <u>\$ 10,042,000</u> | <u>\$ 11,069,000</u> | <u>\$ 89,847,251</u> | <u>\$ 89,707,672</u> |

The \$73.0 million general obligation bonds are bonded debt, backed by the full faith and credit of the government. During the current year, the NAME OF GOVERNMENT issued \$5.8 million in general obligation bonds to refinance previously outstanding general obligation bonds reported in governmental activities. This refinancing was done to take advantage of favorable interest rates. The result is expected to be a decrease in future debt service payments of \$0.3 million. The NAME OF GOVERNMENT also used available cash advance refund \$0.5 million of outstanding bonds.

The NAME OF GOVERNMENT also issued \$4.7 million in special assessment bonds for road construction in the new subdivisions. The bonds are to be repaid by the special assessments levied on the property owners benefiting from this construction. However, in the event of default by the property owners subject to the assessment, the NAME OF GOVERNMENT is liable for the debt service payments.

During the current year the NAME OF GOVERNMENT issued \$2.0 million in private placement notes. The proceeds from the notes will be used to purchase vehicles and equipment for various departments throughout the NAME OF GOVERNMENT including the fire safety equipment discussed earlier.

As discussed in the changes in capital assets above, the NAME OF GOVERNMENT entered into a new lease for capital equipment for \$57,517 and modified an existing lease for fire equipment which resulted in a reduction of \$0.5 million in lease liabilities. In addition, a new SBITA was entered into for \$42 thousand. These liabilities will be repaid over the term of their contracts.

The Water Authority issued revenue bonds capital improvements of its water operations, which are included in business-type activities. The revenue bonds are payable only from revenues derived from the operation of the Water Fund.

The NAME OF GOVERNMENT and its Water Authority both maintained “AA” ratings from Standard & Poor’s and Fitch Ratings and “Aa” ratings from Moody’s Investors Service for general obligation debt.

State statutes limit the amount of general obligation debt a governmental entity may issue to 7 percent of the average full valuation of taxable property within the jurisdiction. The current debt limitation for the NAME OF GOVERNMENT is \$654.5 million, which is significantly more than the NAME OF GOVERNMENT’s outstanding general obligation debt.

Additional information on the NAME OF GOVERNMENT’s long-term debt can be found in Note IV.O of this report.

Currently known facts, decisions or conditions

The NAME OF GOVERNMENT is aware of the following items that will impact future finances and were considered in developing the 2027-2028 fiscal year budget.

- Economic developments
 - The unemployment rate for the NAME OF GOVERNMENT is currently 7.1 percent, which is a significant increase from a rate of 4.6 percent a year ago because of the current recession. There was no increase in the budgeted sales tax revenue for 2027-2028 budget. However, as of the end of the first quarter of FY2028, sales tax revenue was five percent lower than the same time in FY2027.
 - The NAME OF GOVERNMENT developed the 2027-2028 budget based on the assumption that there will be no significant change in assessed valuations to which the property tax levy is applied. Management proposed a 1.5 percent increase in the property tax levy for next year. The Council, after considering the assessed values and the difficulties taxpayers face with the current recession, approved a 1.0 percent property tax rate increase to fund increases in recurring expenditure obligations.
 - Interest rates are expected to remain at record low levels throughout fiscal year 2027-2028.
- Healthcare and postemployment benefits.
 - The NAME OF GOVERNMENT’s premiums for employee healthcare were budgeted to increase 8.0 percent in the next year, based on the quote from the insurance carrier. The NAME OF GOVERNMENT’s policy expires on November 30. The increase from the insurance carrier is almost 4.0 percent higher than the national average. The NAME OF GOVERNMENT continues to work with its broker to find more affordable coverage.
 - The funding of pension and other postemployment benefit plans will continue to restrict the NAME OF GOVERNMENT’s ability to spend in other areas. The NAME OF GOVERNMENT has budgeted \$12 million for postemployment benefits for its three pension plans and two OPEB plans. NAME OF GOVERNMENT is a participating employer in the General Employee Retirement Fund, a pension plan, and the State Retiree Health Insurance Trust Fund (SRHITF), an OPEB plan, both of which are cost-sharing, multi-employer defined benefit retiree pension/OPEB plans administered by the state.

After the 2027-2028 budget was passed, the state notified all participating government employers that the discount rate used to determine the liabilities for these plans was increasing by 0.5 percent due to increases in investment returns over the past few years. The increase in the discount rate will mean a lower total liability. The impact on future required contributions is not yet known.

- New revenues
 - Several new revenue sources were enacted in the 2027-28 budget year, including a fire inspection fee on commercial and multi-family dwellings, a livery vehicle fee, and a room occupancy tax on hotel rooms.
 - Existing fees charged, such as building permits and building inspections fees, are also being increased to help fund the growing expenses. The public safety budget for 2027-2028 includes hiring two additional police officers and three firefighters. The NAME OF GOVERNMENT's daytime population exceeds 300,000 persons a day, requiring twenty-four-hour services for residents and non-residents alike.
- Union negotiations
 - The firefighter union contract is set to expire on December 31, 2027. The negotiations for a new contract began on August 15, 2027, and have not yet been completed. The impact of the new contract is not yet known.

At the end of the current fiscal year, the unrestricted fund balance in the General Fund was \$19.2 million. The NAME OF GOVERNMENT has appropriated \$2.2 million of this amount for spending in the 2027-2028 fiscal year budget. This action was taken as an additional measure to mitigate the impact of the recession on the 2027-2028 fiscal year budget.

Requests for Information

This financial report is designed to provide a general overview of the NAME OF GOVERNMENT's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Finance Director, 1906 Municipal Drive, NAME OF GOVERNMENT, STATE, ZIP CODE.

Basic Financial Statements

Appendix D • Illustrative ACFR

NAME OF GOVERNMENT Statement of Net Position June 30, 2027

| | Primary Government | | | Component Units | |
|--|-------------------------|--------------------------|----------------|----------------------|------------------|
| | Governmental Activities | Business-type Activities | Total | Urban Renewal Agency | Cable Television |
| ASSETS | | | | | |
| Cash | \$ 20,274,543 | \$ 3,700,527 | \$ 23,975,070 | \$ 195,647 | \$ 462,992 |
| Investments | 22,119,677 | 2,136,642 | 24,256,319 | - | - |
| Restricted assets-customer deposits | - | 30,715 | 30,715 | - | - |
| Receivables (net of allowance for uncollectibles) | 10,559,689 | 4,203,602 | 14,763,291 | 3,000 | 273,328 |
| Intergovernmental receivable | 4,115,528 | 877,295 | 4,992,823 | - | - |
| Lease receivable | 301,773 | - | 301,773 | - | - |
| PPP receivable | 2,364,241 | - | 2,364,241 | - | - |
| Due from component unit | 32,615 | - | 32,615 | - | - |
| Internal balances | (271,951) | 271,951 | - | - | - |
| Inventories | 829,294 | 117,581 | 946,875 | - | - |
| Prepays | 86,551 | - | 86,551 | - | 2,266 |
| Capital assets not being depreciated | 59,937,290 | 7,275,183 | 67,212,473 | 6,601,630 | - |
| Capital assets, net of accumulated depreciation/ amortization | 227,980,140 | 32,703,092 | 260,683,232 | - | 206,426 |
| Total assets | 348,329,390 | 51,316,588 | 399,645,978 | 6,800,277 | 945,012 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | |
| Pension related | 8,176,794 | 90,303 | 8,267,097 | - | - |
| OPEB related | 2,006,240 | 8,435 | 2,014,675 | - | - |
| Deferred amount on refunding | 726,762 | - | 726,762 | - | - |
| Total deferred outflows of resources | 10,909,796 | 98,738 | 11,008,534 | - | - |
| LIABILITIES | | | | | |
| Accounts payable and other accrued liabilities | 8,125,536 | 1,636,781 | 9,762,317 | 5,801 | 31,260 |
| Contracts and retainage payable | 2,199,240 | 24,937 | 2,224,177 | - | - |
| Accrued interest payable | 716,657 | 143,219 | 859,876 | - | - |
| Deposits payable | 18,367 | 30,715 | 49,082 | 16,218 | 11,260 |
| Intergovernmental payable | - | 28,547 | 28,547 | - | - |
| Due to primary government | - | - | - | 32,615 | - |
| Bond anticipation notes payable | 6,905,200 | 1,625,000 | 8,530,200 | - | - |
| Revenue anticipation note payable | - | - | - | 4,000,000 | - |
| Unearned revenues | 2,317,521 | 2,192,549 | 4,510,070 | - | 150,000 |
| Long-term liabilities: | | | | | |
| Due within one year: | | | | | |
| Total pension liability - non-funded plan | 1,341,542 | - | 1,341,542 | - | - |
| Bonds, notes, leases, subscriptions, claims, compensated absences | 8,077,380 | 962,188 | 9,039,568 | - | 1,050 |
| Due in more than one year: | | | | | |
| Net pension liability - actuarially funded | 37,393,283 | 777,652 | 38,170,935 | - | - |
| Total pension liability - non-funded plan | 10,161,092 | - | 10,161,092 | - | - |
| Net OPEB liability | 38,754,055 | 489,231 | 39,243,286 | - | 42,000 |
| Bonds, notes, leases, subscriptions, claims, compensated absences | 85,936,983 | 9,153,207 | 95,090,190 | - | 1,216 |
| Total liabilities | 201,946,856 | 17,064,026 | 219,010,882 | 4,054,634 | 236,786 |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Lease related | 303,578 | - | 303,578 | - | - |
| PPP related | 2,929,873 | - | 2,929,873 | - | - |
| Pension related | 1,749,441 | 5,387 | 1,754,828 | - | - |
| OPEB related | 7,507,647 | 229,423 | 7,737,070 | - | - |
| Total deferred inflows of resources | 12,490,539 | 234,810 | 12,725,349 | - | - |
| NET POSITION | | | | | |
| Net investment in capital assets | 204,208,178 | 28,829,549 | 233,037,727 | 6,601,630 | 206,426 |
| Restricted for: | | | | | |
| Debt service | 1,045,320 | - | 1,045,320 | - | - |
| Housing services | 625,881 | - | 625,881 | - | - |
| Law enforcement | 376,200 | - | 376,200 | - | - |
| Wheelchair accessibility | - | 257,452 | 257,452 | - | - |
| Community redevelopment: | | | | | |
| Expendable | 4,177,496 | - | 4,177,496 | - | - |
| Nonexpendable | 10,000 | - | 10,000 | - | - |
| Other purposes | 53,573 | - | 53,573 | - | - |
| Unrestricted (deficit) | (65,694,857) | 5,029,489 | (60,665,368) | (3,855,987) | 501,800 |
| Total net position | \$ 144,801,791 | \$ 34,116,490 | \$ 178,918,281 | \$ 2,745,643 | \$ 708,226 |

The notes to financial statements are an integral part of this statement.

Appendix D • Illustrative ACFR

NAME OF GOVERNMENT Statement of Activities For the Year Ended June 30, 2027

| Functions/Programs: | Program Revenues | | | | Net (Expense) Revenue and Changes in Net Position | | | | |
|--|-----------------------|----------------------|------------------------------------|----------------------------------|---|--------------------------|-----------------------|----------------------|-------------------|
| | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Primary Government | | | Component Units | |
| | | | | | Governmental Activities | Business-type Activities | Total | Urban Renewal Agency | Cable Television |
| Primary government: | | | | | | | | | |
| Governmental activities: | | | | | | | | | |
| General government | \$ 32,216,739 | \$ 7,953,182 | \$ - | \$ 241,967 | \$ (24,021,590) | \$ - | \$ (24,021,590) | \$ - | \$ - |
| Public safety | 59,935,190 | 14,620,151 | 3,552,551 | 130,171 | (41,632,317) | - | (41,632,317) | - | - |
| Highways and streets | 33,882,810 | 9,296,585 | 874,480 | 2,611,220 | (21,100,525) | - | (21,100,525) | - | - |
| Sanitation | 10,909,555 | 2,682,219 | - | - | (8,227,336) | - | (8,227,336) | - | - |
| Culture and recreation | 17,678,163 | 3,300,105 | 3,705,651 | - | (10,672,407) | - | (10,672,407) | - | - |
| Community development | 8,190,154 | 67,703 | 6,575,657 | - | (1,546,794) | - | (1,546,794) | - | - |
| Interest | 3,246,111 | - | - | - | (3,246,111) | - | (3,246,111) | - | - |
| Total governmental activities | <u>166,058,722</u> | <u>37,919,945</u> | <u>14,708,339</u> | <u>2,983,358</u> | <u>(110,447,080)</u> | <u>-</u> | <u>(110,447,080)</u> | <u>-</u> | <u>-</u> |
| Business-type activities: | | | | | | | | | |
| Water | 8,359,864 | 9,454,008 | 10,967 | 3,615 | - | 1,108,726 | 1,108,726 | - | - |
| Transit | 5,974,954 | 930,131 | 390,474 | 1,174,511 | - | (3,479,838) | (3,479,838) | - | - |
| Total business-type activities | <u>14,334,818</u> | <u>10,384,139</u> | <u>401,441</u> | <u>1,178,126</u> | <u>-</u> | <u>(2,371,112)</u> | <u>(2,371,112)</u> | <u>-</u> | <u>-</u> |
| Total primary government | <u>\$ 180,393,540</u> | <u>\$ 48,304,084</u> | <u>\$ 15,109,780</u> | <u>\$ 4,161,484</u> | <u>(110,447,080)</u> | <u>(2,371,112)</u> | <u>(112,818,192)</u> | <u>-</u> | <u>-</u> |
| Component units: | | | | | | | | | |
| Urban Renewal Agency | \$ 739,627 | \$ - | \$ - | \$ - | | | | (739,627) | - |
| Cable Television | 662,682 | 755,557 | - | - | | | | - | 92,875 |
| Total component units | <u>\$ 1,402,309</u> | <u>\$ 755,557</u> | <u>\$ -</u> | <u>\$ -</u> | | | | <u>(739,627)</u> | <u>92,875</u> |
| General Revenues and transfers | | | | | | | | | |
| General revenues: | | | | | | | | | |
| Property taxes | | | | | 45,060,105 | - | 45,060,105 | - | - |
| Sales taxes | | | | | 44,368,865 | - | 44,368,865 | - | - |
| Franchise taxes | | | | | 1,537,833 | - | 1,537,833 | - | - |
| Grants and contributions not restricted to specific programs | | | | | 1,753,982 | - | 1,753,982 | 75,043 | - |
| Unrestricted investment earnings | | | | | 3,973,515 | 287,010 | 4,260,525 | 10,717 | 2,061 |
| Payments in lieu of taxes | | | | | 2,345,545 | - | 2,345,545 | - | - |
| Gain on sale of capital assets | | | | | 22,276 | - | 22,276 | - | - |
| Miscellaneous | | | | | 2,596,367 | - | 2,596,367 | - | 8,810 |
| Transfers | | | | | (3,728,209) | 3,728,209 | - | - | - |
| Total general revenues and transfers | | | | | <u>97,930,279</u> | <u>4,015,219</u> | <u>101,945,498</u> | <u>85,760</u> | <u>10,871</u> |
| Change in net position | | | | | (12,516,801) | 1,644,107 | (10,872,694) | (653,867) | 103,746 |
| Net position - beginning of year, as previously presented | | | | | <u>157,938,679</u> | <u>32,483,492</u> | <u>190,422,171</u> | <u>3,399,510</u> | <u>604,480</u> |
| Restatements | | | | | (620,087) | (11,109) | (631,196) | - | - |
| Net position - beginning of year, as restated | | | | | <u>157,318,592</u> | <u>32,472,383</u> | <u>189,790,975</u> | <u>3,399,510</u> | <u>604,480</u> |
| Net position - end of year | | | | | <u>\$ 144,801,791</u> | <u>\$ 34,116,490</u> | <u>\$ 178,918,281</u> | <u>\$ 2,745,643</u> | <u>\$ 708,226</u> |

The notes to financial statements are an integral part of this statement.

Appendix D • Illustrative ACFR

| NAME OF GOVERNMENT | | | | | | |
|---|----------------------|---|---------------------|---------------------|----------------------------|--------------------------------|
| Governmental Funds | | | | | | |
| Balance Sheet | | | | | | |
| June 30, 2027 | | | | | | |
| | General | Community Development Block Grant | Capital Projects | Debt Service | Total Nonmajor Funds | Total Governmental Funds |
| ASSETS | | | | | | |
| Cash | \$ 8,181,444 | \$ 2,270,694 | \$ 1,089,244 | \$ 708,788 | \$ 2,140,653 | \$ 14,390,823 |
| Investments | 14,989,065 | - | 4,980,521 | 1,000,000 | 538,805 | 21,508,391 |
| Receivables (net of allowance for uncollectibles) | 6,067,247 | - | - | 4,304,918 | 3,968 | 10,376,133 |
| Intergovernmental receivable | 513,579 | 2,408,817 | 507,459 | - | 685,673 | 4,115,528 |
| Lease receivable | 301,773 | - | - | - | - | 301,773 |
| PPP receivable | 2,364,241 | - | - | - | - | 2,364,241 |
| Due from other funds | 435,148 | - | 335,895 | - | - | 771,043 |
| Due from component unit | 32,615 | - | - | - | - | 32,615 |
| Inventories | 806,623 | - | - | - | - | 806,623 |
| Prepaid items | 48,114 | - | - | - | 614 | 48,728 |
| Total assets | <u>\$ 33,739,849</u> | <u>\$ 4,679,511</u> | <u>\$ 6,913,119</u> | <u>\$ 6,013,706</u> | <u>\$ 3,369,713</u> | <u>\$ 54,715,898</u> |
| LIABILITIES | | | | | | |
| Accounts payable | 3,670,348 | 213,708 | - | - | 492,731 | 4,376,787 |
| Contracts payable | - | - | 1,129,196 | - | - | 1,129,196 |
| Retainage payable | - | - | 1,070,044 | - | - | 1,070,044 |
| Accrued liabilities | 2,504,060 | - | - | - | 419,984 | 2,924,044 |
| Deposits payable | - | - | - | - | 18,367 | 18,367 |
| Due to other funds | 335,895 | 15,000 | - | - | 432,148 | 783,043 |
| Bond anticipation notes payable | - | - | 6,905,200 | - | - | 6,905,200 |
| Unearned revenue-other | 2,089,936 | - | - | - | 227,585 | 2,317,521 |
| Total liabilities | <u>8,600,239</u> | <u>228,708</u> | <u>9,104,440</u> | <u>-</u> | <u>1,590,815</u> | <u>19,524,202</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | | | |
| Unavailable revenue-property taxes | 617,497 | - | - | 26,429 | - | 643,926 |
| Unavailable revenue-special assessments | - | - | - | 4,225,300 | - | 4,225,300 |
| Unavailable revenue-grants | - | 274,244 | - | - | - | 274,244 |
| Lease related | 303,578 | - | - | - | - | 303,578 |
| PPP related | 2,389,671 | - | - | - | - | 2,389,671 |
| Total deferred inflows of resources | <u>3,310,746</u> | <u>274,244</u> | <u>-</u> | <u>4,251,729</u> | <u>-</u> | <u>7,836,719</u> |
| FUND BALANCES (DEFICITS) | | | | | | |
| Nonspendable: | | | | | | |
| Endowment | - | - | - | - | 10,000 | 10,000 |
| Inventories | 806,623 | - | - | - | - | 806,623 |
| Prepaid items | 48,114 | - | - | - | 614 | 48,728 |
| Long-term receivables and interfund loans | 2,956,162 | - | - | - | - | 2,956,162 |
| Restricted: | | | | | | |
| Special assessment project | - | - | 875,000 | - | - | 875,000 |
| Public service vehicles | 1,500,000 | - | - | - | - | 1,500,000 |
| Library purposes | - | - | - | - | 52,276 | 52,276 |
| Housing services | - | - | - | - | 625,881 | 625,881 |
| Community redevelopment | - | 4,176,559 | - | - | 937 | 4,177,496 |
| Capital projects | - | - | - | - | - | - |
| Law enforcement | - | - | - | - | 376,200 | 376,200 |
| Youth programs | - | - | - | - | 1,297 | 1,297 |
| General obligation debt | - | - | - | 257,977 | - | 257,977 |
| Special assessment debt | - | - | - | 1,504,000 | - | 1,504,000 |
| Committed: | | | | | | |
| Special assessment project | - | - | 1,200,000 | - | - | 1,200,000 |
| Revenue stabilization reserve | 407,377 | - | - | - | - | 407,377 |
| Nonrecurring repairs and other parking improvements | - | - | - | - | 338,917 | 338,917 |
| Open space | - | - | - | - | 372,776 | 372,776 |
| Assigned: | | | | | | |
| Purchases on order | 592,659 | - | - | - | - | 592,659 |
| Subsequent year's budget: appropriation of fund balance | 2,215,728 | - | - | - | - | 2,215,728 |
| Unassigned (deficits) | <u>13,302,201</u> | <u>-</u> | <u>(4,266,321)</u> | <u>-</u> | <u>-</u> | <u>9,035,880</u> |
| Total fund balances (deficits) | <u>21,828,864</u> | <u>4,176,559</u> | <u>(2,191,321)</u> | <u>1,761,977</u> | <u>1,778,898</u> | <u>27,354,977</u> |
| Total liabilities, deferred inflows of resources, and fund balances (deficits) | <u>\$ 33,739,849</u> | <u>\$ 4,679,511</u> | <u>\$ 6,913,119</u> | <u>\$ 6,013,706</u> | <u>\$ 3,369,713</u> | <u>\$ 54,715,898</u> |

The notes to financial statements are an integral part of this statement.

Appendix D • Illustrative ACFR

NAME OF GOVERNMENT Reconciliation of the Balance Sheet of Governmental Funds To the Statement of Net Position June 30, 2027

Amounts reported for governmental activities in the statement of net position are different because:

| | | |
|--|--------------|--------------------|
| Total fund balances - governmental funds | \$ | 27,354,977 |
| Capital assets of \$514,663,041, net of accumulated depreciation of \$229,649,637, used in governmental activities are not financial resources and, therefore, are not reported in the funds. | | 285,013,404 |
| Differences between expected and actual experiences, assumption changes and net differences between projected and actual earnings and contributions subsequent to the measurement date for the postretirement benefits (pension and OPEB) are recognized as deferred outflows of resources and deferred inflows of resources on the statement of net position. | | |
| Deferred outflows - pension related | 8,086,493 | |
| Deferred outflows - OPEB related | 1,997,805 | |
| Deferred inflows - pension related | (1,744,054) | |
| Deferred inflows - OPEB related | (7,278,225) | |
| Total deferred outflows and inflows related to postemployment benefits | | 1,062,019 |
| Some receivables will not be available to pay for current-period expenditures and are offset by unavailable revenues in the governmental funds and thus are not included in fund balance. Certain tax and other revenues that are considered unavailable for governmental funds but are recognized as revenue for the government-wide statements. | | 5,190,755 |
| Improvements to underlying assets made by the operator in a PPP arrangement are recognized as capital assets when placed into service and recognized as revenue over the remaining life of the PPP arrangement by the transferor. The unamortized deferred inflow of resources is not a current financial resource and, therefore, is not reported in the funds. | | (540,202) |
| Internal service funds are used by management to charge the cost of fleet management and risk management to individual funds. The assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the internal service funds are included in governmental activities in the statement of net position. | | 3,493,767 |
| Long-term liabilities that are not due and payable in the current period, and therefore, are not reported in the funds. | | |
| General obligation bonds payable | (72,352,863) | |
| Notes payable | (2,000,000) | |
| Special assessment bonds payable | (4,700,000) | |
| Compensated absences | (5,855,137) | |
| Pension related debt | (4,739,557) | |
| Leases payable | (49,587) | |
| Subscription payable | (42,105) | |
| Accrued interest payable on long-term debt | (716,657) | |
| Net OPEB liability | (38,264,824) | |
| Net pension liability | (48,118,265) | |
| Total long-term liabilities | | (176,838,995) |
| Governmental funds report the effect of premiums, discounts, and refundings and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. | | |
| Deferred amount on refunding | 726,762 | |
| Premium on general obligation bonds | (670,015) | |
| Discount on special assessment bonds | 9,319 | |
| Total premiums, discounts and deferred items | | 66,066 |
| Net position of governmental activities | \$ | <u>144,801,791</u> |

The notes to financial statements are an integral part of this statement.

Appendix D • Illustrative ACFR

NAME OF GOVERNMENT
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2027

| | General | Community Development Block Grant | Capital Projects | Debt Service | Total Nonmajor Funds | Total Governmental Funds |
|---|---------------|---|------------------|--------------|----------------------------|--------------------------------|
| REVENUES | | | | | | |
| Property taxes | \$ 31,331,171 | \$ - | \$ - | \$ 7,935,396 | \$ 5,539,162 | \$ 44,805,729 |
| Sales taxes | 44,368,865 | - | - | - | - | 44,368,865 |
| Franchise taxes | 1,537,833 | - | - | - | - | 1,537,833 |
| Licenses and permits | 2,649,889 | - | - | - | - | 2,649,889 |
| Intergovernmental | 9,705,931 | 2,326,726 | 874,480 | - | 6,135,542 | 19,042,679 |
| Charges for services | 19,207,530 | - | - | - | - | 19,207,530 |
| Fines and forfeitures | 6,670,562 | - | - | - | - | 6,670,562 |
| Investment earnings | 3,352,747 | 8,795 | 201,620 | 241,967 | 29,886 | 3,835,015 |
| Fees | - | 50,534 | - | - | 4,441,023 | 4,491,557 |
| Special assessments | - | - | - | 470,000 | - | 470,000 |
| Payments in lieu of taxes | 2,345,545 | - | - | - | - | 2,345,545 |
| Miscellaneous | 2,299,217 | - | - | - | 297,150 | 2,596,367 |
| Total revenues | 123,469,290 | 2,386,055 | 1,076,100 | 8,647,363 | 16,442,763 | 152,021,571 |
| EXPENDITURES | | | | | | |
| Current: | | | | | | |
| General government | 29,778,662 | - | - | - | - | 29,778,662 |
| Public Safety | 56,455,090 | - | - | - | 390,828 | 56,845,918 |
| Highways and streets | 23,233,034 | - | - | - | 4,238,979 | 27,472,013 |
| Sanitation | 8,140,187 | - | - | - | - | 8,140,187 |
| Culture and recreation | 9,646,488 | - | - | - | 7,073,916 | 16,720,404 |
| Community development | - | 2,652,346 | - | - | 4,665,591 | 7,317,937 |
| Debt service: | | | | | | |
| Principal | - | - | - | 5,357,958 | - | 5,357,958 |
| Interest | - | - | - | 3,250,148 | - | 3,250,148 |
| Issuance costs | 15,254 | - | 150,541 | 122,710 | - | 288,505 |
| Capital outlay: | | | | | | |
| General government | - | - | 462,180 | - | - | 462,180 |
| Public Safety | - | - | 1,465,901 | - | - | 1,465,901 |
| Highways and streets | - | - | 9,574,399 | - | - | 9,574,399 |
| Sanitation | - | - | 1,696,099 | - | - | 1,696,099 |
| Culture and recreation | - | - | 1,443,330 | - | - | 1,443,330 |
| Total expenditures | 127,268,715 | 2,652,346 | 14,792,450 | 8,730,816 | 16,369,314 | 169,813,641 |
| Excess (deficiency) of revenues over expenditures | (3,799,425) | (266,291) | (13,716,350) | (83,453) | 73,449 | (17,792,070) |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Transfers in | 20,944 | - | 1,982,520 | 1,226,340 | 252,695 | 3,482,499 |
| Transfers out | (5,090,719) | - | (1,214,133) | (621,625) | (284,231) | (7,210,708) |
| Notes issued | 2,000,000 | - | - | - | - | 2,000,000 |
| Refunding bonds issued | - | - | - | 5,810,000 | - | 5,810,000 |
| Premium on refunding bonds issued | - | - | - | 249,914 | - | 249,914 |
| Special assessment bonds issued | - | - | 4,700,000 | - | - | 4,700,000 |
| Discount on special assessment bonds issued | - | - | (10,354) | - | - | (10,354) |
| Payment to refunded bond escrow agent | - | - | - | (5,937,204) | - | (5,937,204) |
| Leases issued (as lessee) | 57,517 | - | - | - | - | 57,517 |
| SBITA | 42,105 | - | - | - | - | 42,105 |
| Sale of general capital assets | 31,450 | - | - | - | - | 31,450 |
| Insurance recoveries | 194,082 | - | - | - | - | 194,082 |
| Total other financing sources (uses) | (2,744,621) | - | 5,458,033 | 727,425 | (31,536) | 3,409,301 |
| Net change in fund balances | (6,544,046) | (266,291) | (8,258,317) | 643,972 | 41,913 | (14,382,769) |
| Fund balances - beginning of year, as previously presented | 28,372,910 | - | 6,066,996 | 1,118,005 | 6,179,835 | 41,737,746 |
| Adjustments | - | 4,442,850 | - | - | (4,442,850) | - |
| Fund balances - beginning of year, as adjusted | 28,372,910 | 4,442,850 | 6,066,996 | 1,118,005 | 1,736,985 | 41,737,746 |
| Fund balances (deficit) - end of year | \$ 21,828,864 | \$ 4,176,559 | \$ (2,191,321) | \$ 1,761,977 | \$ 1,778,898 | \$ 27,354,977 |

The notes to financial statements are an integral part of this statement.

Appendix D • Illustrative ACFR

NAME OF GOVERNMENT 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, 2027

Amounts reported for governmental activities in the statement of activities are different because:

| | | |
|---|--------------|-----------------|
| Net change in fund balances - total governmental funds | | \$ (14,382,769) |
| Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation/amortization expense. This is the amount by which capital outlays exceeded depreciation/amortization expense in the current period. | | |
| Depreciation/amortization expense | (11,967,131) | |
| Capital outlays | 15,132,383 | |
| | | 3,165,252 |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. | | |
| Earned but unavailable property taxes and special assessment revenues | 4,479,676 | |
| Earned but unavailable grants | 274,244 | |
| PPP revenue | 11,025 | |
| Interest | (1,030) | |
| | | 4,763,915 |
| The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net position. | | |
| Donation of capital assets | 128,756 | |
| Sale of capital assets | (9,174) | |
| | | 119,582 |
| Bond and other debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of bond and other debt principal is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the Statement of Net Position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. | | |
| Issuance of special assessment debt | (4,700,000) | |
| Issuance of refunding bonds | (5,810,000) | |
| Payment to escrow agent | 5,937,204 | |
| Note issued | (2,000,000) | |
| Lease issued | (57,517) | |
| SBITA issued | (42,105) | |
| Premium | (249,914) | |
| Discounts | 10,354 | |
| Principal paid on pension related debt | 697,896 | |
| Principal paid on bonds, leases, and SBITAs | 5,357,958 | |
| | | (856,124) |
| The internal service funds are used by management to charge the costs of fleet management and risk management to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities. | | |
| | | (251,931) |
| Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. | | |
| Accrued interest on long-term debt | 13,816 | |
| Amortization of bond premiums and discounts and deferred amounts of refunding | 82,191 | |
| Amortization of deferred amounts of refunding | (91,970) | |
| Compensated absences | (380,337) | |
| Changes in pension liabilities and related deferred outflows and inflows of resources | (1,950,196) | |
| Changes in OPEB liabilities and related deferred outflows and inflows of resources | (2,748,230) | |
| | | (5,074,726) |
| Change in net position of governmental activities | | \$ (12,516,801) |

The notes to financial statements are an integral part of this statement.

Appendix D • Illustrative ACFR

NAME OF GOVERNMENT Proprietary Funds Statement of Net Position June 30, 2027

| | Business-type Activities | | | Governmental Activities |
|--|--------------------------|--------------|------------------------|-------------------------|
| | Water | Transit | Total Enterprise Funds | Internal Service Funds |
| ASSETS | | | | |
| Current Assets: | | | | |
| Cash | \$ 1,389,681 | \$ 2,310,846 | \$ 3,700,527 | \$ 5,883,720 |
| Investments | 2,136,642 | - | 2,136,642 | 611,286 |
| Restricted assets-customer deposits | 30,715 | - | 30,715 | - |
| Interest receivable | 22,468 | 2,383 | 24,851 | 7,079 |
| Accounts receivable, net | 4,145,017 | 33,734 | 4,178,751 | - |
| Due from other funds | - | 12,000 | 12,000 | - |
| Intergovernmental receivable | - | 877,295 | 877,295 | 129,192 |
| Inventories | - | 117,581 | 117,581 | 22,671 |
| Prepaid items | - | - | - | 37,823 |
| Total current assets | 7,724,523 | 3,353,839 | 11,078,362 | 6,691,771 |
| Noncurrent Assets: | | | | |
| Capital Assets: | | | | |
| Land | 584,715 | 1,326,685 | 1,911,400 | - |
| Construction-in-progress | 5,363,783 | - | 5,363,783 | - |
| Buildings | 5,274,379 | 7,639,062 | 12,913,441 | 87,745 |
| Machinery, equipment, and vehicles | 1,376,709 | 9,952,998 | 11,329,707 | 5,283,268 |
| Water distribution system | 35,422,287 | - | 35,422,287 | - |
| Less accumulated depreciation | (17,093,133) | (9,869,210) | (26,962,343) | (2,466,987) |
| Total noncurrent assets | 30,928,740 | 9,049,535 | 39,978,275 | 2,904,026 |
| Total assets | 38,653,263 | 12,403,374 | 51,056,637 | 9,595,797 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | |
| Pension related | 90,303 | - | 90,303 | 90,301 |
| OPEB related | 8,435 | - | 8,435 | 8,435 |
| Total deferred outflows of resources | 98,738 | - | 98,738 | 98,736 |
| LIABILITIES | | | | |
| Current liabilities: | | | | |
| Accounts payable | 1,092,628 | 532,741 | 1,625,369 | 824,705 |
| Accrued liabilities | - | 11,412 | 11,412 | - |
| Compensated absences | 24,188 | - | 24,188 | 16,679 |
| Claims and judgments | - | - | - | 2,174,256 |
| Retainage payable | 24,937 | - | 24,937 | - |
| Customer deposits payable-restricted assets | 30,715 | - | 30,715 | - |
| Accrued interest payable | 143,219 | - | 143,219 | - |
| Bond anticipation note payable | 1,625,000 | - | 1,625,000 | - |
| Intergovernmental payable | - | 28,547 | 28,547 | - |
| Bonds payable - current | 938,000 | - | 938,000 | - |
| Unearned revenue | - | 2,192,549 | 2,192,549 | - |
| Total current liabilities | 3,878,687 | 2,765,249 | 6,643,936 | 3,015,640 |
| Noncurrent liabilities: | | | | |
| Compensated absences | 49,207 | - | 49,207 | 36,950 |
| Claims and judgments | - | - | - | 1,386,533 |
| Bonds payable | 9,104,000 | - | 9,104,000 | - |
| Net pension liability | 777,652 | - | 777,652 | 777,652 |
| Net OPEB liability | 489,231 | - | 489,231 | 489,231 |
| Total noncurrent liabilities | 10,420,090 | - | 10,420,090 | 2,690,366 |
| Total liabilities | 14,298,777 | 2,765,249 | 17,064,026 | 5,706,006 |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Pension related | 5,387 | - | 5,387 | 5,387 |
| OPEB related | 229,423 | - | 229,423 | 229,422 |
| Total deferred inflows of resources | 234,810 | - | 234,810 | 234,809 |
| NET POSITION | | | | |
| Net investment in capital assets | 19,780,014 | 9,049,535 | 28,829,549 | 2,904,026 |
| Restricted for wheelchair accessibility | - | 257,452 | 257,452 | - |
| Unrestricted | 4,438,400 | 331,138 | 4,769,538 | 849,692 |
| Total net position | \$ 24,218,414 | \$ 9,638,125 | 33,856,539 | \$ 3,753,718 |
| Adjustment to report the cumulative internal balance for the net effect of the activity between the internal service funds and the enterprise funds over time. | | | 259,951 | |
| Net position of business-type activities | | | <u>\$ 34,116,490</u> | |

The notes to financial statements are an integral part of this statement.

Appendix D • Illustrative ACFR

NAME OF GOVERNMENT
Proprietary Funds
Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2027

| | Business-type Activities | | | Governmental Activities |
|---|--------------------------|--------------|------------------------|-------------------------|
| | | | Total Enterprise Funds | Internal Service Funds |
| | Water | Transit | | |
| Operating revenues: | | | | |
| Charges for services: | | | | |
| Metered water sales | \$ 9,312,150 | \$ - | \$ 9,312,150 | \$ - |
| Tap fees | 8,435 | - | 8,435 | - |
| Passenger fares | - | 762,983 | 762,983 | - |
| Contract transit | - | 126,353 | 126,353 | - |
| Charter | - | 248 | 248 | - |
| Risk management | - | - | - | 2,632,108 |
| Fleet management | - | - | - | 1,902,063 |
| Miscellaneous | 133,423 | 40,547 | 173,970 | - |
| Total operating revenues | 9,454,008 | 930,131 | 10,384,139 | 4,534,171 |
| Operating expenses: | | | | |
| Personnel services | 2,665,948 | - | 2,665,948 | 615,357 |
| Materials and supplies | 3,556,232 | 1,050,965 | 4,607,197 | 944,229 |
| Contractual services | 781,741 | 4,008,669 | 4,790,410 | 1,251,500 |
| Claims | - | - | - | 1,761,680 |
| Depreciation | 886,242 | 827,289 | 1,713,531 | 373,469 |
| Total operating expenses | 7,890,163 | 5,886,923 | 13,777,086 | 4,946,235 |
| Operating income (loss) | 1,563,845 | (4,956,792) | (3,392,947) | (412,064) |
| Noncapital subsidies | | | | |
| Intergovernmental | 10,967 | 390,474 | 401,441 | - |
| Transfers in | - | 3,728,209 | 3,728,209 | - |
| Total noncapital subsidies | 10,967 | 4,118,683 | 4,129,650 | - |
| Operating income (loss) and noncapital subsidies | 1,574,812 | (838,109) | 736,703 | (412,064) |
| Other nonoperating revenues (expenses): | | | | |
| Investment earnings | 276,191 | 10,819 | 287,010 | 139,530 |
| Capital contributions | 3,615 | 1,174,511 | 1,178,126 | - |
| Loss on disposal of property | (2,278) | (88,031) | (90,309) | - |
| Interest expense | (446,820) | - | (446,820) | - |
| Total other nonoperating revenues (expenses) | (169,292) | 1,097,299 | 928,007 | 139,530 |
| Increase (decrease) in net position | 1,405,520 | 259,190 | 1,664,710 | (272,534) |
| Net position - beginning of year, as previously presented | 22,824,003 | 9,378,935 | 32,202,938 | 4,035,613 |
| Restatements | (11,109) | - | (11,109) | (9,361) |
| Net position - beginning of year, as restated | 22,812,894 | 9,378,935 | 32,191,829 | 4,026,252 |
| Net position - end of year | \$ 24,218,414 | \$ 9,638,125 | \$ 33,856,539 | \$ 3,753,718 |
| Adjustment for the net effect of the current year activity between the internal service funds and the enterprise funds. | | | (20,603) | |
| Changes in net position of business-type activities | | | \$ 1,644,107 | |

The notes to financial statements are an integral part of this statement.

Appendix D • Illustrative ACFR

NAME OF GOVERNMENT Proprietary Funds Statement of Cash Flows For the Year Ended June 30, 2027

| | Business-type Activities | | | Governmental Activities |
|---|--------------------------|----------------|------------------------|-------------------------|
| | | | Total Enterprise Funds | Internal Service Funds |
| | Water | Transit | | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Receipts from customers | \$ 8,898,450 | \$ 914,592 | \$ 9,813,042 | \$ 111,312 |
| Receipts from interfund charges for transit services | - | 8,000 | 8,000 | - |
| Receipts from interfund charges for fleet management services | - | - | - | 1,774,063 |
| Receipts from interfund charges for risk management services | - | - | - | 2,631,049 |
| Receipt of customer deposits | 1,215 | - | 1,215 | - |
| Other receipts | 133,423 | - | 133,423 | - |
| Payments to suppliers and service providers | (4,355,973) | (4,939,960) | (9,295,933) | (3,996,418) |
| Payments to employees for salaries and benefits | (2,570,570) | - | (2,570,570) | (351,799) |
| Payments to other funds for services provided | (354,452) | (234,455) | (588,907) | - |
| Return of customer deposits | (5,915) | - | (5,915) | - |
| Net cash provided by (used for) operating activities | 1,746,178 | (4,251,823) | (2,505,645) | 168,207 |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | | |
| Transfers from other funds | - | 3,728,209 | 3,728,209 | - |
| Operating grants | 10,967 | 276,728 | 287,695 | - |
| Net cash provided by noncapital financing activities | 10,967 | 4,004,937 | 4,015,904 | - |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | | |
| Proceeds from bond anticipation notes | 1,500,000 | - | 1,500,000 | - |
| Connection fees | 3,615 | - | 3,615 | - |
| Capital grants and contributions | - | 1,075,131 | 1,075,131 | - |
| Acquisition and construction of capital assets | (863,678) | (843,151) | (1,706,829) | (639,405) |
| Principal paid on capital debt | (1,027,000) | - | (1,027,000) | - |
| Interest paid on capital debt | (448,474) | - | (448,474) | - |
| Proceeds from the sale of assets | 20,450 | 22,694 | 43,144 | - |
| Net cash provided by (used for) capital and related financing activities | (815,087) | 254,674 | (560,413) | (639,405) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Purchase of investments | (3,277,717) | - | (3,277,717) | (2,438,442) |
| Proceeds from sale of investments | 2,989,249 | - | 2,989,249 | 2,407,638 |
| Interest on investments | 253,723 | 16,964 | 270,687 | 137,355 |
| Net cash provided by investing activities | (34,745) | 16,964 | (17,781) | 106,551 |
| Net increase (decrease) in cash and cash equivalents | 907,313 | 24,752 | 932,065 | (364,647) |
| Cash, beginning of year (including \$35,415 for the water fund reported in restricted accounts) | 513,083 | 2,286,094 | 2,799,177 | 6,248,367 |
| Cash, end of year (including \$30,715 for the water fund reported in restricted accounts) | \$ 1,420,396 | \$ 2,310,846 | \$ 3,731,242 | \$ 5,883,720 |
| Reconciliation of operating income (loss) to net cash provided by (used for) operating activities: | | | | |
| Operating income (loss) | \$ 1,563,845 | \$ (4,956,792) | \$ (3,392,947) | \$ (412,064) |
| Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities: | | | | |
| Depreciation expense | 886,242 | 827,289 | 1,713,531 | 373,469 |
| (Increase) decrease in accounts receivable | (422,135) | 4,461 | (417,674) | - |
| (Increase) in due from other funds | - | (12,000) | (12,000) | - |
| (Increase) in intergovernmental receivables | - | - | - | (17,747) |
| (Increase) decrease in inventories | - | 35,948 | 35,948 | (22,671) |
| (Increase) decrease in prepaid items | 1,275 | - | 1,275 | (37,823) |
| Decrease in pension related deferred outflows of resources | 17,095 | - | 17,095 | 17,094 |
| Decrease in OPEB related deferred outflows of resources | 49,828 | - | 49,828 | 49,828 |
| (Decrease) in deposits payable | (4,700) | - | (4,700) | - |
| (Decrease) increase in accounts payable | (304,273) | (76,480) | (380,753) | 474,878 |
| (Decrease) in amounts payable related to equipment purchases | (69,454) | - | (69,454) | - |
| (Decrease) in accrued liabilities | - | (3,623) | (3,623) | - |
| (Decrease) increase in compensated absences | (6,100) | - | (6,100) | 17,729 |
| (Decrease) in intergovernmental payable | - | (70,626) | (70,626) | - |
| (Decrease) in claims and judgments payable | - | - | - | (309,040) |
| (Decrease) in net pension liability | (24,992) | - | (24,992) | (24,994) |
| (Decrease) in net OPEB liability | (28,836) | - | (28,836) | (28,836) |
| (Decrease) in pension related deferred inflows of resources | (24,691) | - | (24,691) | (24,691) |
| Increase in OPEB related deferred inflows of resources | 113,074 | - | 113,074 | 113,075 |
| Total adjustments | 182,333 | 704,969 | 887,302 | 580,271 |
| Net cash provided by (used for) operating activities | \$ 1,746,178 | \$ (4,251,823) | \$ (2,505,645) | \$ 168,207 |
| Schedule of non-cash capital and related financing activities: | | | | |
| Contributions of capital assets | \$ - | \$ 213,126 | \$ 213,126 | \$ - |
| Purchase of machinery, equipment, and vehicles on account | 69,454 | - | 69,454 | - |

The notes to financial statements are an integral part of this statement.

Appendix D • Illustrative ACFR

NAME OF GOVERNMENT
Fiduciary Funds
Statement of Fiduciary Net Position
June 30, 2027

| | Pension (and Other Employee Benefit) Trust Funds | | | Custodial Funds | |
|---|---|-------------------------------|------------------|------------------|-------------------------------------|
| | Investment Trust Fund | Private-Purpose Trust Fund | | Bania Fund | External Investment Pool Fund |
| ASSETS | | | | | |
| Cash | \$ 1,949,318 | \$ 16,635,601 | \$ 2,750 | \$ 229,936 | \$ 562,541 |
| Investments: | | | | | |
| U.S. government and agency obligations | 3,822,318 | 145,408,222 | - | - | 1,125,994 |
| State and local obligations | 424,354 | - | - | - | 356,444 |
| Corporate bonds | 2,654,365 | - | - | - | - |
| Mutual funds | 14,387,892 | 8,999,552 | - | - | - |
| Certificates of deposit | - | 1,000,000 | 66,379 | - | - |
| Receivables | 94,124 | 226,545 | 921 | - | - |
| Total assets | <u>23,332,371</u> | <u>172,269,920</u> | <u>70,050</u> | <u>229,936</u> | <u>2,044,979</u> |
| LIABILITIES | | | | | |
| Accounts payable | 11,683 | 30,450 | - | - | 5,688 |
| Claims payable | 74,121 | - | - | - | - |
| Refunds payable | 1,000 | - | - | - | - |
| Due to local governments | - | - | - | 138,183 | - |
| Total liabilities | <u>86,804</u> | <u>30,450</u> | <u>-</u> | <u>138,183</u> | <u>5,688</u> |
| NET POSITION | | | | | |
| Restricted for: | | | | | |
| Pensions | 21,948,529 | - | - | - | - |
| Postemployment benefits other than pensions | 1,297,038 | - | - | - | - |
| Pool participants | - | 172,239,470 | - | - | - |
| Individuals and organizations | - | - | 70,050 | 91,753 | - |
| Other governments | - | - | - | - | 2,039,291 |
| Total net position | <u>\$ 23,245,567</u> | <u>\$ 172,239,470</u> | <u>\$ 70,050</u> | <u>\$ 91,753</u> | <u>\$ 2,039,291</u> |

The notes to financial statements are an integral part of this statement.

Appendix D • Illustrative ACFR

NAME OF GOVERNMENT
Fiduciary Funds
Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2027

| | Pension (and Other Employee Benefit) Trust Funds | | | Custodial Funds | |
|---|---|-------------------------------|-----------|-----------------|-------------------------------------|
| | Investment Trust Fund | Private-Purpose Trust Fund | | Bania Fund | External Investment Pool Fund |
| ADDITIONS | | | | | |
| Contributions: | | | | | |
| Employer | \$ 2,694,121 | \$ - | \$ - | \$ - | \$ - |
| Plan members | 712,009 | - | - | - | - |
| Private contributions | - | - | 53,085 | 3,422,212 | - |
| Total contributions | 3,406,130 | - | 53,085 | 3,422,212 | - |
| Investment earnings: | | | | | |
| Interest | 434,402 | 2,074,433 | 3,663 | 7,224 | 532,125 |
| Dividends | 15,101 | 16,258 | - | - | - |
| Net increase in the fair value of investments | 2,600,278 | 1,102,404 | 83 | - | 231,223 |
| Total investment earnings | 3,049,781 | 3,193,095 | 3,746 | 7,224 | 763,348 |
| Less investment expense | 59,937 | 218,601 | - | - | - |
| Net investment earnings | 2,989,844 | 2,974,494 | 3,746 | 7,224 | 763,348 |
| Total additions | 6,395,974 | 2,974,494 | 56,831 | 3,429,436 | 763,348 |
| DEDUCTIONS | | | | | |
| Benefits | 3,082,382 | - | - | - | - |
| Refunds of contributions | 9,254 | - | - | - | - |
| Administrative expenses | 6,577 | 15,950 | - | - | 5,523 |
| Purchases by inmates | - | - | 42,810 | - | - |
| Distributions to shareholders | - | 1,149,741 | - | - | 753,258 |
| Recipient payments | - | - | - | 3,553,958 | - |
| Total deductions | 3,098,213 | 1,165,691 | 42,810 | 3,553,958 | 758,781 |
| Net increase (decrease) in fiduciary net position | 3,297,761 | 1,808,803 | 14,021 | (124,522) | 4,567 |
| Net position - beginning | 19,947,806 | 170,430,667 | 56,029 | 216,275 | 2,034,724 |
| Net position - ending | \$ 23,245,567 | \$ 172,239,470 | \$ 70,050 | \$ 91,753 | \$ 2,039,291 |

The notes to financial statements are an integral part of this statement.

NAME OF GOVERNMENT
Notes to the Financial Statements June 30, 2027

I. Summary of significant accounting policies

The NAME OF GOVERNMENT was incorporated in 1866 and is operated under the mayor-council form of government. Policy-making and legislative authority are vested in the Governing Council (Council) consisting of the mayor and six other members, all of whom are elected at large. The NAME OF GOVERNMENT provides police and fire protection; refuse collection; snow and leaf removal; traffic control; on- and off-street parking; building inspections; licenses and permits; vital statistics; the construction and maintenance of highways, streets, and other infrastructure; recreational and cultural activities; library services; low-income housing; water and transit services.

The financial statements of the NAME OF GOVERNMENT have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The NAME OF GOVERNMENT's significant accounting policies are described below.

A. Description of government-wide financial statements

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

B. Reporting entity

The NAME OF GOVERNMENT (government) is a municipal corporation governed by an elected mayor and six-member Governing Council (Council). The accompanying financial statements present the government and its component units, entities for which the government is financially accountable, as defined in GAAP. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is both legally and substantively separate from the government.

Blended component unit. The Water Authority (Authority) serves all the citizens of the NAME OF GOVERNMENT and is governed by a board composed of the NAME OF GOVERNMENT's elected Council. The rates for user charges and bond issuances are approved by the NAME OF GOVERNMENT's Council and the NAME OF GOVERNMENT is legally obligated to provide resources in case there are deficiencies in debt service payments and resources are not available from any other remedies. The Authority is reported as an enterprise fund – the Water Fund – and does not issue separate financial statements.

Discretely presented component units. The Urban Renewal Agency (Agency) was created in 1964 by state law for the purpose of eliminating and preventing the development and spread of deterioration and blight through the clearance, re-planning, reconstruction, rehabilitation, conservation, or renewal of areas designated for residential, commercial, industrial, community, public, and other uses. The Agency is governed by five members who are appointed by and serve at the pleasure of the mayor. Mayors may also appoint themselves to serve as one of the members and the mayor is currently serving as Chairperson. The NAME OF GOVERNMENT periodically provides subsidies to support the Agency when it experiences operating deficits that are not financed by other means.

The Cable TV Commission (Commission) was created in 1981 to operate the NAME OF GOVERNMENT's cable access channels and facilities and acts as franchise administrator for the NAME OF GOVERNMENT. The Commission is reported as a component unit because the mayor appoints its governing body and can remove its members at will. The NAME OF GOVERNMENT also guarantees the Commission's debt obligation. There was no debt outstanding as of June 30, 2027.

Separately issued financial reports are available for the Urban Renewal Agency and the Cable TV Commission. These reports may be obtained by contacting the following offices.

Urban Renewal Agency
5825 River Road
Government City

Cable TV Commission
2259 Stone Drive
Government City

Police Pension Plan

The NAME OF GOVERNMENT's police employees participate in the Police Pension Plan, a fiduciary component unit of the NAME OF GOVERNMENT. The Police Pension Plan functions for the benefit of these employees and is governed by a seven-member pension board. The name of government has a voting majority of the pension board as four members are appointed by the NAME OF GOVERNMENT's Mayor, one elected by pension beneficiaries and two elected by active police employees constitute the pension board. The NAME OF GOVERNMENT is obligated to make contributions to the Police Pension Plan based upon actuarial valuations, which creates a financial burden on the NAME OF GOVERNMENT.

C. Basis of presentation – government-wide financial statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the NAME OF GOVERNMENT's enterprise funds. 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.

As discussed earlier, the NAME OF GOVERNMENT has two discretely presented component units. While management considers neither the Urban Renewal Agency nor the Cable Television Commission to be a major component unit as defined by GAAP, they are nevertheless shown in separate columns in the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided, and other charges for goods and services between the NAME OF GOVERNMENT's water and transit functions and various other functions of the NAME OF

GOVERNMENT. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

D. Basis of presentation – fund financial statements

The fund financial statements provide information about the NAME OF GOVERNMENT's funds, including its fiduciary funds and blended component units. Separate statements for each fund category—governmental, proprietary, and fiduciary—are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each major fund displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

The NAME OF GOVERNMENT reports the following major governmental funds:

The *General Fund* is the NAME OF GOVERNMENT's primary operating fund. It accounts for all financial resources of the general government, except those accounted for in other funds.

The *Community Development Block Grant Fund*, a special revenue fund, accounts for programs and activities which will benefit low- and moderate-income families through the prevention or elimination of slums and blight and are funded by state and federal grants.

The *Capital Projects Fund* accounts for the acquisition and construction of the NAME OF GOVERNMENT's major capital facilities, other than those financed by proprietary funds.

The *Debt Service Fund* is used to account for the accumulation of resources that are restricted, committed, or assigned for the payment of principal and interest on long-term general governmental obligations.

The NAME OF GOVERNMENT reports the following major enterprise funds:

The *Water Fund* accounts for the activities of the Authority, a blended component unit of the NAME OF GOVERNMENT. The Authority operates the water distribution system for residents of the NAME OF GOVERNMENT.

The *Transit Fund* accounts for the NAME OF GOVERNMENT's transit services, including public transportation trains, buses, and facilities.

Additionally, the NAME OF GOVERNMENT reports the following fund types:

Internal service funds account for fleet management and risk management services (including claims for workers' compensation, general liability, and property damage) provided to other departments or agencies of the NAME OF GOVERNMENT, or to other governments on a cost-reimbursement basis.

The *Pension (and Other Employee Benefit) Trust Funds* account for the activities of the Police Pension Trust Fund and Public Safety Other Postemployment Benefit Trust Fund, which accumulates resources held in trust for pension and other postemployment benefit payments to qualified beneficiaries.

The *Investment Trust Fund* accounts for the deposits, withdrawals, and earnings of the local government Investment Trust Fund, an external investment pool for local governments.

The *Private-Purpose Trust Fund* accounts for contributions made on behalf of, or wages earned by, prisoners housed at the Winterfell Correction Institute for use at the canteen.

The *custodial funds* account for monies held for the Bania Fund, a local 501(c)(3) not-for-profit agency to which the NAME OF GOVERNMENT provides accounting and investing services; and monies held for an external investment pool for local fire protection districts, neither of which are held in trust.

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

E. Measurement focus and basis of accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of recognition in the financial statements of various kinds of transactions or events.

The government-wide, proprietary, and fiduciary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. 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.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized when they have been earned and they are both measurable and available. Revenues are available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the NAME OF GOVERNMENT 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 principal and interest expenditures on general long-term debt, including lease and subscription liabilities, as well as expenditures related to compensated absences, and claims and judgments, postemployment benefits and environmental obligations are recognized later based on specific accounting rules applicable to each, generally when payment is due. General capital asset acquisitions, including entering into contracts giving the NAME OF GOVERNMENT the right to use assets, are reported as expenditures in governmental funds. Issuance of long-term debt and financing through leases and subscription-based information technology arrangements are reported as other financing sources.

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. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source. All other revenue items are considered to be measurable and available only when cash is received by the NAME OF GOVERNMENT.

F. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance

1. Cash

The NAME OF GOVERNMENT's cash includes cash on hand and demand deposits. For purposes of the statement of cash flows, the NAME OF GOVERNMENT's proprietary funds consider demand deposits to be cash.

2. Investments

Investments with a maturity of less than one year when purchased, non-negotiable certificates of deposit, and other nonparticipating investments are stated at cost or amortized cost. Investments with a maturity greater than one year when purchased and all investments of the pension and OPEB trust funds are stated at fair value. Fair value is the price that would be received to sell an investment in an orderly transaction at year end.

The State Treasurer's Investment Pool (Pool) is managed by the State Office of the Treasurer, which allows certain types of governments within the state to pool their funds for investment purposes. Investments in the Pool are valued at the Pool's share price, the price at which the investment could be sold.

3. Inventories and prepaid items

Inventories are valued at cost using the first-in/first-out (FIFO) method and consist of consumable supplies and vehicle repair parts. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

4. Capital assets

Capital assets are tangible and intangible assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets, except for infrastructure assets, are defined by the NAME OF GOVERNMENT as assets with an initial, individual cost of more than \$10,000 and an estimated useful life in excess of two years. For infrastructure assets the same estimated minimum useful life is used (in excess of two years), but only those infrastructure projects that cost more than \$50,000 are reported as capital assets.

As the NAME OF GOVERNMENT constructs, develops, or acquires capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost (except for intangible right-to-use lease equipment and subscription assets, the measurement of which is discussed in notes F.8. and F.9., respectively, below). The reported value excludes normal maintenance and repairs, which are amounts spent in relation to capital assets that do not increase the asset's capacity or efficiency or increase its estimated useful life. Donated capital assets are recorded at acquisition value at the date of donation. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential on the date of the donation. Intangible assets follow the same capitalization policies as tangible capital assets and are reported with tangible assets in the appropriate capital asset class.

Land, development in progress, and construction in progress are not depreciated. The other tangible and intangible property, plant, equipment, and infrastructure of the primary government are depreciated/amortized using the straight-line method over the following estimated useful lives:

| Capital asset classes | Estimated useful lives (years) |
|------------------------------------|-----------------------------------|
| Infrastructure | 75 – 100 |
| Buildings | 10 – 75 |
| Improvements | 10 – 50 |
| Machinery, equipment, and vehicles | 5 – 20 |
| Water distribution system | 50 – 75 |

Right-to-use lease equipment and subscription assets are amortized over the life of the associated contract.

5. *Deferred outflows/inflows of resources*

In addition to assets, the statement of financial position includes a separate section for *deferred outflows of resources*. Deferred outflows of resources represent a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The NAME OF GOVERNMENT has three items that qualify for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position, and deferred amounts related to pension and OPEB. The deferred charge on refunding resulted from the difference between the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized (recognized as an adjustment to expense) over the shorter of the life of the refunded or refunding debt. The deferred amounts related to pension and OPEB relate differences between estimated and actual investment earnings, changes in actuarial assumptions, and other pension and OPEB related changes.

In addition to liabilities, the statement of financial position includes a separate section for *deferred inflows of resources*. Deferred inflows of resources represent an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The NAME OF GOVERNMENT has four items that qualify for reporting in this category. Unavailable revenue is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. In the government-wide financial statements the NAME OF GOVERNMENT reports deferred amounts related to leases, public-private partnership (PPP) and deferred amounts related to pension and OPEB.

6. *Net position*

For government-wide reporting as well as in proprietary funds, the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called net position. Net position is comprised of three components: net investment in capital assets, restricted, and unrestricted.

- *Net investment in capital assets* consists of capital assets, net of accumulated depreciation/amortization and reduced by outstanding balances of bonds, notes, and other debt that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.
- *Restricted* net position consists of restricted assets reduced by certain liabilities and deferred inflows of resources related to those assets. Assets are reported as restricted when constraints are placed on asset use either by external parties or by law through constitutional provision or enabling legislation.
- *Unrestricted* net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that do not meet the definition of the two preceding categories.

Sometimes the NAME OF GOVERNMENT will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. 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 NAME OF GOVERNMENT's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

7. *Fund balance*

In governmental fund types, the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources is called "fund balance." The NAME OF GOVERNMENT's governmental funds report the following categories of fund balance, based on the nature of any limitations requiring the use of resources for specific purposes.

- *Nonspendable* fund balance represents amounts that are either not in a spendable form or are legally or contractually required to remain intact.
- *Restricted* fund balance includes amounts that can be spent only for the specific purposes stipulated by external resource providers such as grantors or enabling federal, state, or local legislation. Restrictions may be changed or lifted only with the consent of the resource providers.
- *Committed* fund balance represents amounts that can be used only for the specific purposes determined by the adoption of an ordinance committing fund balance for a specified purpose by the NAME OF GOVERNMENT's Council prior to the end of the fiscal year. Once adopted, the limitation imposed by the ordinance remains in place until the resources have been spent for the specified purpose or the Council adopts another ordinance to remove or revise the limitation.
- *Assigned* fund balance represents amounts that are intended to be used by the NAME OF GOVERNMENT for specific purposes but do not meet the criteria to be classified as committed. The Council has by resolution authorized the finance director to assign fund balance. The Council may also assign fund balance, as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally 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.

- *Unassigned* fund balance represents the residual amount for the General Fund that is not contained in the other classifications. The General Fund is the only fund that reports a positive unassigned fund balance. Additionally, any deficit fund balance within the other governmental fund types is reported as unassigned.

As previously mentioned, sometimes the NAME OF GOVERNMENT will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). 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 NAME OF GOVERNMENT's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, 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.

8. *Leases*

Lessee: The NAME OF GOVERNMENT is a lessee for two equipment leases. The NAME OF GOVERNMENT recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The NAME OF GOVERNMENT's policy is to recognize lease liabilities with an initial, individual value of \$10,000 or more.

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

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

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

The NAME OF GOVERNMENT monitors changes in circumstances that would require a remeasurement of its leases and will remeasure lease assets and liabilities if certain changes occur that are expected to significantly affect the amount of the lease liabilities.

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

Lessor: The NAME OF GOVERNMENT is a lessor of a building. The NAME OF GOVERNMENT recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

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

Key estimates and judgments include how the NAME OF GOVERNMENT determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The NAME OF GOVERNMENT uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided the NAME OF GOVERNMENT generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease and any extensions that are deemed reasonably certain to be exercised. Lease receipts included in the measurement of the lease receivable are composed of fixed payments from the lessee.

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

9. *Subscription-Based Information Technology Arrangements*

The NAME OF GOVERNMENT reports a subscription liability and an intangible right-to-use capital asset (known as the subscription asset) on the government-wide financial statements for a subscription-based information technology arrangement (SBITA). The NAME OF GOVERNMENT's policy is to recognize subscription liabilities with an initial, individual value of \$10,000 or more.

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

Key estimates and judgments related to SBITAs include how the NAME OF GOVERNMENT determines (1) the discount rate it uses to discount the expected SBITA payments to present value, (2) SBITA term, and (3) subscription payments.

- The NAME OF GOVERNMENT uses the interest rate charged by the SBITA vendor as the discount rate. When the interest rate charged by the SBITA vendor is not provided, the NAME OF GOVERNMENT generally uses its estimated incremental borrowing rate as the discount rate for SBITAs.
- The SBITA term includes the noncancellable period of the SBITA and any extensions that are deemed certain to be exercised. Subscription payments included in the measurement of the subscription liability are composed of fixed payments to the SBITA vendor.

The NAME OF GOVERNMENT monitors changes in circumstances that would require a remeasurement of its SBITAs and will remeasure subscription assets and liabilities if certain changes occur that are expected to significantly affect the amount of the subscription liabilities.

Subscription assets are reported with other capital assets and subscription liabilities are reported with long-term liabilities on the statement of net position.

G. Revenues and expenditures/expenses

1. *Program revenues*

Amounts reported as *program revenues* include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided or fines imposed by a given function or segment, and (2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

2. *Property taxes*

Property taxes attach as an enforceable lien on real property and are levied as of July 1. The tax levy is divided into two billings: the first billing (mailed on July 1) is an estimate of the current year's levy based on the prior year's *taxes*; the second billing (mailed on January 1) reflects adjustments to the current year's actual levy. The billings are considered past due 30 days after the respective tax billing date, at which time the applicable property is subject to lien, and penalties and interest are assessed.

3. *Compensated absences*

The NAME OF GOVERNMENT recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled (for example paid in cash to the employee or payment to an employee flex spending account) during or upon separation from employment. Based on the criteria listed, two types of leave qualify for liability recognition for compensated absences – *vacation* and *sick leave*. The liability for compensated absences is reported as incurred in the government-wide and proprietary fund financial statements. A liability for compensated absences is recorded in the governmental funds only if the liability has matured because of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

Vacation

The NAME OF GOVERNMENT's policy permits employees to accumulate earned but unused vacation benefits, which are eligible for payment at the employee's current pay rate upon separation from employment.

Sick Leave

The NAME OF GOVERNMENT's policy permits employees to accumulate earned but unused sick leave. All sick leave lapses when employees leave the employ of the NAME OF GOVERNMENT and, upon separation from service, no monetary obligation exists. However, a liability for estimated value of sick leave that will be used by employees as time off is included in the liability for compensated absences.

4. *Proprietary funds operating and nonoperating revenues and expenses*

Proprietary funds distinguish *operating* revenues and expenses from *noncapital subsidies*, and other *nonoperating* revenues and expenses. Nonoperating revenues and expenses are any (1) contributions to permanent and term endowments; (2) finance related revenues and expenses; (3) gain and losses from disposals of capital assets and inventory; (4) investment income and expenses; and (5) subsidies received and provided. A *subsidy* represents amounts received from or provided to another party or fund of NAME OF GOVERNMENT. Amounts received from another party or fund are considered a subsidy if it is unrelated to the services provided by the proprietary fund and keeps the fees charged at the same amount or lower if the subsidy was not received. Amounts provided to the other party or fund are considered a subsidy if it is unrelated to the goods or services provided by those parties and will generally result in the proprietary charging higher fees in the future. All revenues and expenses not meeting the definitions of nonoperating revenues and expenses are reported as operating revenues and expenses.

II. Reconciliation of government-wide and fund financial statements

A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position

The governmental fund balance sheet is followed by a reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that “Some receivables will not be available to pay for current-period expenditures and are offset by unavailable revenues in the governmental funds and thus are not included in fund balance. Certain tax and other revenues that are considered unavailable for governmental funds but are recognized as revenue for the government-wide statements.” The details of this \$5,190,955 are as follows:

| | |
|------------------------------|---------------------|
| Property taxes | \$ 643,926 |
| Interest | 47,285 |
| Grants | 274,244 |
| Special assessments | 4,225,300 |
| Total other long-term assets | <u>\$ 5,190,755</u> |

B. Explanation of certain differences between the proprietary fund statement of net position and the government-wide statement of net position

The proprietary fund statement of net position includes a reconciliation between *net position-total enterprise funds* and *net position of business-type activities* as reported in the government-wide statement of net position. The description of the sole element of that reconciliation is “adjustment to report the cumulative internal balance for the net effect of the activity between the internal service funds and the enterprise funds over time.” The details of the \$259,951 difference are as follows:

| | |
|---|-------------------|
| Internal receivable representing charges in excess (deficiency) | |
| of cost to business-type activities – prior years | \$ 280,554 |
| Internal receivable representing charges in excess (deficiency) | |
| of cost to business-type activities – current year | <u>(20,603)</u> |
| Net adjustment to increase net position – total enterprise | |
| funds to arrive at net position – business-type activities | <u>\$ 259,951</u> |

III. Stewardship, compliance, and accountability

A. Violations of legal or contractual provisions

For the year ended June 30, 2027, expenditures exceeded appropriations in the protective inspection department (the legal level of budgetary control) within the public safety function of the General Fund by \$21,747. While overspending of this appropriation is authorized by law up to \$100,000 if related to cases involving imminent public endangerment (e.g., the need to inspect properties with damage from collision, natural disaster, fire, or water to determine their inherent stability), which was the case this year, it is nevertheless considered a budgetary violation. Further, the overspending comes with a consequence for the subsequent year's budget. In accordance with the requirements of the law, there was a decrease of \$21,747 in the protective inspection appropriation for routinely scheduled inspections that was legally adopted for the subsequent year's budget.

B. Deficit fund equity

At June 30, 2027, the Capital Projects Fund, a major fund, has a deficit fund balance of \$2,191,321. It is unusual for a capital projects fund, especially one that finances capital projects mainly by borrowings, to report a deficit. The reason for the deficit in this case is that the NAME OF GOVERNMENT issued bond anticipation notes (BANS), which do not qualify for treatment as a long-term liability. Accordingly, the BANS are reported as a fund liability in the Capital Projects Fund balance sheet (rather than an inflow on the statement of revenues, expenditures, and changes in fund balances). When the cash from the BANS is spent, expenditures are reported, and fund balance is reduced. Because the BANS are the main source of resources for the fund, the result is an overall fund deficit. This deficit will be eliminated as resources are obtained primarily for the issuance of long-term debt.

IV. Detailed notes on all activities and funds

A. Cash and investments

It is the policy of the NAME OF GOVERNMENT to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the NAME OF GOVERNMENT and confirming to all state and local statutes governing the investment of public funds, using the "prudent person" standard for managing the overall portfolio. The primary objectives of the policy are safety (preservation of capital), liquidity, and yield.

The NAME OF GOVERNMENT pools cash and investment for all its funds, to maximize its investment program. Investment income from this internal pooling is allocated to the respective funds based upon the sources of funds invested. The deposits and investments of the Police Pension Trust Fund and the Public Safety Other Postemployment Benefits Trust Fund are held separately.

B. Cash deposits with financial institutions

Deposits held by the NAME OF GOVERNMENT Police Pension Trust Fund and Public Safety Other Postemployment Benefits Trust Fund are discussed in notes IV.G.2. and IV.H.2., below, and are excluded from the discussion in this section.

Custodial credit risk - deposits. In the case of deposits, this is the risk that, in the event of a bank's failure, the NAME OF GOVERNMENT's deposits may not be returned to it. To mitigate this risk, the NAME OF

GOVERNMENT's investment policy requires all deposits to be fully collateralized. As of June 30, 2027, the NAME OF GOVERNMENT's bank balance was \$43,823,248 and \$3,985,682 of that amount was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging or financial institution's trust department or agent, but not in the NAME OF GOVERNMENT's name. The carrying amount of the deposits as of June 30, 2027, was \$41,405,890, and is reported as cash in the financial statements as follows:

| | |
|---|----------------------|
| Government-wide Statement of Net Position | |
| Governmental activities | \$ 20,274,543 |
| Business-type Activities | 3,700,527 |
| Fiduciary Funds Statement of Net Position | |
| Investment Trust Fund | 16,635,601 |
| Private-purpose Trust Fund | 2,750 |
| Custodial Fund - Bania Fund | 229,928 |
| Custodial Fund - External investment pool | 562,541 |
| Total carrying amount of deposits | <u>\$ 41,405,890</u> |

C. Investments

Investments held by the NAME OF GOVERNMENT Police Pension Trust Fund and Public Safety Other Postemployment Benefits Trust Fund are discussed in notes IV.G.2. and IV.H.2., below, and are excluded from the discussion in this section.

State statutes authorize the NAME OF GOVERNMENT to invest in obligations of the U.S. Treasury and U.S. Agencies, mutual funds with portfolios of securities issued or guaranteed by the United States Government, or agreements to repurchase these same obligations, negotiable and non-negotiable certificates of deposit, municipal bonds, commercial paper, corporate bonds, and the State Treasurer's Investment Pool.

The State Treasurer's Investment Pool (Pool) operates in accordance with state law, with oversight from the Office of the Treasurer. See note I.G.2, Investments, for a discussion of how the shares in the Pool are valued. The Pool has a credit rating of AAA from Standard & Poor's Financial Services. Local government investment pools in this rating category meet the highest standards for credit quality, conservative investment policies, and safety of principal. The Pool invests in a high-quality portfolio of debt securities investments legally permissible for municipalities and school districts in the state.

Interest rate risk. Interest rate risk is the risk that changes in the market interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the NAME OF GOVERNMENT manages its exposure to declines in fair values by limiting the maximum maturity length of investments to five years.

As of June 30, 2027, the Government had the following investments:

| Investment Type | Fair Value | Investment Maturities (in Years) | |
|--|-----------------------|----------------------------------|-----------------------|
| | | Less than 1 year | 1-5 years |
| U.S. Treasury obligations | \$ 152,507,626 | \$ 980,202 | \$ 151,527,424 |
| U.S. Agency obligations | 7,869,218 | 2,202,922 | 5,666,296 |
| Non-negotiable certificates of deposit | 1,066,379 | 66,379 | 1,000,000 |
| Negotiable certificates of deposit | 4,145,191 | 2,168,742 | 1,976,449 |
| Mutual funds | 8,999,552 | 8,999,552 | - |
| Municipal bonds | 6,624,944 | 1,463,214 | 5,161,730 |
| Total investments | <u>\$ 181,212,910</u> | <u>\$ 15,881,011</u> | <u>\$ 165,331,899</u> |

Credit risk. Generally, credit risk is the risk that the issuer of an investment will not fulfill its obligation to the holder of the investment. The NAME OF GOVERNMENT's investment policy requires that fixed income securities and equities have a weighted average of no less than investment grade, as rated by Moody's and Standard & Poor's. Unrated securities are limited to no more than 20 percent of the total investments. The investments in the securities of U.S. government agencies were all rated AAA by Standard & Poor's, and Aaa by Moody's Investors Services. The municipal bonds were rated AAA to AA by Standard & Poor's and Aaa to A3 by Moody's. The mutual funds were rated AA+ to A by Standard & Poor's and Aa1 to A2 by Moody's. The certificates of deposit are not rated.

Custodial credit risk - investments. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the NAME OF GOVERNMENT will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. To limit its exposure, the NAME OF GOVERNMENT's investment policy requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investments held by a third party acting as the NAME OF GOVERNMENT's agent separate from where the investment was purchased or by the trust department of the bank where purchased, in the NAME OF GOVERNMENT's name.

Concentration of credit risk. The concentration of credit risk is the risk of loss that may be caused by the NAME OF GOVERNMENT's investment in a single issuer. The NAME OF GOVERNMENT's investment policy limits the amount of the portfolio that can be invested in any one investment vehicle to no more than 40 percent of the portfolio, except for U.S. Treasury obligations.

The NAME OF GOVERNMENT's investment policy specifically prohibits the use of or the investment in derivatives and tri-party repurchase agreements.

Fair value of investments. The NAME OF GOVERNMENT measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles (GAAP). These guidelines recognize a three-tiered fair value hierarchy as follows:

- *Level 1:* Quoted prices for identical investments in active markets
- *Level 2:* Observable inputs other than those in Level 1
- *Level 3:* Unobservable inputs

Debt and equity securities classified as Level 1 are valued using prices quoted in active markets for those securities. Debt and equity securities classified in Level 2 are valued using the following approaches: debt securities are normally valued based on price data obtained from observed transactions and market price quotations from broker dealers and/or pricing vendors for similar debt securities in active markets; equity securities are valued using fair value per share for each fund for identical equity securities in inactive markets. Certificates of deposit classified in level 2 are valued using broker quotes that utilize observable market inputs for similar certificates in active markets. Securities classified as Level 3 have limited trade information, these securities are priced using the last trade price or estimated using recent trade prices.

At June 30, 2027, the NAME OF GOVERNMENT had the following recurring fair value measurements:

| Investments by Fair Value Level | June 30, 2027 | Level 1 | Level 2 | Level 3 |
|--|-----------------------|-----------------------|----------------------|---------------------|
| U.S. Treasury obligations | \$ 152,507,626 | \$ 152,507,626 | \$ - | \$ - |
| U.S. Agency obligations | 7,869,218 | - | 7,869,218 | - |
| Non-negotiable certificates of deposit | 1,066,379 | - | 1,066,379 | - |
| Negotiable certificates of deposit | 4,145,191 | 4,145,191 | - | - |
| Mutual funds | 8,999,552 | - | 7,799,427 | 1,200,125 |
| Municipal bonds | 6,624,944 | - | 6,624,944 | - |
| Total Investments at Fair Value | <u>\$ 181,212,910</u> | <u>\$ 156,652,817</u> | <u>\$ 23,359,968</u> | <u>\$ 1,200,125</u> |

Reconciliation to basic financial statements. The investments as of June 30, 2027, are reported in the financial statements as follows:

| | |
|---|-----------------------|
| Government-wide Statement of Net Position | |
| Governmental activities | \$ 22,119,677 |
| Business-type activities | 2,136,642 |
| Fiduciary Funds Statement of Net Position | |
| Investment trust Fund | 155,407,774 |
| Private-purpose trust Fund | 66,379 |
| Custodial Fund - External investment pool | 1,482,438 |
| Total investments | <u>\$ 181,212,910</u> |

D. Receivables

Amounts other than intergovernmental, leases, and PPP receivables are aggregated into a single accounts receivable (net of allowance for doubtful accounts) line for certain funds and aggregated columns. Below is the detail of receivables for the General and Debt Service Funds and the nonmajor governmental funds in the aggregate, including the applicable allowances for doubtful accounts:

| | General Fund | Debt Service Fund | Nonmajor Governmental Funds | Total Governmental Funds |
|---------------------------------------|---------------------|---------------------|-----------------------------|--------------------------|
| Receivables | | | | |
| Accounts | \$ 676,752 | \$ - | \$ 3,968 | \$ 680,720 |
| Property taxes | 3,347,785 | 79,618 | - | 3,427,403 |
| Property tax interest and penalties | 165,884 | - | - | 165,884 |
| Tax liens | 258,767 | - | - | 258,767 |
| Sales taxes | 1,829,576 | - | - | 1,829,576 |
| Special assessments | - | 4,230,000 | - | 4,230,000 |
| Interest | 37,151 | - | - | 37,151 |
| Gross receivables | 6,315,915 | 4,309,618 | 3,968 | 10,629,501 |
| Less: allowance for doubtful accounts | (248,668) | (4,700) | - | (253,368) |
| Net receivables | <u>\$ 6,067,247</u> | <u>\$ 4,304,918</u> | <u>\$ 3,968</u> | <u>\$ 10,376,133</u> |

Based on the payment schedule for special assessment receivables, \$3,760,000 of the amount reported in the Debt Service Fund is not expected to be collected within the next year.

Revenues of the Water Fund, an enterprise fund, are reported as net of uncollectible amounts. Total uncollectible amounts related to water sales of the period amounted to \$83,952.

E. Capital assets

Capital assets activity for the year ended June 30, 2027, was as follows:

| | Balance Beginning of Year | Additions | Deletions | Balance End of Year |
|--|---------------------------------|---------------|---------------|---------------------------|
| Governmental Activities | | | | |
| Capital assets, not being depreciated | | | | |
| Land | \$ 50,067,172 | \$ - | \$ - | \$ 50,067,172 |
| Development in progress | - | 53,114 | 53,114 | - |
| Construction in progress | 22,974,097 | 12,357,720 | 25,461,699 | 9,870,118 |
| Total capital assets, not being depreciated | 73,041,269 | 12,410,834 | 25,514,813 | 59,937,290 |
| Capital assets, being depreciated | | | | |
| Buildings | 191,856,915 | 24,608,316 | - | 216,465,231 |
| Machinery, equipment and vehicles | 33,208,145 | 3,377,142 | 935,135 | 35,650,152 |
| Infrastructure | 206,411,089 | 1,415,056 | - | 207,826,145 |
| Intangible assets | | | | |
| Subscription assets | - | 95,219 | - | 95,219 |
| Lease assets - equipment | 938,657 | 60,017 | 938,657 | 60,017 |
| Total capital assets, being depreciated | 432,414,806 | 29,555,750 | 1,873,792 | 460,096,764 |
| Less accumulated depreciation for: | | | | |
| Buildings | (78,425,803) | (4,767,749) | - | (83,193,552) |
| Machinery, equipment and vehicles | (21,468,057) | (2,138,804) | (925,961) | (22,680,900) |
| Infrastructure | (120,858,864) | (5,353,077) | - | (126,211,941) |
| Intangible assets | | | | |
| Subscription assets | - | (23,805) | - | (23,805) |
| Lease assets - equipment | (375,464) | (57,165) | (426,203) | (6,426) |
| Total accumulated depreciation | (221,128,188) | (12,340,600) | (1,352,164) | (232,116,624) |
| Total capital assets, being depreciated, net | 211,286,618 | 17,215,150 | 521,628 | 227,980,140 |
| Total governmental activities capital assets | \$ 284,327,887 | \$ 29,625,984 | \$ 26,036,441 | \$ 287,917,430 |

Depreciation/amortization expense was charged to the functions/programs of the governmental activities of the primary government as follows:

| | |
|-----------------------------------|---------------|
| General government | \$ 192,046 |
| Public safety | 1,451,895 |
| Highways and streets | 6,009,616 |
| Sanitation | 2,411,196 |
| Culture and recreation | 1,030,161 |
| Community development | 872,217 |
| Internal service funds * | 373,469 |
| Total depreciation/amortization | |
| expense - governmental activities | \$ 12,340,600 |

* - Depreciation and amortization of capital assets held by the NAME OF GOVERNMENT's internal service funds are charged to the various functions as part of the fees paid to the internal services funds throughout the year.

| | Balance Beginning of Year | Additions | Deletions | Balance End of Year |
|---|---------------------------------|--------------|--------------|---------------------------|
| Business-type Activities | | | | |
| Capital assets, not being depreciated | | | | |
| Land | \$ 1,911,400 | \$ - | \$ - | \$ 1,911,400 |
| Construction-in-progress | 6,726,334 | 787,698 | 2,150,249 | 5,363,783 |
| Total capital assets, not being depreciated | 8,637,734 | 787,698 | 2,150,249 | 7,275,183 |
| Capital assets, being depreciated | | | | |
| Buildings | 10,763,192 | 2,150,249 | - | 12,913,441 |
| Machinery, equipment and vehicles | 10,873,602 | 1,218,982 | 762,877 | 11,329,707 |
| Water distribution system | 35,422,287 | - | - | 35,422,287 |
| Total capital assets, being depreciated | 57,059,081 | 3,369,231 | 762,877 | 59,665,435 |
| Less accumulated depreciation for: | | | | |
| Buildings | (4,911,910) | (467,517) | - | (5,379,427) |
| Machinery, equipment and vehicles | (7,679,744) | (512,037) | (629,424) | (7,562,357) |
| Water distribution system | (13,286,582) | (733,977) | - | (14,020,559) |
| Total accumulated depreciation | (25,878,236) | (1,713,531) | (629,424) | (26,962,343) |
| Total capital assets, being depreciated, net | 31,180,845 | 1,655,700 | 133,453 | 32,703,092 |
| Total business-type activities capital assets | \$ 39,818,579 | \$ 2,443,398 | \$ 2,283,702 | \$ 39,978,275 |

Depreciation/amortization expense was charged to the functions/activities of the business-type activities of the primary government as follows:

| | |
|---|---------------------|
| Water | \$ 886,242 |
| Transit | 827,289 |
| Total depreciation/amortization expense - business-type activities | <u>\$ 1,713,531</u> |

As of June 30, 2027, the NAME OF GOVERNMENT has capital assets included in business-type activities machinery, equipment and vehicles with a historical cost of \$855,887 and accumulated depreciation of \$457,174 that is being held for sale. The NAME OF GOVERNMENT intends to sell these capital assets within the next fiscal year.

F. Accrued liabilities

Accrued liabilities reported by governmental funds at June 30, 2027, were as follows:

| | General Fund | Nonmajor Governmental Funds | Total Governmental Funds |
|------------------------------------|---------------------|-----------------------------------|--------------------------------|
| Salary and other employee benefits | \$ 2,188,382 | \$ 245,940 | \$ 2,434,322 |
| Other | 315,678 | 174,044 | 489,722 |
| Total accrued liabilities | <u>\$ 2,504,060</u> | <u>\$ 419,984</u> | <u>\$ 2,924,044</u> |

G. Pension plans

The NAME OF GOVERNMENT contributes to three defined benefit pension plans, (1) the Statewide General Employees Retirement Fund (GERF), a cost-sharing, multi-employer defined benefit pension plan administered by the Public Employees Retirement Association (PERA) of the STATE, which is a statutorily funded plan, (2)

the NAME OF GOVERNMENT Police Pension Plan, which is a single-employer pension plan that is also actuarially funded, and (3) the Firefighters Pension Plan, which is a single-employer pension plan for which no advanced funding is provided.

As of and for the year ended June 30, 2027, the three plans had the following balances reported in the government-wide financial statements:

| | Total Pension Liability | Net Pension Liability | Deferred Outflows of Resources | Deferred Inflows of Resources | Pension Expense |
|----------------------------|-------------------------------|-----------------------------|--------------------------------------|-------------------------------------|---------------------|
| GERF (proportionate share) | N/A | \$ 25,921,746 | \$ 3,010,046 | \$ 179,559 | \$ 1,072,548 |
| Police Pension Plan | N/A | 12,249,189 | 2,961,739 | 1,214,343 | 2,314,750 |
| Firefighters Pension Plan | \$ 11,502,634 | N/A | 2,295,312 | 360,926 | 3,234,749 |
| Total Pension Plans | <u>\$ 11,502,634</u> | <u>\$ 38,170,935</u> | <u>\$ 8,267,097</u> | <u>\$ 1,754,828</u> | <u>\$ 6,622,047</u> |

Detailed disclosures for each plan follow.

1. *Statewide General Employees Retirement Fund*

Plan Description

The NAME OF GOVERNMENT participates in the General Employees Retirement Fund (GERF), a cost-sharing, multi-employer defined benefit pension plan administered by the Public Employees Retirement Association (PERA) of the STATE, which is a component unit of the STATE. GERF assets are held in trust for the plan beneficiaries. GERF is established and administered in accordance with STATE Compiled Statutes (STATECS 122.10) and is a tax-qualified plan under Section 401(a) of the Internal Revenue Code (IRC). All full-time, permanent employees of the NAME OF GOVERNMENT, except those covered by the Police Pension Plan or the Firefighters Pension Plan, are covered by the GERF.

Benefits Provided

GERF provides retirement, disability, and death benefits, and annual cost-of-living adjustments to eligible participants. Benefit provisions are established by state statutes and can only be modified by the State Legislature. Benefit increases are provided to benefit recipients each January when the plan's funding ratio has met a specified level. Increases are related to the funding ratio of the plan as of the prior March 31. In those years that the plan did not exceed 90 percent funded, but was at least 80 percent funded, members are eligible to receive a 1 percent increase. When the funded status was above 90 percent, members are eligible to receive a 1.5 percent increase. When funded status drops below 80 percent, no increase is provided.

GERF members belong to either the Coordinated Benefits Plan or the Basic Benefits Plan. Coordinated Benefits Plan members are covered by Social Security and Basic Benefits Plan members are not. The Basic Plan is open to employees who are not being provided social security by their employer.

Employees enrolled in the GERF prior to July 1, 2011, vest at six years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at eight years of creditable service. All members enrolled in the GERF on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service, except for members classified as special risk, who are eligible for normal retirement benefits at age 60 or at any age after 30 years of service. Members of GERF may include up to four years of credit for military service toward creditable service. GERF also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before their normal retirement date.

The benefit provisions stated in this section are current provisions and apply to active GERS participants. Vested, terminated employees who are entitled to benefits, but are not receiving them yet, are bound by the provisions in effect at the time they last terminated their public service.

Benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service. The retiring member receives a step-rate benefit accrual formula. The annuity accrual rate for a Basic Benefits Plan member is 2.2 percent of average salary for each of the first 10 years of service and 2.7 percent for each remaining year. The annuity accrual rate for a Coordinated Benefits Plan member is 1.2 percent of average salary for each of the first 10 years and 1.7 percent for each remaining year.

Contributions and Funding Policy

STATE Statutes, Chapter 353 sets the rates for employer and employee contributions. Contribution rates can only be modified by the State Legislature. Basic Benefits Plan members and Coordinated Benefits Plan members were required to contribute 9.10 percent and 6.50 percent, respectively, of their annual covered salary in fiscal year 2027. The NAME OF GOVERNMENT was required to contribute 11.78 percent of pay for Basic Benefits Plan members and 7.50 percent for Coordinated Benefits Plan members in fiscal year 2027. The GOVERNMENT's contributions to the GERS for the fiscal year ended June 30, 2027, were \$2,521,167. The GOVERNMENT's contributions were equal to the required contributions as set by state statutes.

Proportionate Share of Net Pension Liability

At June 30, 2027, the NAME OF GOVERNMENT reported a liability of \$25,921,746 for its proportionate share of the GERS's net pension liability. GERS's pension liability was measured as of March 31, 2027, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The NAME OF GOVERNMENT's proportion of GERS's liability was based on the NAME OF GOVERNMENT's contributions received by the GERS during the measurement period for employer payroll paid dates from April 1, 2026, through March 31, 2027, relative to the total employer contributions received from all the GERS's participating employers. The NAME OF GOVERNMENT's proportionate share was 0.0201 percent at the end of the measurement period and 0.0189 percent for the beginning of the period, which represents an increase of 0.0012 percent. The change in proportionate share is partially recognized as pension expense in the current year and the remainder is deferred and will be recognized as expense in future years.

Actuarial Assumptions

The total pension liability in the March 31, 2027, actuarial valuation was determined using the following actuarial assumptions:

| | |
|------------------------------|---|
| Actuarial Valuation Date | March 31, 2027 |
| Measurement Date | March 31, 2027 |
| Actuarial Cost Method | Entry-Age Normal |
| Asset Valuation Method | Fair Value |
| Assumptions | |
| Inflation | 2.50% |
| Active member payroll growth | 3.25% |
| Investment Rate of Return | 7.50% |
| Discount Rate | 7.50% |
| Cost of Living Adjustments | Assumed to be 1.0% per year through 2044, and then 1.5% thereafter. |

Salary increases were based on a service-related table. Mortality rates for active members, retirees, survivors, and disabled annuitants were based on RP-2025 tables for all plans for males or females, as appropriate, with slight adjustments to fit the PERA's experience.

Actuarial assumptions used in the March 31, 2027, valuation are based on the results of actuarial experience studies. The most recent four-year experience study in the GERS was completed in 2025. The following changes in actuarial assumptions occurred in 2025:

- The Combined Service Annuity (CSA) loads were changed from 0.8 percent for active members and 60.0 percent for vested and nonvested inactive members. The revised CSA loads are now 0.5 percent for active member liability and 58.0 percent for vested inactive member liability.
- The assumed post-retirement benefit increase rate was changed from 1.0 percent per year for all years, to 1.0 percent per year through 2044, and 1.5 percent per year thereafter.
- Assumed rates of retirement were changed, resulting in later retirements.
- The base mortality table for healthy annuitants was changed from the RP-2022 Fully Generational Table to the RP-2025 Fully Generational Table (with a base year of 2023), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2025. The base mortality table for disabled annuitants was changed from the RP-2022 Disabled Mortality Table to the mortality tables assumed for healthy retirees.
- Assumed termination rates were decreased to 3.00 percent for the first three years of service. Rates beyond the select period of three years were adjusted, resulting in more expected terminations overall.
- The assumed percentage of female members electing joint and survivor annuities was increased.

Long-term Expected Rate of Return

The State Board of Investment, which manages the investments of the PERA, prepares an analysis of the reasonableness of the long-term expected rate of return on a regular basis using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce an expected long-term rate of return by weighting the expected future rates of return by the target asset allocation percentages. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

| Asset Class | Target Allocation | Long-term Expected Real Rate of Return | Expected Money- Weighted Rate of Return |
|---------------------------|----------------------|---|--|
| Domestic stocks | 39% | 5.11% | 1.993% |
| International stocks | 20% | 5.31% | 1.062% |
| Bonds | 20% | 2.82% | 0.565% |
| Alternative assets | 20% | 6.90% | 1.380% |
| Cash | 1% | 0.00% | 0.000% |
| Total | <u>100%</u> | | |
| Inflation | | | <u>2.500%</u> |
| Investment rate of return | | | <u>7.500%</u> |

Discount Rate

The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in STATE Statutes. Based on these assumptions, the fiduciary net position of GERS was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on GERS investments was applied to all periods of projected benefit payments to determine the total pension liability.

Discount Rate Sensitivity Analysis

The following presents the NAME OF GOVERNMENT's proportionate share of the GERF net pension liability, calculated using the discount rate disclosed in the preceding paragraph, as well as what the NAME OF GOVERNMENT's proportionate share of the GERF net pension liability would be if it were calculated using a discount rate one percentage point lower or one percentage point higher than the current discount rate:

| | 1% Decrease in Discount Rate 6.5% | Current Discount Rate 7.5% | 1% Increase in Discount Rate 8.5% |
|---|---|----------------------------------|---|
| NAME OF GOVERNMENT's proportionate share of GERF net pension liability | \$ 33,661,987 | \$ 25,921,746 | \$ 19,276,421 |

Pension Expense and Deferred Items Summary

For the year ended June 30, 2027, the NAME OF GOVERNMENT recognized pension expense of \$1,072,548 for its proportionate share of the GERF's pension expense. At June 30, 2027, the NAME OF GOVERNMENT reported its proportionate share of the GERF's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|--------------------------------------|-------------------------------------|
| Differences between expected and actual economic experience | \$ 543,474 | \$ 32,803 |
| Changes in actuarial assumptions | 1,990,125 | - |
| Differences between projected and actual investment earnings, net | - | 146,756 |
| Changes in proportion | 317,649 | - |
| Contributions paid to the PERA subsequent to the measurement date | 158,798 | - |
| Totals | <u>\$ 3,010,046</u> | <u>\$ 179,559</u> |

Deferred outflows of resources of \$158,798 related to pensions resulting from NAME OF GOVERNMENT contributions subsequent to the measurement date that will be recognized as a reduction of the GERF net pension liability in the year ending June 30, 2028. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

| Year Ending June 30, | Pension Expense Amount |
|----------------------------|------------------------------|
| 2028 | \$ 540,391 |
| 2029 | 505,614 |
| 2030 | 473,612 |
| 2031 | 460,512 |
| 2032 | 454,439 |
| Thereafter | 237,121 |
| Total | <u>\$ 2,671,689</u> |

Pension Plan Fiduciary Net Position

The GERF's pension trust fiduciary net position has been determined using the same basis used to determine the GERF net pension liability, deferred outflows and inflows of resources related to pension, and pension expense. For this purpose, revenues are recognized when earned and expenses are recognized when incurred. Therefore, benefits and administrative expenses are recognized when due and payable. Investments are reported at fair value.

Detailed information about GERS's fiduciary net position is available in a separately issued PERA financial report. That report may be obtained on the PERA website at www.STATEpera.org; by writing to the PERA at 203 N Main Street, Suite 2700, City, STATE 88888; or by calling (555) 555-5555.

2. NAME OF GOVERNMENT Police Pension Plan

Plan Description

The NAME OF GOVERNMENT sponsors and contributes to the Police Pension Plan (Police Plan). The Police Plan is a single-employer defined benefit pension plan that is governed by a seven-member Board of Trustees. Four members of the Board of Trustees are appointed by the NAME OF GOVERNMENT's mayor, one member is elected by pension beneficiaries, and two members are elected by actively employed members of the Police Plan. However, benefits and employee and employer contribution levels are governed by STATE Compiled Statutes (STATECS 123.51) that may be amended only by the STATE legislature. The Police Plan assets are held in trust for beneficiaries, and the Police Plan is a tax-qualified plan in accordance with the IRC. The NAME OF GOVERNMENT reports the Police Plan as a pension trust fund – the Police Pension Trust Fund. All police department sworn personnel are covered by the Police Plan.

The Police Plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required to be made, and benefits and refunds are recognized as an expense and liability when due and payable. Administrative costs are financed through contributions and investment income. The Police Pension Plan does not issue a separate report containing financial statements; therefore financial statements are included below.

Police Plan Membership

At June 30, 2027, membership consisted of:

| | |
|--|------------|
| Inactive Police Plan Members or Beneficiaries | |
| Currently Receiving Benefits | 39 |
| Inactive Police Plan Members Entitled to but not yet | |
| Receiving Benefits | 17 |
| Active Police Plan Members | <u>196</u> |
| Total | <u>252</u> |

Benefits Provided

The Police Plan provides retirement, disability, and death benefits. Tier 1 employees (those hired as police officers prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.50 percent of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75 percent of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a police officer who retired with 20 or more years of service after January 1, 1977, shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3 percent of the original pension and 3 percent compounded annually thereafter.

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to 45 percent of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. Police officers' salary for pension purposes is capped at \$106,800, plus the lesser of one-half of the annual change in the Consumer Price Index or 3 percent compounded. The annual benefit shall be increased by 2.50 percent of such salary for each additional year of service over 20 years up to 30 years to a maximum of 70 percent of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e., a reduction of 0.5 percent for each month before their 55th birthday that they retire). The monthly benefit of a Tier 2 police officer shall be increased annually, beginning (1) at age 60, on the January 1 after the police officer retires, or (2) the first anniversary of the pension starting date, whichever is later. Non-compounding increases occur annually, each January thereafter. The increase is the lesser of 3 percent or one-half of the change in the Consumer Price Index for the preceding calendar year.

Contributions and Funding Policy

Covered employees are required to contribute 3.5 percent of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The NAME OF GOVERNMENT is required to contribute the actuarially determined remaining amounts necessary to finance the Police Pension Plan benefit obligations.

Financial Statements

As of June 30, 2027, the Police Plan's statement of fiduciary net position was as follows:

| | |
|--|-----------------------------|
| ASSETS | |
| Cash and cash equivalents | \$ 1,006,865 |
| Investments: | |
| U.S. government and agency obligations | 3,418,979 |
| State and local obligations | 424,354 |
| Corporate bonds | 2,654,365 |
| Mutual funds | 14,387,892 |
| Receivables | 61,233 |
| Total assets | <u>21,953,688</u> |
| LIABILITIES | |
| Accounts payable | 4,159 |
| Refunds payable | 1,000 |
| Total liabilities | <u>5,159</u> |
| FIDUCIARY NET POSITION | |
| Restricted for pensions | <u><u>\$ 21,948,529</u></u> |

For the fiscal year ended June 30, 2027, the Police Plan's statement of changes in fiduciary net position was as follows:

| | |
|---|----------------------|
| ADDITIONS | |
| Contributions: | |
| Employer | \$ 1,088,216 |
| Plan members | 548,946 |
| Total contributions | <u>1,637,162</u> |
| Investment earnings: | |
| Interest | 376,266 |
| Dividends | 12,522 |
| Net increase in the fair value of investments | <u>2,488,212</u> |
| Total investment earnings | 2,877,000 |
| Less investment expense | <u>49,899</u> |
| Net investment earnings | <u>2,827,101</u> |
| Total additions | <u>4,464,263</u> |
| DEDUCTIONS | |
| Benefits | 1,492,240 |
| Refunds of contributions | 9,254 |
| Administrative expenses | <u>4,838</u> |
| Total deductions | <u>1,506,332</u> |
| Net increase in fiduciary net position | 2,957,931 |
| Fiduciary net position - beginning | <u>18,990,598</u> |
| Fiduciary net position - ending | <u>\$ 21,948,529</u> |

Deposits and Investments

Investment Policy

The Police Plan's investment policy authorizes the Police Plan to invest in all investments allowed by State Statue. These include deposits/investments in insured commercial banks, savings and loan institutions, interest-bearing obligations of the U.S. Treasury and U.S. agencies, interest-bearing bonds of the State of STATE or any county, township, or municipal corporation of the State of STATE, money market mutual funds whose investments consist of obligations of the U.S. Treasury or U.S. agencies, separate accounts managed by life insurance companies, mutual funds, and STATE Funds (created by the State Legislature under the control of the State Treasurer that maintains a \$1 per share value which is equal to the participant's fair value). During the year, there were no changes to the investment policy.

Investment Valuations

Investments with a maturity of less than one year when purchased, non-negotiable certificates of deposit and other nonparticipating investments are stated at cost or amortized cost. All other investments in the Police Plan are stated at fair value and are recorded as of the trade date. The Police Plan categorizes the fair value measurements within the fair value hierarchy established by GAAP, as discussed in note IV.C., above.

Custodial Credit Risk for Deposits

The Police Plan's investment policies do not require pledging of collateral for all bank balances in excess of federal depository insurance, since flow-through FDIC insurance is available for each plan member for the Police Plan's deposits with financial institutions.

Interest Rate Risk

The following table presents the investments and maturities of the Police Plan's debt securities as of June 30, 2027:

| Investment Type | Fair Value | Investment Maturities | | | |
|-----------------------------|---------------------|-----------------------|---------------------|---------------------|--------------------------|
| | | Less Than 1 Year | 1 - 5 Years | 6 - 10 Years | Greater Than 10 Years |
| U.S. Treasury Obligations | \$ 1,692,277 | \$ 125,235 | \$ 690,910 | \$ 638,525 | \$ 237,607 |
| U.S. Agency Obligations | 1,726,702 | - | 255,629 | 323,839 | 1,147,234 |
| Corporate Bonds | 2,654,365 | 54,250 | 1,146,026 | 249,186 | 1,204,903 |
| State and Local Obligations | 424,354 | - | 324,111 | 100,243 | - |
| Totals | <u>\$ 6,497,698</u> | <u>\$ 179,485</u> | <u>\$ 2,416,676</u> | <u>\$ 1,311,793</u> | <u>\$ 2,589,744</u> |

The Police Plan has the following recurring fair value measurements as of June 30, 2027: the U.S. Treasury obligations, (Level 1 inputs). The U.S. agency obligations are valued using institutional bond quotes (Level 2 inputs). The state and local obligations, mutual funds, and corporate bonds are valued using matrix pricing models (Level 2 inputs).

In accordance with its investment policy, the Police Plan limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for operating funds and maximizing yields for funds not needed within a one-year period. The investment policy does not limit the maximum maturity length of investments in the Police Plan.

Credit Risk

The Police Plan limits its exposure to credit risk primarily by investing in obligations guaranteed by the United States Government, securities issued by agencies of the United States Government that are explicitly or implicitly guaranteed by the United States Government and investment-grade corporate bonds and municipal bonds rated by at least two of the three rating agencies at or above BBB- by Standard and Poor's, Baa3 by Moody's and BBB- by Fitch. Additionally, the U.S. agency obligations that consist of FHLMC securities are rated Aaa by a national rating agency. The Police Plan's U.S. agency obligations consist of Federal Home Loan Mortgage Corporation (FHLMC), Federal National Mortgage Association (FNMA), Government National Mortgage Association (GNMA), and Federal Farm Credit Banks Funding Corporation (FFCB) securities. For ratings that were available, these securities were rated Aaa by a national rating agency. The municipal bonds are rated Aa2 to Aaa. The foreign bonds are rated Baa3 to A1. The corporate bonds are rated Baa3 to Aaa.

Custodial Credit Risk for Investments

The Police Plan's investment policy allows the broker/dealer (counterparty) to maintain custody over the investments that they purchase, which exposes the investments to custodial credit risk. The policy requires the broker/dealer that serves as custodian to provide the Police Plan with an excess Securities Investor Protection Corporation (SIPC) policy to mitigate the exposure to custodial credit risk. Also, the Police Plan limits its exposure by requiring the investment broker/custodian to acquire an excess SIPC policy to provide the same coverage for the portfolio as would be provided by the SIPC.

Concentration of Credit Risk

The Policy Plan's investment policy states that the plan's assets shall be diversified to reduce the risk of large losses. There are no significant investments (other than United States Government guaranteed obligations) in any one organization that represent 5 percent or more of the Police Plan's investments.

Investment Rate of Return

For the year ended June 30, 2027, the annual money-weighted rate of return on Police Plan investments, net of investment expense, was 14.9 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability

At June 30, 2027, the NAME OF GOVERNMENT reported a net pension liability for the Police Plan of \$12,249,189. The Police Plan net pension liability was measured as of June 30, 2027, and the Police Plan total pension liability used to calculate the Police Plan's net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The Police Plan total pension liability above was determined by an actuarial valuation performed as of June 30, 2027, using the following actuarial methods and assumptions:

| | |
|----------------------------|--|
| Actuarial Valuation Date | June 30, 2027 |
| Measurement Date | June 30, 2027 |
| Actuarial Cost Method | Entry-Age Normal |
| Asset Valuation Method | Fair Value |
| Assumptions | |
| Inflation | 2.50% |
| Salary Increases | Service related table ranging from 4.00% to 16.00% with a total annual payroll growth of 3%. |
| Investment Rate of Return | 7.00% |
| Discount Rate | 5.94% |
| Cost of Living Adjustments | 2.0% |

Mortality rates for active members, retirees, survivors, and disabilitants were generationally projected with MP-2025 based on benefit-weighted Pub-2020 tables for males or females, as appropriate, with slight adjustments to fit Police Plan experience.

Cost of living benefit increases for retirees are indexed to inflation with a maximum increase of 2 percent per year. Because assumed inflation of 2.5 percent is greater than the maximum increase, cost of living increases were assumed to be 2 percent per year.

Actuarial assumptions used in the June 30, 2027, valuation were based on the results of an actuarial experience study, which is conducted every four years. The most recent experience study was completed in 2026 and was based primarily on Police Plan data from 2018 to 2025. The following actuarial assumptions were changed in the 2026 valuation:

- Assumed rates of retirement were changed, resulting in later retirements
- The inflation assumption was changed to 2.50 percent from 2.75 percent, resulting in a decrease in assumed payroll growth to 3 percent from 3.25 percent and a decrease in the rate of return assumption (i.e., the discount rate) to 7.00 percent from 7.25 percent.
- The base mortality table for active members and healthy retirees was changed to the benefit weighted Pub-2020 Fully Generational Table from the headcount weighted RP-2020 Fully Generational Table, with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed to MP-2026 from MP-2022. The base mortality table for disabled annuitants was changed to the same mortality tables as assumed for healthy retirees from the RP-2020 Disabled Mortality Table.

- Assumed termination rates were decreased to 3.00 percent for the first three years of service. Rates beyond the select period of three years were adjusted, resulting in more expected terminations overall.
- The assumed percentage of female members electing joint and survivor annuities was increased. The assumed percentage of members who are married at retirement was reduced to 60 percent.
- The discount rate used in the determination of the total pension liability was changed from 6.1 percent to 5.94 percent.
- The assumed rate on high quality 20-year tax exempt general obligation bonds was changed from 3.71 percent to 3.56 percent.

Long-term Expected Rate of Return

It is the policy of the Police Plan to invest its funds with care, skill, prudence, and diligence using the “prudent person” standard for managing the overall portfolio. The long-term expected rate of return on the Police Plan’s investments was determined using the building block method in which expected future real rates of return (expected returns, net of Police Plan investment expense and inflation) are developed for each major assets class. These returns 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 then by adding expected inflation. The target allocation and expected arithmetic real rates of return for each major asset class included in the Police Plan’s target asset allocation as of June 30, 2027, are summarized in the following table:

| Asset Class | Target Allocation | Long-term Expected Real Rate of Return | Expected Money-Weighted Rate of Return |
|----------------------------------|-------------------|--|--|
| Cash and Cash Equivalents | 2% | 1.0% | 0.020% |
| Fixed Income | 38% | 2.5% | 0.951% |
| U.S. Large Cap Equities | 27% | 5.9% | 1.593% |
| U.S. Mid Cap Equities | 3% | 6.4% | 0.192% |
| U.S. Small Cap Equities | 3% | 6.3% | 0.189% |
| Developed International Equities | 16% | 6.2% | 0.992% |
| Emerging International Equities | 8% | 5.8% | 0.464% |
| Real Estate Equities | 3% | 3.3% | 0.099% |
| Total | 100% | | |
| Inflation | | | 2.500% |
| Investment rate of return | | | 7.000% |

Discount Rate

The discount rate used to measure the Police Plan’s pension liability was 5.94 percent. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the NAME OF GOVERNMENT’s contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Police Plan’s fiduciary net position was projected to provide future benefit payments for 39 years. These payments were discounted using the long-term expected rate of return of 7.00 percent. Future benefits payments beyond 39 years were discounted using the tax-exempt general obligation municipal bonds rated AA or better rate at June 30, 2027, which was 3.56 percent. The tax-exempt general obligation municipal bonds rate was from the Bond Buyer 20-Bond Index as published by the Bond Buyer as of June 30, 2027. The long-term expected rate of 7.00 percent was blended with the index rate of 3.56 percent for tax exempt general obligation municipal bonds rated AA or better at June 30, 2027, to arrive at a discount rate of 5.94 percent used to determine the Police Plan total pension liability.

Changes in the Police Plan Net Pension Liability

| | (A) Total Pension Liability | (B) Plan Fiduciary Net Position | (A - B) Net Pension Liability |
|--|--------------------------------------|--|--|
| Balances Beginning of Year | \$ 31,257,071 | \$ 18,990,598 | \$ 12,266,473 |
| Changes for the Period | | | |
| Service Cost | 930,360 | - | 930,360 |
| Interest | 2,569,074 | - | 2,569,074 |
| Difference Between Expected and Actual Experience | (162,296) | - | (162,296) |
| Assumption Changes | 1,105,003 | - | 1,105,003 |
| Employer Contributions | - | 1,088,216 | (1,088,216) |
| Employee Contributions | - | 548,946 | (548,946) |
| Net Investment Income | - | 2,827,101 | (2,827,101) |
| Benefit Payments and Refunds | (1,501,494) | (1,501,494) | - |
| Administrative Expense | - | (4,838) | 4,838 |
| Net Changes | 2,940,647 | 2,957,931 | (17,284) |
| Balances End of Year | \$ 34,197,718 | \$ 21,948,529 | \$ 12,249,189 |

Discount Rate Sensitivity Analysis

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the net pension liability of the Police Plan calculated using the discount rate of 5.94 percent as well as what the Police Plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

| | 1% Decrease in Discount Rate 4.94% | Current Discount Rate 5.94% | 1% Increase in Discount Rate 6.94% |
|-----------------------|--|-----------------------------------|--|
| Net pension liability | \$ 19,711,443 | \$ 12,249,189 | \$ 6,966,439 |

Police Plan Pension Expense and Deferred Items Summary

For the year ended June 30, 2027, the NAME OF GOVERNMENT recognized Police Plan pension expense of \$2,314,750. At June 30, 2027, the NAME OF GOVERNMENT reported deferred outflows of resources and deferred inflows of resources related to the Police Plan from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|--------------------------------------|-------------------------------------|
| Differences between expected and actual economic experience | \$ 99,046 | \$ 458,545 |
| Changes in actuarial assumptions | 2,862,693 | - |
| Differences between projected and actual investment earnings, net | - | 755,798 |
| Totals | \$ 2,961,739 | \$ 1,214,343 |

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

| Year Ending June 30, | Pension Expense Amount |
|----------------------------|------------------------------|
| 2028 | \$ 410,819 |
| 2029 | 382,042 |
| 2030 | 350,508 |
| 2031 | 347,671 |
| 2032 | 256,356 |
| Total | <u>\$ 1,747,396</u> |

3. *NAME OF GOVERNMENT Firefighters Pension Plan*

Plan Description

The NAME OF GOVERNMENT administers the Firefighters Pension Plan (Firefighters Plan), a single-employer defined benefit pension plan that provides retirement benefits to the NAME OF GOVERNMENT's qualified firefighters. The retirement benefits are governed by STATE Compiled Statutes Section 124, which assigns the authority to establish and amend benefit provisions to the State Legislature. A separate report was not issued for the Firefighters Plan; therefore, financial statements are included below.

The NAME OF GOVERNMENT has chosen to fund the Firefighters Plan on a pay-as-you-go basis. Pension expenditures are made from the General Fund, which is maintained on the modified accrual basis of accounting. Benefits and refunds are recognized when due and payable in accordance with the terms of the Firefighters Plan. The Firefighters Plan has no assets accumulated in a trust that meets the requirements to be netted against pension liabilities (i.e., to which contributions are irrevocable, the assets are dedicated to paying benefits and the assets are protected from creditors of NAME OF GOVERNMENT).

Plan Membership

All full time firefighters of the NAME OF GOVERNMENT are covered by the Firefighters Plan. At June 30, 2027, membership consisted of:

| | |
|---|-------------------|
| Inactive Firefighters Plan Members or Beneficiaries | |
| Currently Receiving Benefits | 37 |
| Inactive Firefighters Plan Members Entitled to but | |
| not yet Receiving Benefits | 7 |
| Active Firefighters Plan Members | <u>166</u> |
| Total | <u>210</u> |

Benefits Provided

The Firefighters Plan provides retirement, disability, and death benefits. Employees attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.50 percent of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75 percent of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit.

Contributions and Funding Policy

The NAME OF GOVERNMENT is required by state statute to provide these retirement benefits and has chosen to fund the benefit payments on a pay-as-you-go basis through appropriations made in the General Fund operating budget. The NAME OF GOVERNMENT's obligation to contribute to this plan is established and may be amended by the STATE General Assembly. The administration costs of the plan are financed via annual budget appropriations in the General Fund. There were no contributions made by employees.

Firefighters Plan Total Pension Liability

At June 30, 2027, the NAME OF GOVERNMENT reported a total pension liability for the Firefighters Plan of \$11,502,634. The total Firefighters Plan liability was measured as of June 30, 2027, based on a June 30, 2026, actuarial valuation. The total Firefighters Plan pension liability was then rolled forward to the measurement date of June 30, 2027, utilizing procedures incorporating the actuarial assumptions.

Actuarial Assumptions

The total Firefighters Plan pension liability in the June 30, 2026, actuarial valuation was determined using the following actuarial methods and assumptions, applied to all periods included in the measurement:

| | |
|------------------------|---|
| Measurement Date | June 30, 2027 |
| Valuation Date | June 30, 2026 |
| Actuarial Cost Method | Entry Age Method |
| Actuarial Assumptions: | |
| Inflation | 2.5% per year |
| Salary Increases | Service related table ranging from 2.5% to 6.0%, with a total annual payroll growth of 3% |
| Discount Rate | 3.71% |

Actuarial assumptions used in the June 30, 2026, valuation of the Firefighters Plan were based on the results of an actuarial experience study, which is conducted every four years. The most recent experience study was completed in 2026 and was based primarily on plan data from 2018 to 2025. The following actuarial assumptions were changed in the 2026 valuation:

- Assumed rates of retirement were changed, resulting in later retirements
- The inflation assumption was changed to 2.50 percent from 2.75 percent, resulting in a decrease in assumed payroll growth to 3 percent from 3.25 percent.
- The base mortality table for active members and healthy retirees was changed to the benefit weighted Pub-2020 Fully Generational Table from the headcount weighted RP-2020 Fully Generational Table, with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed to MP-2026 from MP-2022. The base mortality table for disabled annuitants was changed to the same mortality tables as assumed for healthy retirees from the RP-2020 Disabled Mortality Table.
- Assumed termination rates were decreased to 3.00 percent for the first three years of service. Rates beyond the select period of three years were adjusted, resulting in more expected terminations overall.
- The assumed percentage of female members electing joint and survivor annuities was increased. The assumed percentage of members who are married at retirement was reduced to 60 percent.

Also, the assumed rate on high quality 20-year tax exempt general obligation bonds was changed from 4.1 percent to 3.71 percent.

Discount Rate

The discount rate used to measure the total Firefighters Plan pension liability was 3.71 percent. The discount rate is based on the yield of the S&P Municipal Bond 20-Year High Grade Rate Index as of June 30, 2026. Mortality rates are based on the RP-2020 Mortality tables with adjustments for mortality improvements based on Scale AA.

Changes in Firefighters Plan Total Pension Liability

| | Total Pension Liability |
|--|-------------------------------|
| Balance Beginning of Year | \$ 9,720,993 |
| Changes for the Period | |
| Service Cost | 2,379,738 |
| Interest | 361,552 |
| Difference Between Expected and Actual Experience | (389,719) |
| Assumption Changes | 712,186 |
| Benefit Payments | (1,282,116) |
| Net Changes | 1,781,641 |
| Balance End of Year | \$ 11,502,634 |

Discount Rate Sensitivity Analysis

The following presents the NAME OF GOVERNMENT's pension liability for the Firefighters Plan, calculated using the discount rate of 3.71 percent, as well as what the NAME OF GOVERNMENT's pension liability for the Firefighters Plan would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate:

| | 1% Decrease in Discount Rate 2.71% | Current Discount Rate 3.71% | 1% Increase in Discount Rate 4.71% |
|-------------------------|--|-----------------------------------|--|
| Total pension liability | \$ 14,723,372 | \$ 11,502,634 | \$ 8,986,433 |

Pension Expense and Deferred Items Summary

For the year ended June 30, 2027, the NAME OF GOVERNMENT recognized pension expense for the Firefighters Plan of \$3,234,749. The NAME OF GOVERNMENT reported deferred outflows of resources and deferred inflows of resources related to the Firefighters Plan from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|--------------------------------------|-------------------------------------|
| Differences between expected and actual economic experience | \$ 223,368 | \$ 360,926 |
| Changes in actuarial assumptions | 2,071,944 | - |
| Totals | \$ 2,295,312 | \$ 360,926 |

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

| Year Ending June 30, | Pension Expense Amount |
|----------------------------|------------------------------|
| 2028 | \$ 493,459 |
| 2029 | 485,566 |
| 2030 | 445,102 |
| 2031 | 418,129 |
| 2032 | 46,065 |
| Thereafter | 46,065 |
| Total | <u>\$ 1,934,386</u> |

H. Other postemployment benefit (OPEB) obligations

The NAME OF GOVERNMENT contributes to two defined benefit OPEB plans, the State Retiree Health Insurance Trust Fund (SRHITF), a cost-sharing, multi-employer defined benefit retiree health plan administered by the Public Employee Benefit Authority (PEBA) of the STATE, and the NAME OF GOVERNMENT Public Safety OPEB Plan, which is a single-employer plan. As of and for the year ended June 30, 2027, the two plans had the following balances reported in the government-wide financial statements:

| | Net OPEB Liability | Deferred Outflows of Resources | Deferred Inflows of Resources | OPEB Expense |
|------------------------------|--------------------------|--------------------------------------|-------------------------------------|---------------------|
| SRHITF (proportionate share) | \$ 16,307,702 | \$ 281,146 | \$ 7,647,467 | \$ 6,202,193 |
| Public Safety OPEB Plan | 22,935,584 | 1,733,529 | 89,603 | 153,375 |
| Total OPEB Plans | <u>\$ 39,243,286</u> | <u>\$ 2,014,675</u> | <u>\$ 7,737,070</u> | <u>\$ 6,355,568</u> |

Detailed disclosures for each plan follow.

1. State Retiree Health Insurance Trust Fund

Plan Description

The GOVERNMENT participates in the State's Other Post-Employment Benefits Trust Fund (OPEB Trust), referred to as SRHITF, established by the State as specified in the Compiled Statutes Section 133, which became effective on May 2008. The SRHITF was created to fund and account for the employer costs of the State's retiree health and dental plans for retired employees, other than retired police and firefighters, in the State. In accordance with Compiled Statutes Section 133, the SRHITF is administered by the Public Employee Benefit Authority (PEBA) and the State Treasurer is the custodian of the funds held in trust. The Board of Directors of PEBA has been designated as the Trustee.

The SRHITF is a cost-sharing multiple-employer defined benefit plan. Article 5 of the State Code of Laws defines the plan and authorizes the Trustee to adjust the plan, including its benefits and contributions at any time, as necessary to ensure the fiscal stability of the plan. In accordance with the State Code of Laws and the annual Appropriations Act, the State provides post-employment health and dental benefits to retired State and other participating local governments' employees (other than police and firefighters) and their eligible dependents.

Benefits Provided

The SRHITF is a retiree healthcare plan that covers retired employees (other than police and firefighters) of the State and other participating local governments. The SRHITF provides health (general inpatient and outpatient medical services; mental, nervous, and substance abuse care; vision care; and prescriptions) and dental insurance benefits to eligible retirees. Generally, retirees are eligible for health and dental benefits if they have established at least ten years of retirement service credit. For new hires beginning employment May 1, 2008, and after, retirees are eligible for benefits if they have established 25 years of service for 100 percent employer funding and at least 15 but fewer than 25 years of service for 50 percent employer funding.

Contributions and Funding Policy

Section 133 of the STATE Compiled Statutes requires these postemployment benefits to be funded through annual appropriations by the General Assembly for active employees and participating retirees of the state to PEBA. For active employees who are not funded by State General Fund appropriations, participating employers are mandated by State statute to contribute at a rate assessed each year by the Department of Administration Executive Budget Office. For the fiscal year ended June 30, 2027, the NAME OF GOVERNMENT was required to contribute 5.50 percent of covered payroll to SRHITF. Other sources of funding for the SRHITF include mandatory transfers of PEBA's accumulated reserves and income generated from investments. Employer contributions also include the implicit subsidy, or age-related subsidy inherent in the healthcare premium structure. The implicit subsidy represents a portion of the health care expenditures paid on behalf of the employers' active employees that represents the amount of the active employee premiums that subsidize higher cost retiree benefits. For purposes of financial reporting in accordance with GAAP, this expenditure on behalf of the active employee is reclassified as a retiree health care expenditure so that the employer's contributions towards the plan reflect the underlying age-adjusted retiree benefit costs.

The NAME OF GOVERNMENT made employer contributions applicable to benefits for active SRHITF participants in the amount of \$1,733,394 for the fiscal year ended June 30, 2027.

The SRHITF's OPEB trust fiduciary net position has been determined using the same basis used to determine the SRHITF net OPEB liability, deferred outflows and inflows of resources related to OPEB, and OPEB expense. For this purpose, revenues are recognized when earned and expenses are recognized when incurred. Therefore, benefits and administrative expenses are recognized when due and payable. Investments are reported at fair value.

PEBA issues audited financial statements and required supplementary information for the SRHITF. This information is publicly available on PEBA's website at www.peba.STATE.gov or a copy may be obtained by submitting a request to PEBA, 203 N. LaSalle Blvd, City, STATE 88888. PEBA is considered a fiduciary component unit of the STATE and therefore OPEB Trust fund financial information is also included in the ACFR of the STATE.

Proportionate Share of SRHITF Net OPEB Liability

At June 30, 2027, the NAME OF GOVERNMENT reported a liability of \$16,307,702 for its proportionate share of the SRHITF's OPEB liability. The Collective Net OPEB Liability (NOL) is calculated for the SRHITF and represents the SRHITF's Total OPEB Liability (TOL) less the amount of the SRHITF fiduciary net position. The NAME OF GOVERNMENT's percentage of the collective SRHITF net OPEB liability was 0.53591 percent and 0.53411 percent as of June 30, 2027, and June 30, 2026, respectively, which represents an increase of 0.0018 percent. The GOVERNMENT's proportionate share amount of the collective SRHITF net OPEB totals, as of June 30, 2027, is as follows:

| (A) | (B) | (A - B) | (A / B) |
|---|--|---|--|
| Proportion of Total OPEB Liability | Proportion of Plan Fiduciary Net Position | Proportion of Net OPEB Liability | Plan Fiduciary Net Position as a Percentage of Total OPEB Liability |
| \$ 20,366,531 | \$ 4,058,829 | \$ 16,307,702 | 19.9% |

The TOL is calculated by the SRHITF's actuary, and the SRHITF's fiduciary net position is reported in the SRHITF's financial statements. The NOL is disclosed in accordance with GAAP in the SRHITF's notes to the financial statements and required supplementary information. Liability calculations are performed by the SRHITF actuary for the purpose of satisfying the requirements of financial reporting in accordance with GAAP, and are not applicable for other purposes, such as determining the SRHITF's funding requirements.

Actuarial Assumptions

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. The following actuarial assumptions and methods were used in the June 30, 2027, actuarial valuation for SRHITF:

| | |
|---------------------------|---|
| Valuation date | June 30, 2027 |
| Measurement date | June 30, 2027 |
| Actuarial cost method | Entry age normal |
| Actuarial Assumptions: | |
| Inflation | 2.25% |
| Investment rate of return | 4.00%, net of OPEB Plan investment expense; including inflation |
| Single discount rate | 3.56% as of June 30, 2027 |
| Demographic assumptions | Based on the experience study performed for the State Retirement Systems for the 5-year period ending June 30, 2025 |
| Healthcare trend rate | Initial trend starting at 7.00% and gradually decreasing to an ultimate trend rate of 4.15% over a period of 15 years |
| Aging factors | Based on plan-specific experience |
| Expenses | The investment return assumption is net of the investment expenses; administrative expenses related to the health care benefits are included in the age-adjusted claims costs |

The assumed rate on high quality 20-year tax exempt general obligation bonds was changed from 3.71 percent to 3.56 percent.

Long-Term Expected Rate of Return

The long-term expected rate of return represents assumptions developed using an arithmetic building block approach primarily based on consensus expectations and market based inputs. The expected returns, along with the expected inflation rate, form the basis for the target asset allocation adopted at the beginning of the 2027 fiscal year. The long-term expected rate of return is produced by weighting the expected future real rates of return by the target allocation percentage and adding expected inflation. This information is summarized in the following table:

| Asset Class | Target Allocation | Long-term Expected Real Rate of Return | Expected Money- Weighted Rate of Return |
|---------------------------|----------------------|---|--|
| Cash | 20% | 0.55% | 0.11% |
| Fixed Income | 80% | 2.05% | 1.64% |
| Total | 100% | | |
| Inflation | | | 2.25% |
| Investment rate of return | | | 4.00% |

The annual money-weighted rate of return on the plan investments was 1.36 percent for the year ended June 30, 2027.

Discount Rate

The discount rate of 3.56 percent was used to measure the total OPEB liability for the SRHITF. The accounting policy for this plan is to set the discount rate equal to the prevailing municipal bond rate. Due to the plan's investment and funding policies, the difference between a blended discount rate and the municipal bond rate would be minimal. The discount rate was based on the Bond Buyer 20-Bond Index as published by the Bond Buyer for tax exempt general obligation municipal bonds rated AA or better at June 30, 2027.

Discount Rate and Healthcare Rate Sensitivity Analysis

The following table presents the NAME OF GOVERNMENT's proportionate share of the SRHITF net OPEB liability calculated using the discount rate of 3.56 percent, as well as what the NAME OF GOVERNMENT's proportionate share of the SRHITF net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower, or one percentage point higher than the current rate:

| | 1% Decrease in Discount Rate | Current Discount Rate | 1% Increase in Discount Rate |
|--------------------|---------------------------------|--------------------------|---------------------------------|
| | 2.56% | 3.56% | 4.56% |
| Net OPEB liability | \$ 22,142,354 | \$ 16,307,702 | \$ 10,800,293 |

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates. The following presents NAME OF GOVERNMENT's proportionate share of the SRHITF net OPEB liability, as well as what the NAME OF GOVERNMENT's proportionate share of the SRHITF net OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current healthcare cost trend rate:

| | 1% Decrease Healthcare Cost Trend Rate (6.0% decreasing to 3.15%) | Current Healthcare Cost Trend Rate (7.0% decreasing to 4.15%) | 1% Increase Healthcare Cost Trend Rate (8.0% decreasing to 5.15%) |
|--------------------|---|---|---|
| Net OPEB liability | \$ 8,926,155 | \$ 16,307,702 | \$ 23,121,973 |

SRHITF OPEB Expense and Deferred Items Summary

The NAME OF GOVERNMENT recognized OPEB expense related to the SRHITF in the amount of \$6,202,193 in the current fiscal year. Differences between expected and actual experience and changes in assumptions are recognized in OPEB expense using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided OPEB through the SRHITF (active

and inactive members) determined as of the beginning of the measurement period. Additionally, differences between projected and actual earnings on the SRHITF investments should be recognized in OPEB expense using a systematic and rational method over a closed five-year period. For this purpose, the deferred outflows and inflows of resources are recognized in the OPEB expense as a level dollar amount over the closed period identified above.

At June 30, 2027, the NAME OF GOVERNMENT reported deferred outflows of resources and deferred inflows of resources for the SRHITF related to OPEB from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|--------------------------------------|-------------------------------------|
| Differences between expected and actual economic experience | \$ - | \$ 4,897,200 |
| Changes in actuarial assumptions | 772,691 | - |
| Changes in proportionate share | (491,545) | (93,535) |
| Differences between projected and actual investment earnings, net | - | 2,843,802 |
| Totals | <u>\$ 281,146</u> | <u>\$ 7,647,467</u> |

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

| Year Ending June 30, | OPEB Expense Amount |
|----------------------------|---------------------------|
| 2028 | \$ (1,702,332) |
| 2029 | (1,621,115) |
| 2030 | (1,428,796) |
| 2031 | (1,004,788) |
| 2032 | (998,457) |
| Thereafter | (610,833) |
| Total | <u>\$ (7,366,321)</u> |

2. NAME OF GOVERNMENT's Public Safety OPEB Plan

Plan Description

The NAME OF GOVERNMENT provides postemployment health care and life insurance benefits (OPEB) for retired police and firefighter employees through a single-employer defined benefit plan, the Public Safety OPEB plan, (PSOPEB). The benefits, benefit levels, employee contributions, and employer contributions are governed by the NAME OF GOVERNMENT and can be amended by the NAME OF GOVERNMENT through its personnel manual and union contracts. The PSOPEB does not issue a separate report; therefore financial statements are included below.

Management of the PSOPEB is vested with the PSOPEB's Board of Trustees. The Board of Trustees consists of nine members: the NAME OF GOVERNMENT's treasurer (ex-officio), the NAME OF GOVERNMENT's finance director (ex-officio), the NAME OF GOVERNMENT's director of human resources (ex-officio), two members appointed by the NAME OF GOVERNMENT's mayor, and four member representatives elected the PSOPEB members, including two police representatives (one active and one retired) and two firefighter representatives (one active and one retired).

The PSOPEB is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable. The PSOPEB is reported as a fiduciary fund by the NAME OF GOVERNMENT.

PSOPEB Plan Membership

At June 30, 2027, membership consisted of:

| | |
|--|------------|
| Inactive PSOPEB members currently receiving benefits | 76 |
| Inactive PSOPEB members entitled to but not yet receiving benefits | 24 |
| Active PSOPEB members | <u>362</u> |
| Total | 462 |

Benefits Provided

The NAME OF GOVERNMENT provides postemployment health care and life insurance benefits to its police and firefighter retirees. To be eligible for benefits, an employee must qualify for retirement under the police and firefighters pension plans.

All healthcare benefits are provided through the NAME OF GOVERNMENT's health plan. The benefit levels are the same as those afforded to active employees. Benefits include general inpatient and outpatient medical services; mental, nervous, and substance abuse care; vision care; dental care; and prescriptions. Upon a retiree reaching age 65 years of age, Medicare becomes the primary insurer, and the NAME OF GOVERNMENT's health plan becomes secondary, which is a change in the current year. The benefits and benefit levels are governed by the NAME OF GOVERNMENT and can be amended by the NAME OF GOVERNMENT through its personnel manual and union contracts.

Contributions and Funding Policy

In conjunction with the preparation of the annual actuarial valuation for the PSOPEB, the PSOPEB's actuary calculates the NAME OF GOVERNMENT's actuarially determined contribution (ADC) for the NAME OF GOVERNMENT's fiscal year after the next. For example, the actuarial valuation as of June 30, 2027, included the ADC for the NAME OF GOVERNMENT's 2029 fiscal year. Historically, the NAME OF GOVERNMENT has sought to contribute to the PSOPEB a percentage of the ADC that is more than the anticipated cost of current-year claims, but less than 100 percent of the ADC. The NAME OF GOVERNMENT includes its intended contribution in the annual budget. The GOVERNMENT is responsible for providing the resources to the PSOPEB necessary to pay the costs of benefits provided under the NAME OF GOVERNMENT's self-insured health plan as specified in collective bargaining agreements and employee compensation plans subject to certain PSOPEB member sharing of benefit-related costs.

Under the terms of the PSOPEB pursuant to NAME OF GOVERNMENT policy and collective bargaining unit agreements, the retired PSOPEB members and beneficiaries currently receiving benefits are required to contribute specified amounts monthly toward the cost of health insurance premiums. Retirees generally contribute 5 percent to 20 percent of the actuarially determined premium, with the NAME OF GOVERNMENT contributing the remainder of the cost. The NAME OF GOVERNMENT has begun to phase in higher premiums and service requirements for newly hired employees (hired after January 1, 2025). If these new requirements are not met, then a retiree is entitled to coverage but must pay 100 percent of the premium. At age 65, the medical premium is frozen. Retirees hired after January 1, 2020, with 20 years of service must pay 50 percent of the premium (100 percent if less than 20 years of service). Dental coverage is paid for by the employee/retiree at 100 percent of the premium. The NAME OF GOVERNMENT must contribute the amount beyond member

payments necessary to fund the actuarial liability for OPEB. The NAME OF GOVERNMENT may change inactive member payment requirements through its collective bargaining agreements and employee compensation plans. For the fiscal year ended June 30, 2027, the NAME OF GOVERNMENT's contribution was \$1,605,905.

PSOPEB Financial Statements

As of June 20, 2027, the PSOPEB's statement of fiduciary net position was as follows:

| | |
|--|---------------------|
| ASSETS | |
| Cash and cash equivalents | \$ 942,453 |
| Investments: | |
| U.S. government and agency obligations | 403,339 |
| Receivables | 32,891 |
| Total assets | <u>1,378,683</u> |
| LIABILITIES | |
| Accounts payable | 7,524 |
| Claims payable | 74,121 |
| Total liabilities | <u>81,645</u> |
| FIDUCIARY NET POSITION | |
| Restricted for postemployment benefits other than pensions | 1,297,038 |
| Total net position | <u>\$ 1,297,038</u> |

For the fiscal year ended June 30, 2027, the PSOPEB's statement of changes in fiduciary net position was as follows:

| | |
|---|---------------------|
| ADDITIONS | |
| Contributions: | |
| Employer | \$ 1,605,905 |
| Employee | 163,063 |
| Total contributions | <u>1,768,968</u> |
| Investment earnings: | |
| Interest | 58,136 |
| Dividends | 2,579 |
| Net increase in the fair value of investments | 112,066 |
| Total investment earnings | <u>172,781</u> |
| Less investment expense | 10,038 |
| Net investment earnings | <u>162,743</u> |
| Total additions | <u>1,931,711</u> |
| DEDUCTIONS | |
| Benefits | 1,590,142 |
| Administrative expenses | 1,739 |
| Total deductions | <u>1,591,881</u> |
| Net increase (decrease) in fiduciary net position | 339,830 |
| Fiduciary net position - beginning | 957,208 |
| Fiduciary net position - ending | <u>\$ 1,297,038</u> |

Deposits and Investments

Investment Policy

The cash and investments of the PSOPEB are held separately from those of the NAME OF GOVERNMENT and are under the control of the PSOPEB's Board of Trustees. The PSOPEB categorizes the fair value measurements within the fair value hierarchy established by GAAP, as discussed in note IV.C., above.

Under the terms of the PSOPEB's investment policy, the Board of Trustees may invest the assets of the PSOPEB in U.S. government securities, state and local obligations, stocks traded on major U.S. exchanges, securities listed on the National Association of Securities Dealers Automated Quotations exchange, mutual funds, commingled funds, and real estate investment trusts. Investment grade fixed income securities are also permissible investments. Investments in options, futures, commodities, and nonmarketable illiquid investments are prohibited.

Investment Valuations

Investments with a maturity of less than one year when purchased, non-negotiable certificates of deposit and other nonparticipating investments are stated at cost or amortized cost. All other investments in the PSOPEB are stated at fair value.

Custodial Credit Risk for Deposits

Custodial credit risk for deposits is the risk that in the event of a bank's failure, PSOPEB's deposits may not be returned to them. The PSOPEB requires pledging of collateral with a fair value of 102 percent for all depository accounts, time deposit accounts, money market mutual funds or investments in certificates of deposits of financial institutions in excess of FDIC. The collateral is required to be held by an independent third-party depository or the Federal Reserve Bank in the PSOPEB's name.

Interest Rate Risk

The following table presents the investments and maturities of the PSOPEB's investment securities as of June 30, 2027:

| Investment Type | Fair Value | Investment Maturities | | |
|---------------------------|-------------------|-----------------------|-------------------|-------------------|
| | | Less Than 1 Year | 1 - 5 Years | 6 - 10 Years |
| U.S. Treasury Obligations | \$ 199,763 | \$ 99,211 | \$ 100,552 | \$ - |
| U.S. Agency Obligations | 203,576 | - | 103,365 | 100,211 |
| Totals | <u>\$ 403,339</u> | <u>\$ 99,211</u> | <u>\$ 203,917</u> | <u>\$ 100,211</u> |

The PSOPEB has the following recurring fair value measurements as of June 30, 2027: the U.S. Treasury obligations are valued using trade platform data (Level 1 inputs). The U.S. agency obligations are valued using multi-dimensional relational models (Level 2 inputs).

In accordance with its investment policy, the PSOPEB limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for operating funds and maximizing yields for funds not needed for expected current cash flows. The investment policy does not limit the maximum maturity length of investments in the PSOPEB.

Credit Risk

The PSOPEB limits its exposure to credit risk by primarily investing in (1) obligations guaranteed by the United States Government, (2) securities issued by agencies of the United States Government, (3) money market mutual funds that are primarily invested in U.S. Treasury and agency obligations that are explicitly or implicitly

guaranteed by the United States Government, and (4) investment-grade corporate bonds and municipal bonds rated at or above BBB– by Standard and Poor’s, Baa3 by Moody’s and BBB– by Fitch by at least two of the three rating agencies. Additionally, the U.S. agency obligations that consist of FHLMC and FNMA securities are rated Aaa by a national rating agency.

Custodial Credit Risk for Investments

To limit its exposure to custodial credit risk, the PSOPEB requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investments held by a third party acting as the PSOPEB’s agent separate from where the investment was purchased in the PSOPEB Plan’s name. The money market mutual funds are not subject to custodial credit risk.

Concentration of Credit Risk

The investment policy states that the PSOPEB’s assets shall be diversified to reduce the risk of large losses. There are no significant investments (other than United States Government guaranteed obligations) in any one organization that represent 5 percent or more of the PSOPEB’s investments.

Rate of Return

For the year ended June 30, 2027, the annual money-weighted rate of return on PSOPEB investments, net of investment expense, was 4.63 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts invested.

PSOPEB Net OPEB Liability

At June 30, 2027, the NAME OF GOVERNMENT reported a net OPEB liability for the PSOPEB of \$22,935,584. The net OPEB liability for the PSOPEB was measured as of June 30, 2027, and the total OPEB liability for the PSOPEB used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The total OPEB liability for the PSOPEB, after considering the sharing of benefit-related costs with inactive PSOPEB members, based on the established pattern of practice, was determined by an actuarial valuation performed as of June 30, 2027, using the following actuarial methods and assumptions.

| | |
|-----------------------------|---|
| Actuarial Valuation Date | June 30, 2027 |
| Measurement Date | June 30, 2027 |
| Actuarial Cost Method | Entry-Age Normal |
| Asset Valuation Method | Fair Value |
| Assumptions | |
| Inflation | 2.50% |
| Investment Rate of Return | 5.50% |
| Healthcare Cost Trend Rates | 8.0% in Fiscal 2027, decreasing to an ultimate trend rate of 4.00% in 2080. |

The actuarial assumptions used in the June 30, 2027, valuation were based on the results of an actuarial experience study dated April 30, 2027. Mortality rates were based on the RP-2025 Generational Table using Scale MP-2025, applied on a gender-specific basis.

Long-Term Expected Rates of Return

The long-term rate of return on the PSOPEB investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, 2027, are summarized in the following table:

| Asset Class | Target Allocation | Long-term Expected Real Rate of Return | Expected Money-Weighted Rate of Return |
|---------------------------|-------------------|--|--|
| Money Markets | 5% | 0.30% | 0.02% |
| Equities | 50% | 4.00% | 2.00% |
| Mutual Funds | 10% | 3.20% | 0.32% |
| Fixed Income | 35% | 1.90% | 0.66% |
| Total | 100% | | |
| Inflation | | | 2.50% |
| Investment rate of return | | | 5.50% |

The long-term expected real rates of return shown for the asset classes above are long-term expected returns after adjustment to eliminate inflation.

Discount Rate

The discount rate used to measure the PSOPEB OPEB liability was 3.76 percent. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that NAME OF GOVERNMENT contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the PSOPEB's fiduciary net position was projected not to be available to make all projected future benefit payments of current PSOPEB members for more than 15 years after June 30, 2027. Future benefits payments beyond 15 years were discounted using the tax exempt general obligation municipal bonds rated AA or better rate at June 30, 2027, of 3.56 percent. The long-term expected rate of return on PSOPEB investments at 5.50 percent was blended with the index rate of 3.56 percent (3.78 percent in 2026) for tax exempt general obligation municipal bonds rated AA or better in the Bond Buyer 20-Bond Index as published by the Bond Buyer at June 30, 2027, to arrive at a discount rate of 3.76 percent (4.23 percent in 2026) used to determine the total OPEB liability.

Changes in PSOPEB Net OPEB Liability

| | (A) Total OPEB Liability | (B) Plan Fiduciary Net Position | (A - B) Net OPEB Liability |
|--|-----------------------------------|--|-------------------------------------|
| Balances Beginning of Year | \$ 24,355,547 | \$ 957,208 | \$ 23,398,339 |
| Changes for the Period | | | |
| Service Cost | 71,940 | - | 71,940 |
| Interest | 119,009 | - | 119,009 |
| Difference Between Expected and Actual Experience | (6,099) | - | (6,099) |
| Assumption Changes | 1,282,367 | - | 1,282,367 |
| Employer Contributions | - | 1,605,905 | (1,605,905) |
| Employee Contributions | - | 163,063 | (163,063) |
| Net Investment Income | - | 162,743 | (162,743) |
| Benefit Payments and Refunds | (1,590,142) | (1,590,142) | - |
| Administrative Expense | - | (1,739) | 1,739 |
| Net Changes | (122,925) | 339,830 | (462,755) |
| Balances End of Year | \$ 24,232,622 | \$ 1,297,038 | \$ 22,935,584 |

Discount Rate and Healthcare Rate Sensitivity Analysis

The following table presents the NAME OF GOVERNMENT's PSOPEB net OPEB liability calculated using the discount rate of 3.76 percent, as well as what the NAME OF GOVERNMENT's PSOPEB net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

| | 1% Decrease in Discount Rate 2.76% | Current Discount Rate 3.76% | 1% Increase in Discount Rate 4.76% |
|---------------------------|--|-----------------------------------|--|
| PSOPEB Net OPEB liability | \$ 29,080,837 | \$ 22,935,584 | \$ 16,957,070 |

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates. The following presents NAME OF GOVERNMENT's PSOPEB net OPEB liability, as well as what the NAME OF GOVERNMENT's PSOPEB net OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current healthcare cost trend rate:

| | 1% Decrease Healthcare Cost Trend Rate (7.0% decreasing to 3.0%) | Current Healthcare Cost Trend Rate (8.0% decreasing to 4.0%) | 1% Increase Healthcare Cost Trend Rate (9.0% decreasing to 5.0%) |
|---------------------------|--|--|--|
| PSOPEB Net OPEB liability | \$ 15,421,313 | \$ 22,935,584 | \$ 31,117,131 |

PSOPEB OPEB Expense and Deferred Items Summary

For the year ended June 30, 2027, the NAME OF GOVERNMENT recognized PSOPEB OPEB expense of \$153,375. At June 30, 2027, the NAME OF GOVERNMENT reported deferred outflows of resources and deferred inflows of resources related to the PSOPEB from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|--------------------------------------|-------------------------------------|
| Differences between expected and actual economic experience | \$ - | \$ 89,603 |
| Changes in actuarial assumptions | 1,483,072 | - |
| Differences between projected and actual investment earnings, net | 250,457 | - |
| Totals | <u>\$ 1,733,529</u> | <u>\$ 89,603</u> |

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

| Year Ending June 30, | Pension Expense Amount |
|----------------------------|------------------------------|
| 2028 | \$ 450,823 |
| 2029 | 398,281 |
| 2030 | 315,739 |
| 2031 | 285,739 |
| 2032 | 193,344 |
| Total | <u>\$ 1,643,926</u> |

I. Construction and other significant commitments

Construction commitments. The NAME OF GOVERNMENT has active construction projects as of June 30, 2027. The projects include street construction in areas with newly developed housing, widening of streets and bridges, and the construction of additional water plant facilities. At year end, the NAME OF GOVERNMENT's commitments with contractors are as follows:

| Project | Spent-to-Date | Remaining Commitment |
|---|---------------|-------------------------|
| Residential street construction – special assessments | \$ 2,979,000 | \$ 2,095,000 |
| Widening of various streets and bridges projects | 7,280,315 | 901,527 |
| Public works department facilities updates | 762,714 | 739,286 |

The remaining commitment amounts of \$901,527 for the widening of streets and bridges projects were encumbered at fiscal year-end. As discussed earlier in note I.F.1, *Budgetary information, Budgetary basis of accounting*, the encumbrances and related appropriation technically lapse at the end of the year but are reappropriated and become part of the subsequent year's budget because performance under the executory contract is expected in the next year.

Encumbrances. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end, the amount of encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

| | |
|-----------------------------|---------------------|
| General Fund | \$ 3,018,564 |
| Capital Projects Fund | 901,527 |
| Nonmajor Governmental Funds | 663,820 |
| Total | <u>\$ 4,583,911</u> |

J. Risk management

The NAME OF GOVERNMENT is exposed to various risks of loss related to healthcare for employees; torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The NAME OF GOVERNMENT purchases commercial insurance for medical and dental care for its employees. The NAME OF GOVERNMENT, including its component units, uses the Risk Management Fund, an internal service fund, to account for and finance risks for workers' compensation, general liability and property damage. For workers' compensation, the NAME OF GOVERNMENT retains the risk for the first \$750,000 of an individual claim. Excess insurance coverage is purchased to cover individual claims in excess of \$750,000. Insurance policies are purchased for the following exposures with the deductible, or the amount of risk retention indicated in parenthesis: public officials and employment practices liability (\$25,000/\$100,000 deductible), boiler and machinery (\$10,000 deductible), employee faithful performance (\$25,000 deductible), and an excess liability insurance policy (NAME OF GOVERNMENT retains risks up to \$1,000,000). There were no settlements in excess of the insurance coverage in any of the three prior fiscal years.

The Risk Management Fund is funded by charges to the NAME OF GOVERNMENT's other funds and component units and is based primarily upon the contributing funds' claims experience. Liabilities are reported in funds when it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of payouts), and other economic and social factors. The estimate of the retained risk claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expense regardless of whether allocated to specific claims. Estimated recoveries, for example from salvage or subrogation, are another component of the claims liability estimate.

Changes in the balance of claims liabilities during the past two years are as follows:

| | Workers' Compensation | General and Property Damage | Total Claims |
|---------------------------------|--------------------------|--------------------------------|---------------------|
| Liability - June 30, 2025 | \$ 1,674,545 | \$ 2,307,682 | \$ 3,982,227 |
| Claims incurred | 790,111 | 767,774 | 1,557,885 |
| Claims payments | (865,864) | (785,884) | (1,651,748) |
| Changes to prior year estimates | (100,758) | 82,223 | (18,535) |
| Liability - June 30, 2026 | <u>\$ 1,498,034</u> | <u>\$ 2,371,795</u> | <u>\$ 3,869,829</u> |
| Claims incurred | 691,336 | 946,226 | 1,637,562 |
| Claims payments | (1,263,384) | (807,336) | (2,070,720) |
| Changes to prior year estimates | 170,346 | (46,228) | 124,118 |
| Liability - June 30, 2027 | <u>\$ 1,096,332</u> | <u>\$ 2,464,457</u> | <u>\$ 3,560,789</u> |

K. Leases**1. Lease receivable**

During the current fiscal year, the NAME OF GOVERNMENT began leasing two floors of one of its buildings to a third party. The lease is for ten years, and the NAME OF GOVERNMENT will receive monthly payments of \$3,000. The NAME OF GOVERNMENT recognized \$15,978 in lease revenue and \$3,217 in interest revenue during the current fiscal year related to this lease. As of June 30, 2027, the NAME OF GOVERNMENT's receivable for lease payments was \$301,773. Also, the NAME OF GOVERNMENT has a deferred inflow of resources associated with this lease that will be recognized as revenue over the lease term. As of June 30, 2027, the balance of the deferred inflow of resources was \$303,578.

2. Lease payable

The NAME OF GOVERNMENT entered into a five-year lease for fire protection equipment in FY2023 with an option to extend an additional five years. On July 1, 2026, the NAME OF GOVERNMENT decided to not exercise its option to extend the lease. The lease liability was \$644,165, and the net carrying value of the right-to-use asset was \$563,193. As a result of the lease modification, FY2027 was the final year of the lease agreement, and the lease liability and right-to-use asset were reduced by \$512,454. The net carrying value of the right-to-use asset and the lease liability as of the end of the current fiscal year were both \$0.

During the current fiscal year, the NAME OF GOVERNMENT entered into a five-year lease agreement as lessee for the acquisition and use of playground equipment. An initial lease liability was recorded in the amount of \$57,517 during the current fiscal year. As of June 30, 2027, the value of the lease liability was \$49,587. The NAME OF GOVERNMENT is required to make monthly principal and interest payments of \$1,000. The lease has an interest rate of 3 percent. In addition, the NAME OF GOVERNMENT is expected to purchase the equipment for \$2,000 at the end of the lease term. The equipment has a seven-year estimated useful life. The value of the right-to-use asset at the end of the current fiscal year was \$60,017 and had accumulated amortization of \$6,426.

The future principal and interest lease payments as of June 30, 2027, were as follows:

| Fiscal Year Ending June 30, | Principal | Interest | Total |
|-----------------------------------|------------------|-----------------|------------------|
| 2028 | \$ 10,657 | \$ 1,343 | \$ 12,000 |
| 2029 | 10,982 | 1,018 | 12,000 |
| 2030 | 11,316 | 684 | 12,000 |
| 2031 | 11,660 | 340 | 12,000 |
| 2032 | 4,972 | 28 | 5,000 |
| Totals | <u>\$ 49,587</u> | <u>\$ 3,413</u> | <u>\$ 53,000</u> |

L. Public-private partnership (PPP)

The NAME OF GOVERNMENT entered into a twenty-five year public-private partnership (PPP) with Get Fit Inc., a local fitness business, in which Get Fit Inc. (the operator) will operate the NAME OF GOVERNMENT's (transferor) recreation center for recreation and fitness programs. Under the terms of the PPP, the NAME OF GOVERNMENT retains ownership of the building, and Get Fit Inc. will be responsible for the day-to-day operations of the recreation center, including repairs and insurance. Get Fit Inc. will charge customers for use of the facilities and retain those fees throughout the term of the PPP.

As part of the PPP, Get Fit Inc. will make annual payments of \$125,000 to the NAME OF GOVERNMENT and make various building improvements and purchase new furniture and fixtures with an estimated value of \$2.5 million. The NAME OF GOVERNMENT discounted the annual payments using a rate of 2 percent in determining the initial receivable from Get Fit Inc. As of June 30, 2027, the PPP receivable was \$2,364,241. Get Fit Inc. has begun making the building improvements and placed \$551,227 of improvements into service during the current fiscal year which the NAME OF GOVERNMENT has capitalized. Also, the NAME OF GOVERNMENT has a deferred inflow of resources associated with this PPP that will be recognized as revenue over the PPP term. During the current fiscal year, the NAME OF GOVERNMENT recognized revenue of \$110,594 from installment payments and building improvements. As of June 30, 2027, the balance of the deferred inflow of resources was \$2,929,874.

M. Subscription-based information technology arrangement

During the current fiscal year, the NAME OF GOVERNMENT entered into a four-year subscription-based information technology arrangement (SBITA) for the use of a vendor's cloud-based public safety ticketing software. An initial subscription liability was recorded in the amount of \$ 42,105 during the current fiscal year, which is the value of the lease liability as of June 30, 2027. The NAME OF GOVERNMENT is required to make annual subscription payments of \$15,000 through March 1, 2030. The SBITA has an interest rate of 3.4 percent. In addition, the NAME OF GOVERNMENT made a subscription payment before the subscription asset was placed into service of \$15,000, and incurred \$38,114 in implementation costs, both of which were added to the initial value of the subscription asset. The value of the subscription asset as of the end of the current fiscal year was \$95,219 and had accumulated amortization of \$23,805.

The future principal and interest subscription payments as of June 30, 2027, were as follows:

| Fiscal Year Ending June 30, | Principal | Interest | Total |
|-----------------------------------|------------------|-----------------|------------------|
| 2028 | \$ 13,568 | \$ 1,432 | \$ 15,000 |
| 2029 | 14,030 | 970 | 15,000 |
| 2030 | 14,507 | 493 | 15,000 |
| Totals | <u>\$ 42,105</u> | <u>\$ 2,895</u> | <u>\$ 45,000</u> |

N. Short-term debt

The following schedule details the changes in short-term capital borrowings during the year ended June 30, 2027, for both governmental and business-type activities:

| | Original Issue | Interest Rate | Balance Beginning of Year | Issues | Redemptions | Balance End of Year |
|-------------------------------------|----------------|---------------|---------------------------|---------------------|-------------------|---------------------|
| Governmental activities | | | | | | |
| Community Theater | 2026 | 1% | \$ 250,000 | \$ - | \$ 250,000 | \$ - |
| Rolling Stock Acquisition | 2026 | 3% | 713,250 | - | 301,625 | 411,625 |
| Electronic Parking Meters | 2026 | 3% | 908,000 | - | 70,000 | 838,000 |
| Skatium Ice Rink Floor Renovation | 2026 | 3% | 125,000 | - | - | 125,000 |
| Library Roof Replacement | 2026 | 3% | 90,000 | - | - | 90,000 |
| Sanitary Sewer Reconstruction | 2027 | 2% | - | 135,775 | - | 135,775 |
| Storm Water Drains | 2027 | 2% | - | 250,000 | - | 250,000 |
| Municipal Parking Structure Rehab | 2027 | 2% | - | 350,000 | - | 350,000 |
| Renovations to Fire Facilities | 2027 | 2% | - | 350,000 | - | 350,000 |
| Street Reconstruction | 2027 | 2% | - | 1,757,800 | - | 1,757,800 |
| Parking Lot Renovation | 2027 | 2% | - | 100,000 | - | 100,000 |
| Lawler Playground | 2027 | 2% | - | 125,000 | - | 125,000 |
| Municipal Parking Structure Rehab | 2027 | 2% | - | 300,000 | - | 300,000 |
| Rolling Stock-Heavy Duty Vehicles | 2027 | 2% | - | 1,547,000 | - | 1,547,000 |
| Public Safety Radio System Phase | 2027 | 2% | - | 525,000 | - | 525,000 |
| Total governmental activities | | | <u>\$ 2,086,250</u> | <u>\$ 5,440,575</u> | <u>\$ 621,625</u> | <u>\$ 6,905,200</u> |
| Business-type activities | | | | | | |
| Pump Station Upgrades | 2026 | 3% | \$ 187,500 | \$ - | \$ 62,500 | \$ 125,000 |
| Water Transmission Facilities | 2027 | 2% | - | 1,500,000 | - | 1,500,000 |
| Total business-type activities | | | <u>\$ 187,500</u> | <u>\$ 1,500,000</u> | <u>\$ 62,500</u> | <u>\$ 1,625,000</u> |
| Total short-term capital borrowings | | | <u>\$ 2,273,750</u> | <u>\$ 6,940,575</u> | <u>\$ 684,125</u> | <u>\$ 8,530,200</u> |

The purpose of all the short-time borrowings was to provide resources for various capital construction or improvement projects. The form of financing used in all cases was bond anticipation notes. The amounts issued for governmental activities are accounted for in the Capital Projects Fund. The amounts issued for business-type activities relate solely to the Water Fund.

State law requires that bond anticipation notes issued for capital purposes be converted to long-term obligations within five years after the original issue date, if not completely repaid. However, bond anticipation notes issued for assessable improvement projects may be renewed for periods equivalent to the maximum life of the permanent financing, provided that stipulated annual reductions of principal are made.

O. Long-term liabilitiesGeneral Obligation Bonds

The NAME OF GOVERNMENT issues general obligation bonds to provide funds for the acquisition and construction and development of major capital assets. General obligation bonds have been issued for governmental activities. General obligation bonds are direct obligations and pledge the full faith and credit of the NAME OF GOVERNMENT. These bonds generally are issued as serial bonds with equal amounts of principal maturing each year with maturities that range from 6 years to 30 years. General obligation bonds

outstanding at June 30, 2027, are as follows:

| | Original Borrowing | Interest Rates | Final Maturity | Outstanding at Year-end |
|---------------------------------------|-----------------------|-------------------|-------------------|----------------------------|
| Governmental Activities | | | | |
| General Obligation Bonds | | | | |
| Public Improvement Bonds 2022A | \$ 32,320,000 | 4.00% - 5.25% | 2028 | \$ 3,520,472 |
| Public Improvement Bonds 2022B | 19,572,000 | 3.50% - 5.15% | 2036 | 14,818,150 |
| Public Improvement Library Bonds 2023 | 3,775,000 | 3.50% - 4.50% | 2040 | 3,203,568 |
| Refunding Bonds 2024 | 12,470,000 | 4.00% - 5.00% | 2042 | 12,280,000 |
| Public Improvement Bonds 2025 | 12,218,500 | 4.00% - 5.00% | 2046 | 11,060,000 |
| Public Improvement Bonds 2026 | 22,835,000 | 3.38% - 6.75% | 2050 | 21,660,673 |
| Refunding Bonds 2027 | 5,810,000 | 2.00% - 4.00% | 2052 | 5,810,000 |
| Total general obligation bonds | | | | <u>\$ 72,352,863</u> |

Revenue Bonds

The Authority (blended component unit) issues revenue bonds to provide funds for the acquisition, construction, and improvements of its water facilities and water distribution system. The revenue bonds are payable only from revenues derived from the operation of the Water Fund. Revenue bonds outstanding at June 30, 2027, are as follows:

| | Original Borrowing | Interest Rates | Final Maturity | Outstanding at Year-end |
|------------------------------|-----------------------|-------------------|-------------------|----------------------------|
| Business-type Activities | | | | |
| Revenue Bonds | | | | |
| Water Improvement Bonds 2024 | \$ 14,100,000 | 3.50% - 4.25% | 2045 | <u>\$ 10,042,000</u> |

The Authority has pledged to repay the Water Improvement Bonds 2024 with net water revenues through fiscal year 2044. The total principal and interest remaining to be paid on the bonds is \$13,292,968. The table below represents the pledged amounts at June 30, 2027:

| Pledged revenue | Expenses | Net revenue | Debt service requirement | Coverage |
|--------------------|--------------|--------------|-----------------------------|----------|
| \$ 9,596,776 | \$ 7,003,921 | \$ 2,592,855 | \$ 1,475,474 | 1.76 |

The pledged revenue includes water sales, tap fees and interest income; the expenses include all operating expenses excluding depreciation.

Private Placement Notes

During the current fiscal year, the NAME OF GOVERNMENT issued a private placement note in the amount of \$2,000,000. The note pays principal and interest semiannually on February 1 and August 1, at an interest rate of 3.5 percent. The proceeds from the note are being used for the purchase of public safety equipment and to replace equipment that is no longer being leased.

Special Assessment Bonds

The NAME OF GOVERNMENT also issued special assessment debt in 2027 to provide funds for the construction of streets in new residential developments. These bonds will be repaid from special assessments levied on the property owners benefiting from this construction. Those amounts, including interest, are 100

percent pledged to pay the scheduled principal and interest payments on the special assessment bonds. In the event that a deficiency exists because of unpaid or delinquent special assessments at the time a debt service payment is due, the NAME OF GOVERNMENT must provide resources to cover the deficiency until other resources, for example, foreclosure proceeds, are received. The bonds have a stated rate of interest of 3.5 percent and are payable in equal installments of principal over the next 10 years.

| | <u>Original Borrowing</u> | <u>Interest Rate</u> | <u>Final Maturity</u> | <u>Outstanding at Year-end</u> |
|-------------------------------|-------------------------------|--------------------------|---------------------------|------------------------------------|
| Governmental Activities | | | | |
| Special assessment bonds 2027 | \$ 4,700,000 | 3.50% | 2037 | \$ 4,700,000 |

Pension-Related Liability

The General Employees Retirement Fund (GERF) charges to participating governments increased significantly in 2021. Consequently, the State Legislature enacted new statutes which enabled employers to amortize a portion of their next three years' bills. For fiscal year 2023, contributions in excess of 7 percent of covered payroll were eligible for amortization. For fiscal years 2024 and 2025, contributions in excess of 9.5 percent and 10.5 percent of covered payroll, respectively, were eligible for amortization. The NAME OF GOVERNMENT can elect to accelerate its amortization payments to the state. Below are the original amounts, activity during the year, and June 30, 2027, balances for the GERF contributions the NAME OF GOVERNMENT has chosen to amortize:

| <u>Fiscal Contribution</u> | <u>Amount Amortized</u> | <u>Balance Beginning of Year</u> | <u>Current Year Payments</u> | <u>Balance End of Year</u> |
|--------------------------------|-----------------------------|--|--------------------------------------|------------------------------------|
| 2025 | \$ 1,893,896 | \$ 1,507,040 | \$ 193,428 | \$ 1,313,612 |
| 2024 | 2,137,002 | 1,542,906 | 198,032 | 1,344,874 |
| 2023 | 3,306,815 | 2,387,507 | 306,436 | 2,081,071 |
| Totals | <u>\$ 7,337,713</u> | <u>\$ 5,437,453</u> | <u>\$ 697,896</u> | <u>\$ 4,739,557</u> |

During the fiscal year ended June 30, 2027, the amortization payments were charged to expenditures in the General Fund and to the government-wide financial statements for governmental activities.

Advance Refunding

In the current fiscal year, the NAME OF GOVERNMENT issued \$5,810,000 in public improvement bonds with interest rates ranging from 2.0 percent to 4.0 percent. The proceeds were used to advance refund \$5,730,000 of outstanding 2022A, and 2022 Series B public improvement bonds which had interest rates ranging from 4.25 percent to 5.25 percent. The net proceeds of \$5,937,204 (including a \$249,914 premium and after payment of \$122,710 in underwriting fees and other issuance costs) were deposited in an irrevocable trust with an escrow agent to provide funds for the future debt service payment on the refunded bonds. As a result, a portion of the 2022A, and 2022 Series B public improvement bonds are considered defeased and the liability for those bonds has been removed from the statement of net position. The reacquisition price exceeded the net carrying amount of the old debt by \$207,204. This amount is reported as a deferred outflow of resources and amortized as an addition to expense over the remaining life of the refunding debt, which had a shorter remaining life than the refunded debt. The advance refunding reduced its total debt service payments by \$327,142 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$276,773.

Also during the current fiscal year, the NAME OF GOVERNMENT used available Debt Service Fund cash to advance refund \$500,000 of outstanding 2026 public improvement bonds, which had an interest rate of 5.25

percent and were to mature in fiscal year 2028. The NAME OF GOVERNMENT deposited \$510,560 in an irrevocable trust with an escrow agent to provide funds for the future debt service payment on the refunded bonds. As a result, a portion of the 2026 public improvement bonds is considered defeased and the liability for those bonds has been removed from the statement of net position.

Defeased debt. The NAME OF GOVERNMENT has also defeased general obligation in the current year and prior years by placing the proceeds of new bonds and the NAME OF GOVERNMENT's own resources into irrevocable trust accounts to provide for all future debt service payments on the old bonds. Accordingly, those trust account assets and the liability for those defeased bonds are not included in the NAME OF GOVERNMENT's financial statements. At June 30, 2027, \$12,730,000 of defeased bonds remain outstanding, which includes bonds refunded during the current fiscal year. Of the amount of defeased bonds outstanding, \$2,500,000 is held by a trustee that may substitute the risk-free monetary assets held for the repayment of the debt with non-risk-free monetary assets.

Legal debt margin

The NAME OF GOVERNMENT is subject to a debt limit that is 7 percent of the five-year average of the full valuation of taxable real property. At June 30, 2027, that amount was \$654,486,768. As of June 30, 2027, the total outstanding debt subject to the limit was \$90,925,200, which is 13.89 percent of the total debt limit.

Acceleration clause

The NAME OF GOVERNMENT's outstanding notes from private placements related to governmental activities of \$2,000,000 contain a subjective acceleration clause that allows the lender to accelerate payment of the entire principal amount to become immediately due if the lender determines that a material adverse change occurs.

The Bond Resolution applicable to the outstanding Water Improvement Bonds 2026 generally contain provisions that, upon the occurrence of any event that constitutes an "Event of Default" (typically payment or covenant related compliance criteria), the outstanding principal balance, accrued interest, and/or penalties may, at the option of a required percentage of bondholders, be accelerated and would be due and payable immediately.

Unused line of credit

The NAME OF GOVERNMENT has a line of credit at one of the financial institutions where it holds deposits. As of the end of the fiscal year, the unused line of credit was \$6,000,000.

Changes in long-term liabilities

Changes in the NAME OF GOVERNMENT's long-term liabilities for the year ended June 30, 2027, are as follows:

| | Balance Beginning of Year | Additions | Deletions | Balance End of Year | Amount Due Within one Year |
|--|---------------------------------|---------------|---------------|---------------------------|----------------------------------|
| Governmental Activities | | | | | |
| Bonds payable | | | | | |
| General obligation bonds | \$ 77,491,180 | \$ 5,810,000 | \$ 10,948,317 | \$ 72,352,863 | \$ 3,886,166 |
| Special assessment bonds | - | 4,700,000 | - | 4,700,000 | 470,000 |
| Premium | 503,327 | 249,914 | 83,226 | 670,015 | - |
| Discount | - | (10,354) | (1,035) | (9,319) | - |
| Total bonds payable | 77,994,507 | 10,749,560 | 11,030,508 | 77,713,559 | 4,356,166 |
| Private Placement Notes | - | 2,000,000 | - | 2,000,000 | 200,000 |
| Pension related liability | 5,437,453 | - | 697,896 | 4,739,557 | 693,113 |
| Lease liability | 644,165 | 57,517 | 652,095 | 49,587 | 10,657 |
| Subscription liability | - | 42,105 | - | 42,105 | 13,568 |
| Compensated absences * | 4,864,074 | 1,044,692 | - | 5,908,766 | 629,620 |
| Claims | 3,869,829 | 1,761,680 | 2,070,720 | 3,560,789 | 2,174,256 |
| Net pension liability - actuarially funded | 38,218,629 | 9,712,955 | 10,538,301 | 37,393,283 | - |
| Total pension liability - non-funded plan | 9,720,993 | 3,063,757 | 1,282,116 | 11,502,634 | 1,341,542 |
| Net OPEB liability | 40,149,157 | 24,142,568 | 25,537,670 | 38,754,055 | - |
| Total governmental activities | \$ 180,898,807 | \$ 52,574,834 | \$ 51,809,306 | \$ 181,664,335 | \$ 9,418,922 |

* - The change in compensated absences above is a net change for the year.

The pension-related liability is fully liquidated by the General Fund. The private placement note will be liquidated from the General Fund. The entire claims liability is reported in the Risk Management internal service fund and will be liquidated by that fund, using premiums charged to participating funds. The net and total pension liabilities and the net OPEB liability will be liquidated primarily from the General Fund, approximately 80 percent, with the remaining amounts from the Library, Garage, and internal service funds.

| | Balance Beginning of Year | Additions | Deletions | Balance End of Year | Amount Due Within one Year |
|--|---------------------------------|--------------|--------------|---------------------------|----------------------------------|
| Business-type Activities | | | | | |
| Bonds payable | | | | | |
| Revenue bonds | \$ 11,069,000 | \$ - | \$ 1,027,000 | \$ 10,042,000 | \$ 938,000 |
| Compensated absences * | 68,386 | 5,009 | - | 73,395 | 24,188 |
| Net pension liability - actuarially funded | 802,644 | 163,014 | 188,006 | 777,652 | - |
| Net OPEB liability | 518,067 | 904,195 | 933,031 | 489,231 | - |
| Total business-type activities | \$ 12,458,097 | \$ 1,072,218 | \$ 2,148,037 | \$ 11,382,278 | \$ 962,188 |

* - The change in compensated absences above is a net change for the year.

The debt service requirements for the NAME OF GOVERNMENT's bonds, loans, pension-related liability, and notes are as follows:

| Governmental Activities | | | | | |
|---------------------------------|--------------------------|----------------------|---------------------------------|-------------------------------|----------------------|
| June 30 | Bonds | | Private Placement Note | | |
| | Principal | Interest | Principal | Interest | |
| 2028 | \$ 3,886,166 | \$ 3,001,923 | \$ 200,000 | \$ 68,250 | |
| 2029 | 4,144,240 | 2,839,477 | 200,000 | 61,250 | |
| 2030 | 4,114,622 | 2,674,760 | 200,000 | 54,250 | |
| 2031 | 4,115,007 | 2,513,010 | 200,000 | 47,250 | |
| 2032 | 4,235,943 | 2,346,669 | 200,000 | 40,250 | |
| 2033-2038 | 21,531,716 | 9,002,266 | 1,000,000 | 96,250 | |
| 2039-2044 | 16,662,687 | 4,757,611 | - | - | |
| 2045-2049 | 9,118,349 | 2,037,963 | - | - | |
| 2050-2054 | 4,544,133 | 505,393 | - | - | |
| Totals | <u>\$ 72,352,863</u> | <u>\$ 29,679,072</u> | <u>\$ 2,000,000</u> | <u>\$ 367,500</u> | |
| June 30 | Special Assessment Bonds | | Pension Related Liability | Total Governmental Activities | |
| | Principal | Interest | | Principal | Interest |
| 2028 | \$ 470,000 | \$ 376,223 | \$ 693,113 | \$ 5,249,279 | \$ 3,446,396 |
| 2029 | 470,000 | 268,785 | 693,113 | 5,507,353 | 3,169,512 |
| 2030 | 470,000 | 238,557 | 693,113 | 5,477,735 | 2,967,567 |
| 2031 | 470,000 | 203,447 | 693,112 | 5,478,119 | 2,763,707 |
| 2032 | 470,000 | 172,658 | 693,112 | 5,599,055 | 2,559,577 |
| 2033-2038 | 2,350,000 | 423,911 | 1,273,994 | 26,155,710 | 9,522,427 |
| 2039-2044 | - | - | - | 16,662,687 | 4,757,611 |
| 2045-2049 | - | - | - | 9,118,349 | 2,037,963 |
| 2050-2054 | - | - | - | 4,544,133 | 505,393 |
| Totals | <u>\$ 4,700,000</u> | <u>\$ 1,683,581</u> | <u>\$ 4,739,557</u> | <u>\$ 83,792,420</u> | <u>\$ 31,730,153</u> |
| Business-type Activities | | | | | |
| June 30 | Bonds | | Total Primary Government | | |
| | Principal | Interest | Principal | Interest | |
| 2028 | \$ 938,000 | \$ 403,143 | \$ 6,187,279 | \$ 3,849,539 | |
| 2029 | 876,000 | 365,752 | 6,383,353 | 3,535,264 | |
| 2030 | 880,000 | 329,722 | 6,357,735 | 3,297,289 | |
| 2031 | 585,000 | 295,917 | 6,063,119 | 3,059,624 | |
| 2032 | 589,000 | 273,122 | 6,188,055 | 2,832,699 | |
| 2033-2038 | 2,835,000 | 1,021,399 | 28,990,710 | 10,543,826 | |
| 2039-2044 | 2,397,000 | 484,337 | 19,059,687 | 5,241,948 | |
| 2045-2049 | 942,000 | 77,576 | 10,060,349 | 2,115,539 | |
| 2050-2054 | - | - | 4,544,133 | 505,393 | |
| Totals | <u>\$ 10,042,000</u> | <u>\$ 3,250,968</u> | <u>\$ 93,834,420</u> | <u>\$ 34,981,121</u> | |

P. Fund balance

Minimum fund balance policy. The Council has adopted a financial policy to maintain a minimum level of unrestricted fund balance (the total of the committed, assigned, and unassigned components of fund balance) in the General Fund to allow the NAME OF GOVERNMENT to respond quickly and decisively to unplanned, unavoidable financial losses. Examples include, but are not limited to natural catastrophes, human-caused disasters, and recessions. The NAME OF GOVERNMENT commits to holding reserves equal to between 15 and 25 percent of its annual revenues in the General Fund. This is intended to provide sufficient coverage to the government for risks the government is exposed to, including exposure from retention associated with commercial insurance policies the government holds. The target level is set at two months of General Fund annual revenues (approximately 16.7 percent). This amount is intended to provide fiscal stability when economic downturns and other unexpected events occur. If fund balance falls below the minimum target level because it has been used, essentially as a “revenue” source, as dictated by current circumstances, the policy provides for actions to replenish the amount to the minimum target level. Generally, replenishment is to occur within a three-year period.

Stabilization arrangement. During fiscal year 2026, the Council adopted a resolution to establish and maintain a revenue stabilization reserve (“rainy day fund”) in the General Fund. The principal resource for this reserve is a .25 percent tax on gross taxable retail sales. Other resources may be directed for inclusion in the reserve through the adoption of an ordinance by the Council. The revenue stabilization reserve is reported in the General Fund committed fund balance.

Expenditure of the amounts in the revenue stabilization reserve may occur only when specific circumstances exist. The adopted resolution directs that these resources may be used to mitigate actual revenue shortfalls (when compared to estimated revenues) of greater than 10 percent but only if the projected ending unrestricted fund balance in the General Fund is less than the one month of the current year’s budgeted expenditures (approximately 8.3 percent). These circumstances are not expected to occur routinely. To allow for the withdrawal of the resources, their use must first be recommended by the mayor and then approved by a two-thirds vote of the Council.

Q. Interfund receivables and payables

The composition of interfund balances, due from/to other funds, as of June 30, 2027, is as follows:

| | Payable fund | | | Total |
|-----------------------|-------------------|--|-----------------------------|-------------------|
| | General fund | Community development block grant fund | Nonmajor governmental funds | |
| Receivable fund | | | | |
| General fund | \$ - | \$ 15,000 | \$ 420,148 | \$ 435,148 |
| Capital projects fund | 335,895 | - | - | 335,895 |
| Transit fund | - | - | 12,000 | 12,000 |
| Total | <u>\$ 335,895</u> | <u>\$ 15,000</u> | <u>\$ 432,148</u> | <u>\$ 783,043</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. These amounts also include balances of working capital loans made to several nonmajor governmental funds, which the General Fund expects to collect in the subsequent year.

R. Interfund transfers

The composition of interfund transfers for the year ended June 30, 2027, is as follows:

| | Transfers in: | | | | | Total |
|----------------------------|------------------|-----------------------|---------------------|-----------------------------|---------------------|---------------------|
| | General Fund | Capital Projects Fund | Debt Service Fund | Nonmajor Governmental Funds | Transit Fund | |
| Transfers out: | | | | | | |
| General Fund | \$ - | \$ 1,360,895 | \$ - | \$ 1,615 | \$ 3,728,209 | \$ 5,090,719 |
| Capital Projects Fund | 20,944 | - | 942,109 | 251,080 | - | 1,214,133 |
| Debt Service Fund | - | 621,625 | - | - | - | 621,625 |
| Nonmajor Governmental Fund | - | - | 284,231 | - | - | 284,231 |
| Total | <u>\$ 20,944</u> | <u>\$ 1,982,520</u> | <u>\$ 1,226,340</u> | <u>\$ 252,695</u> | <u>\$ 3,728,209</u> | <u>\$ 7,210,708</u> |

During the year, transfers are used to (1) move revenues from the fund with collection authorization to the Debt Service Fund as debt service principal and interest payments become due and (2) move General Fund resources to provide an annual subsidy to the Transit Fund.

Further, during the year ended June 30, 2027, the NAME OF GOVERNMENT made the following one-time transfers:

- A transfer of \$1,210,000 from the General Fund to the Capital Projects Fund to fulfill the General Fund's commitment to participate in a special assessment project to construct streets in the NAME OF GOVERNMENT's new housing development.
- \$846,000 of special assessment bond proceeds from the Capital Projects Fund to the Debt Service Fund to establish a mandatory reserve.
- \$251,080 returned by the Capital Projects Fund to a nonmajor governmental fund because of a significant delay in a construction project.

S. Discretely presented component units

1. Urban Renewal Agency (Agency)

Capital assets activity for the Agency for the year ended June 30, 2027, was as follows:

| | Balance Beginning of Year | Additions | Deletions | Balance End of Year |
|---------------------------------------|---------------------------------|-------------|-------------|---------------------------|
| Capital assets, not being depreciated | | | | |
| Land | <u>\$ 6,601,630</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 6,601,630</u> |

The following schedule details the changes in the Agency's short-term non-capital borrowings during the year ended June 30, 2027:

| | Year of Original Issue | Interest Rate | Balance Beginning of Year | Additions | Deletions | Balance End of Year |
|-------------------|------------------------------|------------------|---------------------------------|---------------------|---------------------|---------------------------|
| Revenue | | | | | | |
| Anticipation Note | 2025 | 2.00% | <u>\$ 4,000,000</u> | <u>\$ 4,000,000</u> | <u>\$ 4,000,000</u> | <u>\$ 4,000,000</u> |

The taxable revenue anticipation note was issued on May 27, 2027, and matures on December 29, 2027. Interest expense of \$136,000 for the year was recorded by the Agency.

2. Cable TV Commission

Capital assets activity for the Cable TV Commission for the year ended June 30, 2027, was as follows:

| | Balance Beginning of Year | Additions | Deletions | Balance End of Year |
|--|---------------------------------|--------------------|-------------|---------------------------|
| Capital assets, being depreciated | | | | |
| Buildings and facilities | \$ 345,616 | \$ - | \$ - | \$ 345,616 |
| Machinery and equipment | 320,730 | - | - | 320,730 |
| Rolling stock | 32,513 | - | - | 32,513 |
| Total capital assets, being depreciated | <u>698,859</u> | <u>-</u> | <u>-</u> | <u>698,859</u> |
| Less accumulated depreciation for: | | | | |
| Buildings and facilities | (214,284) | (13,825) | - | (228,109) |
| Machinery and equipment | (213,172) | (23,518) | - | (236,690) |
| Rolling stock | (24,383) | (3,251) | - | (27,634) |
| Total accumulated depreciation | <u>(451,839)</u> | <u>(40,594)</u> | <u>-</u> | <u>(492,433)</u> |
| Total Cable TV Commission capital assets | <u>\$ 247,020</u> | <u>\$ (40,594)</u> | <u>\$ -</u> | <u>\$ 206,426</u> |

Depreciation expense recognized by the Cable TV Commission component unit was \$40,594.

The long-term debt activity for the Cable Television component unit for the year ended June 30, 2027, is as follows:

| | Balance Beginning of Year | Additions | Deletions | Balance End of Year | Amount Due Within one Year |
|-----------------------------|---------------------------------|------------------|------------------|---------------------------|----------------------------------|
| Compensated absences | \$ 21,246 | \$ 4,527 | \$ 23,507 | \$ 2,266 | \$ 1,050 |
| Net OPEB liability | - | 42,000 | - | 42,000 | - |
| Total long-term liabilities | <u>\$ 21,246</u> | <u>\$ 46,527</u> | <u>\$ 23,507</u> | <u>\$ 44,266</u> | <u>\$ 1,050</u> |

T. Contingencies

The NAME OF GOVERNMENT participates in various federal grant programs, the principal of which are subject to program compliance audits pursuant to the Single Audit Act as amended. Accordingly, the NAME OF GOVERNMENT's compliance with applicable grant requirements will, in some cases, be established at a future date. The dollar amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the NAME OF GOVERNMENT anticipates such amounts, if any, will be immaterial.

The NAME OF GOVERNMENT is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the NAME OF GOVERNMENT's legal counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the NAME OF GOVERNMENT.

U. Tax Abatements

Tax Abatement Agreements Entered into Directly by the Government

The NAME OF GOVERNMENT has a Historic Preservation Program where owners of buildings that are in a historic preservation district can receive a freeze in their assessed property values for fifteen years. In return, the building owners will maintain the historic properties at a condition that is the same as, or an improvement from, the condition when the building entered the program. The program was approved by the Board in 2024 and began in 2025. The property owners must submit an annual assessment form to the NAME OF GOVERNMENT and have the NAME OF GOVERNMENT inspect the property annually. In the event that the property no longer meets the qualifications of the program, the annual assessments will be unfrozen retroactive to the beginning of the tax year in which the property is deemed ineligible. The property owner will be responsible for the full amount of the taxes due in the year the property is deemed ineligible, even if all previous tax bills have been paid. No other commitments were made by the NAME OF GOVERNMENT as part of the Historic Preservation Program. As a result of this tax abatement agreement, the NAME OF GOVERNMENT's property taxes was reduced by \$398,000 in the current fiscal year.

Tax Abatement Agreements Entered into by Other Governments

In an ongoing program that began in 2021, the County provides tax reductions under an economic development program with individuals, local businesses, and developers. The objective of the economic development program is to encourage the development and rehabilitation of new and existing industrial and commercial property and reutilization of abandoned property throughout the County, by offering a real estate tax incentive. An eligibility application must be filed with and approved by the County prior to commencement of a project. Once the project has been completed, the applicant must file an Incentive Appeal Form with the County Assessor's Office. Upon approval by the County Assessor's Office and based on the property classification, the applicant is eligible to receive a tax incentive by which the property will be assessed at 10 percent of market value for the first 10 years, 15 percent in the 11th year, and 20 percent in the 12th year. In the absence of the incentive, the property tax would be assessed at 25 percent of its market value. This incentive constitutes a substantial reduction in the level of assessment and results in significant tax savings for eligible applicants. For the current fiscal year, the amount of property tax revenue forgone by the NAME OF GOVERNMENT due to these incentives is estimated at \$1.2 million.

V. Subsequent events

On September 17, 2027, the NAME OF GOVERNMENT issued \$3,250,000 of bond anticipation notes to fund various capital projects. The interest rate on the notes is 2.5 percent and the maturity date is September 17, 2028.

W. Adjustments and restatements of beginning balances

During the current year, the NAME OF GOVERNMENT implemented GASB Statement No. 101, *Compensated Absences*. In addition to the value of unused vacation time owed to employees upon separation of employment, the NAME OF GOVERNMENT now recognizes an estimated amount of sick leave earned as of year-end that will be used by employees as time off in future years as part of the liability for compensated absences. The effects of the change in accounting principle are summarized below in the “Restatement - GASB 101 implementation” column in the table below.

Due to the increased amount of federal funding being received, the NAME OF GOVERNMENT decided that the Community Development Block Grant (CDBG) Fund should be reported as a major governmental fund even though it does not meet the quantitative threshold that would require it to be reported as such. The CDBG Fund was previously reported as a nonmajor governmental fund. The effect of the change within the financial reporting entity is summarized below in the “Adjustment - CDBG Fund as major fund” column in the following table.

| | Net position/fund balance 6/30/2026 as previously reported | Restatement - GASB 101 implementation | Adjustment - CDBG grant fund as major fund | Net position/fund balance 6/30/2026 as restated/adjusted |
|---|---|---|---|---|
| Government-wide | | | | |
| Governmental activities | \$ 157,938,679 | \$ (620,087) | \$ - | \$ 157,318,592 |
| Business-type activities | 32,483,492 | (11,109) | - | 32,472,383 |
| Total government-wide | <u>\$ 190,422,171</u> | <u>\$ (631,196)</u> | <u>\$ -</u> | <u>\$ 189,790,975</u> |
| Governmental funds | | | | |
| Major funds: | | | | |
| General Fund | \$ 28,372,426 | \$ - | \$ - | \$ 28,372,426 |
| Community Development Block Grant Fund | - | - | 4,442,850 | 4,442,850 |
| Capital Projects Fund | 6,066,996 | - | - | 6,066,996 |
| Debt Service Fund | 1,118,005 | - | - | 1,118,005 |
| Nonmajor funds | 6,179,835 | - | (4,442,850) | 1,736,985 |
| Total governmental funds | <u>\$ 41,737,262</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 41,737,262</u> |
| Proprietary funds | | | | |
| Enterprise funds | | | | |
| Major funds: | | | | |
| Water Fund | \$ 22,823,183 | \$ (11,109) | \$ - | \$ 22,812,074 |
| Transit Fund | 9,378,935 | - | - | 9,378,935 |
| Total enterprise funds | <u>\$ 32,202,118</u> | <u>\$ (11,109)</u> | <u>\$ -</u> | <u>\$ 32,191,009</u> |
| Internal service funds | <u>\$ 4,035,613</u> | <u>\$ (9,361)</u> | <u>\$ -</u> | <u>\$ 4,026,252</u> |

Required Supplementary Information

Appendix D • Illustrative ACFR

NAME OF GOVERNMENT
Required Supplementary Information
General Fund
Schedule of Revenues Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2027

| | Budgeted Amounts | | Variance with Original Budget - Over (Under) | | Variance with Final Budget Over (Under) |
|--|------------------|---------------|--|---------------|---|
| | Original | Final | Final Budget | Actual | Actual |
| REVENUES | | | | | |
| Taxes: | | | | | |
| Property | \$ 32,077,856 | \$ 32,077,856 | \$ - | \$ 31,331,171 | \$ (746,685) |
| Sales | 45,400,000 | 45,400,000 | - | 44,368,865 | (1,031,135) |
| Franchise | 1,345,000 | 1,345,000 | - | 1,537,833 | 192,833 |
| Licenses and permits | 4,166,256 | 4,166,256 | - | 2,649,889 | (1,516,367) |
| Intergovernmental | 11,381,830 | 11,414,391 | 32,561 | 9,705,931 | (1,708,460) |
| Charges for services | 17,738,732 | 17,738,732 | - | 19,207,530 | 1,468,798 |
| Fines and forfeitures | 7,762,650 | 7,762,650 | - | 6,670,562 | (1,092,088) |
| Investment earnings | 1,258,200 | 1,258,200 | - | 3,352,747 | 2,094,547 |
| Payments in lieu of taxes | 2,412,555 | 2,412,555 | - | 2,345,545 | (67,010) |
| Miscellaneous | 2,472,224 | 2,474,024 | 1,800 | 2,299,217 | (174,807) |
| Total Revenues | 126,015,303 | 126,049,664 | 34,361 | 123,469,290 | (2,580,374) |
| EXPENDITURES | | | | | |
| Current: | | | | | |
| General government: | | | | | |
| Council | 369,990 | 2,403,030 | 2,033,040 | 2,385,762 | (17,268) |
| Manager | 838,614 | 841,163 | 2,549 | 812,724 | (28,439) |
| Attorney | 2,013,374 | 2,022,931 | 9,557 | 1,530,351 | (492,580) |
| Clerk | 601,729 | 635,227 | 33,498 | 627,728 | (7,499) |
| Personnel | 883,087 | 887,297 | 4,210 | 843,765 | (43,532) |
| Financial administration | 17,113,359 | 17,093,461 | (19,898) | 16,510,890 | (582,571) |
| Other - unclassified | 7,156,598 | 7,146,204 | (10,394) | 7,067,442 | (78,762) |
| Total general government | 28,976,751 | 31,029,313 | 2,052,562 | 29,778,662 | (1,250,651) |
| Public safety: | | | | | |
| Police | 34,440,844 | 33,731,795 | (709,049) | 33,131,407 | (600,388) |
| Fire | 22,104,801 | 21,829,599 | (275,202) | 21,637,844 | (191,755) |
| Protective Inspection | 1,562,911 | 1,664,092 | 101,181 | 1,685,839 | 21,747 |
| Total public safety | 58,108,556 | 57,225,486 | (883,070) | 56,455,090 | (770,396) |
| Highways and streets: | | | | | |
| Engineering | 8,003,477 | 8,021,568 | 18,091 | 7,841,369 | (180,199) |
| Maintenance | 16,255,388 | 16,078,104 | (177,284) | 15,391,665 | (686,439) |
| Total highways and streets | 24,258,865 | 24,099,672 | (159,193) | 23,233,034 | (866,638) |
| Sanitation | 8,841,384 | 8,441,350 | (400,034) | 8,140,187 | (301,163) |
| Culture and recreation | 10,177,528 | 9,878,404 | (299,124) | 9,646,488 | (231,916) |
| Debt Service: | | | | | |
| Principal | 473,234 | 423,234 | (50,000) | - | (423,234) |
| Interest | 219,879 | 224,663 | 4,784 | - | (224,663) |
| Bond issuance costs | - | 50,000 | 50,000 | 15,254 | (34,746) |
| Total debt service | 693,113 | 697,897 | 4,784 | 15,254 | (682,643) |
| Total expenditures | 131,056,197 | 131,372,122 | 315,925 | 127,268,715 | (4,103,407) |
| Excess (deficiency) of revenues over expenditures | (5,040,894) | (5,322,458) | (281,564) | (3,799,425) | (1,523,033) |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfers in | 21,000 | 21,000 | - | 20,944 | (56) |
| Transfers out | (6,727,010) | (6,633,534) | 93,476 | (5,090,719) | (1,542,815) |
| Notes issued | 2,000,000 | 2,000,000 | - | 2,000,000 | - |
| Leases issued (as lessee) | 60,000 | 60,000 | - | 57,517 | (2,483) |
| SBITA | 45,000 | 45,000 | - | 42,105 | (2,895) |
| Sale of general capital assets | 40,000 | 40,000 | - | 31,450 | (8,550) |
| Insurance recoveries | - | - | - | 194,082 | 194,082 |
| Total other financing sources (uses) | (4,561,010) | (4,467,534) | 93,476 | (2,744,621) | (1,722,913) |
| Net change in fund balance* | (9,601,904) | (9,789,992) | (188,088) | (6,544,046) | 3,245,946 |
| Fund balance - beginning of year | 28,372,426 | 28,372,426 | - | 28,372,910 | - |
| Fund balance - end of year | \$ 18,770,522 | \$ 18,582,434 | \$ (188,088) | \$ 21,828,864 | \$ 3,245,946 |

* The net change in fund balances was included in the budget as an appropriation (i.e., spenddown) of fund balance.

See Notes to Required Supplementary Information

NAME OF GOVERNMENT
Required Supplementary Information
Community Development Block Grant Fund
Schedule of Revenues Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2027

| | <u>Original and Final Budgeted Amounts</u> | <u>Actual</u> | <u>Variance with Final Budget</u> |
|--|--|---------------------|---------------------------------------|
| REVENUES | | | |
| Intergovernmental | \$ 2,965,000 | \$ 2,326,726 | \$ (638,274) |
| Investment earnings | 4,200 | 8,795 | 4,595 |
| Fees | 55,000 | 50,534 | (4,466) |
| Miscellaneous | 30,000 | - | (30,000) |
| Total Revenues | <u>3,054,200</u> | <u>2,386,055</u> | <u>(668,145)</u> |
| EXPENDITURES | | | |
| Current: | | | |
| Community development | <u>3,054,200</u> | <u>2,652,346</u> | <u>(401,854)</u> |
| Total expenditures | <u>3,054,200</u> | <u>2,652,346</u> | <u>(401,854)</u> |
| Excess (deficiency) of revenues over expenditures | <u>-</u> | <u>(266,291)</u> | <u>(266,291)</u> |
| Net change in fund balance | <u>-</u> | <u>(266,291)</u> | <u>(266,291)</u> |
| Fund balance - beginning of year | | <u>4,442,850</u> | |
| Fund balance - end of year | | <u>\$ 4,176,559</u> | |

See Notes to Required Supplementary Information

NAME OF GOVERNMENT**Notes to Required Supplementary Information****Budgetary Comparisons****1. Budgetary basis of accounting**

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund, Community Development Block Grant Fund, Library Fund, and the Debt Service Fund. The Capital Projects Fund is appropriated on a project-length basis. Other special revenue funds and the permanent fund do not have appropriated budgets since other means controlling the use of these resources (e.g., grant awards and endowment requirements) exist, and grants sometimes span a period of more than one fiscal year.

The appropriated budget is prepared by fund, function, and department. The NAME OF GOVERNMENT's department heads may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the Council. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level.

Appropriations in all budgeted funds, except the Capital Projects Fund, lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services (e.g., purchase orders and contracts). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under the executory contract is expected in the next year) are reappropriated and become part of the subsequent year's budget pursuant to state regulations, and the encumbrances are automatically reestablished in the next year.

2. Excess of expenditures over appropriations

For the year ended June 30, 2027, expenditures exceeded appropriations in the protective inspection department (the legal level of budgetary control) within the public safety function of the General Fund by \$21,747. While overspending of this appropriation is authorized by law up to \$100,000 if related to cases involving imminent public endangerment (e.g., the need to inspect properties with damage from collision, natural disaster, fire, or water to determine their inherent stability), which was the case this year, it is nevertheless considered a budgetary violation. Further, the overspending comes with a consequence for the subsequent year's budget. In accordance with the requirements of the law, there was a decrease of \$21,747 in the protective inspection appropriation for routinely scheduled inspections that was legally adopted for the subsequent year's budget.

3. General Fund Budgetary Highlights

Original budget compared to final budget. During the year, there was no need for any significant amendments to increase either the original estimated revenues or original budgeted appropriations. However, there was a need to make an amendment to reallocate appropriations among departments when it became clearer which departments would be charged for certain employee benefits such as pensions and other postemployment benefits. Generally, the movement of the appropriations between departments was not significant. The exception was the appropriation for the Council department in the general government function, which was increased to \$2,033,040.

Final budget compared to actual results. The most significant differences between estimated revenues and actual revenues were as follows:

| Revenue source | Estimated revenues | Actual revenues | Difference |
|-----------------------|-------------------------------|----------------------------|-------------------|
| Sales taxes | \$ 45,400,000 | \$ 44,368,865 | \$ (1,031,135) |
| Licenses and permits | 4,166,256 | 2,649,889 | (1,516,367) |
| Intergovernmental | 11,414,391 | 9,705,931 | (1,708,460) |
| Charges for services | 17,738,732 | 19,207,441 | 1,468,709 |
| Fines and forfeitures | 7,762,650 | 6,670,562 | (1,092,088) |
| Investment earnings | 1,258,200 | 3,352,747 | 2,094,547 |

The shortfalls in the above revenue sources were caused by the recession experienced during the current year. Sales tax revenue was less than anticipated due to the decrease in retail sales at the shopping malls. Licenses and permits were less than estimated because there were less of these items purchased, particularly in the case of business licenses and building permits. Intergovernmental is the classification used to report grant revenues. The recession impacted the state and most other general and special-purpose governments. Accordingly, the grants that these other governments were able to provide were less than expected. Actual grants from the state were approximately \$1,250,000 less than estimated while grants from other governments were approximately \$500,000 less. Fines and forfeitures revenue was less than anticipated due to the decline in red-light camera violations during the current year. As travelers are more aware of the cameras, fewer violations are occurring. Investment income was more than anticipated due to the increase in interest rates in government securities and increase in the stock market at the end of the current fiscal year which included approximately a \$1 million unrealized gain.

A review of actual expenditures compared to the appropriations in the final budget yields no significant variances with one exception which is explained in note 2 above.

The Council decided not to transfer additional funds to the Capital Projects Fund but did not modify the budget accordingly, and thus actual transfers out were less than budgeted in the General Fund.

4. Community Development Block Grant Fund Budgetary Highlights

The intergovernmental revenues were less than the budgeted amount due to reductions in state funding for the community development programs. Accordingly, the spending in this program was less than budgeted to reflect the reduced revenue.

Appendix D • Illustrative ACFR

NAME OF GOVERNMENT
Required Supplementary Information
General Employees Retirement Fund (GERF)
Schedule of the Government's Proportionate Share of the Net Pension Liability
Last Ten Years
June 30, 2027

| | 2027 | 2026 | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| NAME OF GOVERNMENT's Proportion of the Net Pension Liability | 0.0201% | 0.0189% | 0.1835% | 0.1885% | 0.1880% | 0.1879% | 0.1901% | 0.1881% | 0.1880% | 0.1885% |
| NAME OF GOVERNMENT's Proportionate Share of the Net Pension Liability | \$ 25,921,746 | \$ 26,754,800 | \$ 25,368,592 | \$ 24,721,781 | \$ 25,647,852 | \$ 24,589,179 | \$ 24,315,252 | \$ 24,612,523 | \$ 23,575,317 | \$ 22,515,654 |
| NAME OF GOVERNMENT's GERF Covered Payroll | \$ 31,514,588 | \$ 30,726,723 | \$ 29,543,744 | \$ 28,415,173 | \$ 27,358,129 | \$ 26,592,101 | \$ 26,033,667 | \$ 25,434,893 | \$ 24,799,021 | \$ 24,005,452 |
| NAME OF GOVERNMENT's Proportionate Share of the Net Pension Liability as a Percentage of its GERF Covered Payroll | 82.3% | 87.1% | 85.9% | 87.0% | 93.7% | 92.5% | 93.4% | 96.8% | 95.1% | 93.8% |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 82.3% | 83.5% | 81.1% | 79.9% | 81.2% | 82.3% | 85.8% | 89.9% | 87.1% | 88.7% |

See Notes to Required Supplementary Information

Appendix D • Illustrative ACFR

NAME OF GOVERNMENT
Required Supplementary Information
General Employees Retirement Fund (GERF)
Schedule of Employer's Contributions
Last Ten Fiscal Years
June 30, 2027

| | 2027 | 2026 | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Statutorily Determined Contribution | \$ 2,521,167 | \$ 2,459,220 | \$ 2,447,095 | \$ 2,440,888 | \$ 2,441,520 | \$ 2,420,745 | \$ 2,420,517 | \$ 2,415,322 | \$ 2,414,588 | \$ 2,410,689 |
| Contributions in Relation to the Statutorily Determined Contribution | 2,521,167 | 2,459,220 | 2,447,095 | 2,440,888 | 2,441,520 | 2,420,745 | 2,420,517 | 2,415,322 | 2,414,588 | 2,410,689 |
| Contribution Excess (Deficiency) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| NAME OF GOVERNMENT's GERF Covered Payroll | \$ 31,516,257 | \$ 30,730,664 | \$ 29,559,727 | \$ 28,430,103 | \$ 27,372,356 | \$ 26,608,770 | \$ 26,051,554 | \$ 25,451,779 | \$ 24,816,008 | \$ 24,022,888 |
| NAME OF GOVERNMENT's Contributions as a Percentage of its GERF Covered Payroll | 8.0% | 8.0% | 8.3% | 8.6% | 8.9% | 9.1% | 9.3% | 9.5% | 9.7% | 10.0% |

See Notes to Required Supplementary Information

NAME OF GOVERNMENT**Notes to Required Supplementary Information****General Employees Retirement Fund (GERF)**

1. For 2026, the inflation rate assumption was decreased from 3.00 percent to 2.50 percent, the overall payroll growth rate assumption was decreased from 4.00 percent to 3.25 percent. The long-term expected rate of return decreased from 7.75 percent to 7.50 percent.
2. The total pension liability in the March 31, 2027, actuarial valuation was determined using the following actuarial assumptions:

| | |
|------------------------------|---|
| Actuarial Valuation Date | March 31, 2027 |
| Measurement Date | March 31, 2027 |
| Actuarial Cost Method | Entry-Age Normal |
| Asset Valuation Method | Fair Value |
| Assumptions | |
| Inflation | 2.50% |
| Active member payroll growth | 3.25% |
| Investment Rate of Return | 7.50% |
| Discount Rate | 7.50% |
| Cost of Living Adjustments | Assumed to be 1.0% per year through 2044, and then 1.5% thereafter. |

Salary increases were based on a service-related table. Mortality rates for active members, retirees, survivors, and disabled annuitants were based on RP-2025 tables for all plans for males or females, as appropriate, with slight adjustments to fit the PERA's experience.

Appendix D • Illustrative ACFR

NAME OF GOVERNMENT
Required Supplementary Information
Police Pension Plan
Schedule of Changes in the Government's Net Pension Liability and Related Ratios
Last Ten Fiscal Years
June 30, 2027

| | 2027 | 2026 | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Total Police Pension Liability | | | | | | | | | | |
| Service Cost | \$ 930,360 | \$ 902,512 | \$ 869,052 | \$ 742,677 | \$ 700,456 | \$ 720,252 | \$ 710,245 | \$ 700,378 | \$ 689,163 | \$ 688,477 |
| Interest | 2,569,074 | 2,327,122 | 2,209,490 | 2,090,092 | 1,832,309 | 1,849,378 | 1,777,995 | 1,719,498 | 1,700,341 | 1,677,551 |
| Differences Between Expected and Actual Experience | (162,296) | (452,617) | 173,329 | (388,462) | 500,555 | (250,222) | 100,021 | 112,343 | (104,562) | (56,452) |
| Assumption Changes | 1,105,003 | 2,428,575 | 362,532 | 1,270,375 | 1,122,321 | (2,523,520) | 500,224 | (1,125,230) | (1,193,587) | 154,562 |
| Benefit Payments, Including Refunds of Member Contributions | (1,501,494) | (1,403,422) | (1,284,577) | (1,194,297) | (1,880,442) | (1,810,123) | (1,799,211) | (1,750,587) | (1,700,144) | (1,699,944) |
| Net Change in Total Pension Liability | 2,940,647 | 3,802,170 | 2,329,826 | 2,520,385 | 2,275,199 | (2,014,235) | 1,289,274 | (343,598) | (608,789) | 764,194 |
| Total Pension Liability - Beginning | 31,257,071 | 27,454,901 | 25,125,075 | 22,604,690 | 20,329,491 | 22,343,726 | 21,054,452 | 21,398,050 | 22,006,839 | 21,242,645 |
| Total Police Pension Liability - Ending | \$ 34,197,718 | \$ 31,257,071 | \$ 27,454,901 | \$ 25,125,075 | \$ 22,604,690 | \$ 20,329,491 | \$ 22,343,726 | \$ 21,054,452 | \$ 21,398,050 | \$ 22,006,839 |
| Police Pension Fund Fiduciary Net Position | | | | | | | | | | |
| Contributions - Employer | \$ 1,088,216 | \$ 959,354 | \$ 949,282 | \$ 801,347 | \$ 751,547 | \$ 743,217 | \$ 741,228 | \$ 633,269 | \$ 627,549 | \$ 625,561 |
| Contributions - Members | 548,946 | 546,385 | 588,421 | 501,567 | 457,747 | 453,020 | 452,905 | 449,484 | 446,780 | 445,119 |
| Net Investment Income | 2,827,101 | 1,118,949 | 117,325 | 927,615 | 982,696 | 752,321 | 1,074,511 | 1,112,324 | 978,551 | 1,250,732 |
| Benefit Payments, Including Refunds of Member Contributions | (1,501,494) | (1,403,422) | (1,284,577) | (1,194,297) | (1,880,442) | (1,810,123) | (1,799,211) | (1,750,587) | (1,700,144) | (1,699,944) |
| Administrative Expense | (4,838) | (3,652) | (5,096) | (8,188) | (5,112) | (6,521) | (8,412) | (7,422) | (4,988) | (5,110) |
| Net Change in Plan Fiduciary Net Position | 2,957,931 | 1,217,614 | 365,355 | 1,028,044 | 306,436 | 131,914 | 461,021 | 437,068 | 347,748 | 616,358 |
| Plan Fiduciary Net Position - Beginning | 18,990,598 | 17,772,984 | 17,407,629 | 16,379,585 | 16,073,149 | 15,941,235 | 15,480,214 | 15,043,146 | 14,695,398 | 14,079,040 |
| Police Pension Fiduciary Net Position - Ending | \$ 21,948,529 | \$ 18,990,598 | \$ 17,772,984 | \$ 17,407,629 | \$ 16,379,585 | \$ 16,073,149 | \$ 15,941,235 | \$ 15,480,214 | \$ 15,043,146 | \$ 14,695,398 |
| NAME OF GOVERNMENT'S NET PENSION LIABILITY | \$ 12,249,189 | \$ 12,266,473 | \$ 9,681,917 | \$ 7,717,446 | \$ 6,225,105 | \$ 4,256,342 | \$ 6,402,491 | \$ 5,574,238 | \$ 6,354,904 | \$ 7,311,441 |
| Police Pension Fiduciary Net Position as a Percentage of the Total Police Pension Liability | 64.2% | 60.8% | 64.7% | 69.3% | 72.5% | 79.1% | 71.3% | 73.5% | 70.3% | 66.8% |
| NAME OF GOVERNMENT's Police Pension Covered Payroll | \$ 15,684,171 | \$ 15,611,012 | \$ 16,812,029 | \$ 14,330,486 | \$ 13,078,486 | \$ 12,943,429 | \$ 12,940,143 | \$ 12,842,400 | \$ 12,765,143 | \$ 12,717,686 |
| NAME OF GOVERNMENT's Net Pension Liability as a Percentage of Police Pension Covered Payroll | 78.1% | 78.6% | 57.6% | 53.9% | 47.6% | 32.9% | 49.5% | 43.4% | 49.8% | 57.5% |

See Notes to Required Supplementary Information

Appendix D • Illustrative ACFR

NAME OF GOVERNMENT
Required Supplementary Information
Police Pension Plan
Schedule of Employer Contributions
Last Ten Fiscal Years
June 30, 2027

| | 2027 | 2026 | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 |
|---|-----------------|-------------------|-------------------|-------------------|--------------------|--------------------|--------------------|---------------------|--------------------|--------------------|
| Actuarially Determined Contribution | \$ 1,086,355 | \$ 965,115 | \$ 951,594 | \$ 809,112 | \$ 765,125 | \$ 755,178 | \$ 752,841 | \$ 745,352 | \$ 699,125 | \$ 665,125 |
| Contributions in Relation to the Actuarially Determined Contribution | 1,088,216 | 959,354 | 949,282 | 801,347 | 751,547 | 743,217 | 741,228 | 633,269 | 627,549 | 625,561 |
| Contribution Excess (Deficiency) | <u>\$ 1,861</u> | <u>\$ (5,761)</u> | <u>\$ (2,312)</u> | <u>\$ (7,765)</u> | <u>\$ (13,578)</u> | <u>\$ (11,961)</u> | <u>\$ (11,613)</u> | <u>\$ (112,083)</u> | <u>\$ (71,576)</u> | <u>\$ (39,564)</u> |
| NAME OF GOVERNMENT's Police Pension Covered Payroll | \$ 15,684,171 | \$ 9,737,335 | \$ 9,357,318 | \$ 9,278,456 | \$ 9,193,456 | \$ 9,117,247 | \$ 9,054,247 | \$ 8,994,138 | \$ 8,935,724 | \$ 8,877,833 |
| Contributions as a Percentage of Police Pension Covered Payroll | 6.9% | 9.9% | 10.1% | 8.6% | 8.2% | 8.2% | 8.2% | 7.0% | 7.0% | 7.0% |

See Notes to Required Supplementary Information

Appendix D • Illustrative ACFR

NAME OF GOVERNMENT
Required Supplementary Information
Police Pension Plan
Schedule of Investment Returns
Last Ten Fiscal Years
June 30, 2027

| | 2027 | 2026 | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 |
|---|-------|------|-------|------|------|------|------|------|------|------|
| Police Pension Annual Money-Weighted Rate of Return, Net of Investment Expense | 14.9% | 4.8% | -2.1% | 7.0% | 7.1% | 7.3% | 6.9% | 6.8% | 7.1% | 7.2% |

See Notes to Required Supplementary Information

NAME OF GOVERNMENT**Notes to Required Supplementary Information****Police Pension Plan**

1. The information presented was determined as part of the actuarial valuation as of June 30, 2027. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the asset valuation method was fair value; and the significant actuarial assumptions were an investment rate of return at 7.00 percent annually; discount rate of 5.94 percent; inflation at 2.50 percent annually; projected individual salary increases of 4.0 percent to 16.0 percent annually; projected increases in total payroll of 3.25 percent annually; and cost-of-living adjustments of 2.0 percent annually.
2. For 2027 there was a change with respect to actuarial assumptions from the prior year to reflect revised expectations with respect to mortality rates, disability rates, turnover rates, and retirement rates. Additionally, there were changes to the following actuarial assumptions in the current and prior years:
 - a. From 2025 to 2026, the discount rate used in the determination of the total pension liability was changed from 6.42 percent to 6.13 percent and from 2026 to 2027 was changed from 6.13 percent to 5.94 percent.
 - b. From 2025 to 2026, the assumed rate on high quality 20-year tax exempt general obligation bonds was changed from 3.62 percent to 3.71 percent and from 2026 to 2027 was changed from 3.71 percent to 3.56 percent.
 - c. From 2023 to 2024, the rates of projected individual salary increases changed from 4.00 percent to 11.00 percent to 4.00 percent to 16.00 percent.
 - d. From 2015 to 2016, the projected increase in total payroll changed from 3.50 percent to 3.25 percent.
 - e. From 2021 to 2022, the projected Consumer Price Index (Utilities) increase was changed from 3.00 percent to 2.50 percent.
 - f. From 2026 to 2027, the inflation rate was changed from 3.00 percent to 2.50 percent.

Appendix D • Illustrative ACFR

NAME OF GOVERNMENT
Required Supplementary Information
Firefighters Pension Plan
Schedule of Changes in the Government's Total Pension Liability and Related Ratios
Last Ten Years
June 30, 2027

| | 2027 | 2026 | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 |
|--|----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|-------------------|-------------------|-------------------|
| Total Pension Liability - Firefighters Pension Plan | | | | | | | | | | |
| Service Cost | \$ 2,379,738 | \$ 2,332,143 | \$ 2,273,839 | \$ 2,221,541 | \$ 2,170,446 | \$ 2,120,526 | \$ 775,221 | \$ 772,322 | \$ 765,025 | \$ 732,065 |
| Interest | 361,552 | 345,332 | 342,118 | 340,228 | 337,884 | 336,552 | 331,552 | 328,551 | 327,996 | 326,521 |
| Change in Terms | - | - | - | - | - | - | 1,296,533 | - | - | - |
| Differences Between Expected and Actual Experience | (389,719) | 22,033 | 45,221 | 34,325 | (25,321) | (53,251) | 74,532 | (12,321) | (53,222) | (42,158) |
| Assumption Changes | 712,186 | 225,325 | 232,111 | 325,321 | 112,332 | 322,258 | 45,124 | (21,522) | (74,121) | (125,325) |
| Benefit Payments, Including Refunds of Member Contributions | (1,282,116) | (1,215,589) | (1,209,329) | (1,204,421) | (1,203,325) | (1,201,221) | (1,200,857) | (1,198,755) | (1,177,552) | (1,172,542) |
| Net Change in Total Pension Liability | 1,781,641 | 1,709,244 | 1,683,960 | 1,716,994 | 1,392,016 | 1,524,864 | 1,322,105 | (131,725) | (211,874) | (281,439) |
| Total Pension Liability - Firefighters Pension Plan - Beginning | 9,720,993 | 8,011,749 | 6,327,789 | 4,610,795 | 3,218,779 | 1,693,915 | 371,810 | 503,535 | 715,409 | 996,848 |
| Total Pension Liability - Firefighters Pension Plan - Ending | \$ 11,502,634 | \$ 9,720,993 | \$ 8,011,749 | \$ 6,327,789 | \$ 4,610,795 | \$ 3,218,779 | \$ 1,693,915 | \$ 371,810 | \$ 503,535 | \$ 715,409 |
| NAME OF GOVERNMENT'S Firefighters Pension Covered-Employee Payroll | \$ 12,845,222 | \$ 12,524,091 | \$ 12,041,914 | \$ 11,581,913 | \$ 11,151,066 | \$ 10,838,836 | \$ 10,611,220 | \$ 10,367,162 | \$ 10,107,983 | \$ 9,784,528 |
| Total Pension Liability as a Percentage of Firefighters Pension Covered-Employee Payroll | 89.5% | 77.6% | 66.5% | 54.6% | 41.3% | 29.7% | 16.0% | 3.6% | 5.0% | 7.3% |

See Notes to Required Supplementary Information

NAME OF GOVERNMENT

Notes to Required Supplementary Information

Firefighters Pension Plan

1. For the Firefighters Pension Plan there are no assets accumulated in a trust that meets the criteria for pension trust as defined by GASB Statement No. 67.
2. The information presented was determined as part of the actuarial valuation as of June 30, 2026. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; and the significant actuarial assumptions were a discount rate of 3.71 percent; inflation at 2.50 percent annually; projected individual salary increases of 2.5 percent to 6.0 percent annually; projected increases in total payroll of 3.0 percent annually; and cost-of-living adjustments of 2.0 percent annually.
3. For 2027, there was a change with respect to actuarial assumptions from the prior year to reflect revised expectations with respect to mortality rates and retirement rates.
4. In 2023, the assumed probabilities of duty-related death and disability were updated.

Appendix D • Illustrative ACFR

NAME OF GOVERNMENT
Required Supplementary Information
State Retiree Health Insurance Trust Fund (SRHITF)
Schedule of the Government's Proportionate Share of the Net OPEB Liability
Last Ten Years
June 30, 2027

| | 2027 | 2026 | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| NAME OF GOVERNMENT's Proportion of the SRHITF Net OPEB Liability | 0.53591% | 0.53411% | 0.53359% | 0.53612% | 0.54001% | 0.53999% | 0.53874% | 0.53777% | 0.53971% | 0.53873% |
| NAME OF GOVERNMENT's Proportionate Share of the SRHITF Net OPEB Liability | \$ 16,307,702 | \$ 17,268,885 | \$ 17,167,223 | \$ 16,511,435 | \$ 15,880,698 | \$ 15,274,056 | \$ 14,690,587 | \$ 14,129,406 | \$ 13,589,663 | \$ 13,070,538 |
| NAME OF GOVERNMENT's SRHITF Covered Payroll | \$ 31,516,257 | \$ 30,730,664 | \$ 29,559,727 | \$ 28,430,103 | \$ 27,372,356 | \$ 26,608,770 | \$ 26,051,554 | \$ 25,451,779 | \$ 24,816,008 | \$ 24,022,888 |
| NAME OF GOVERNMENT's Proportionate Share of the SRHITF Net OPEB Liability as a Percentage of its SRHITF Covered Payroll | 51.7% | 56.2% | 58.1% | 58.1% | 58.0% | 57.4% | 56.4% | 55.5% | 54.8% | 54.4% |
| Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability | 19.9% | 19.8% | 19.8% | 19.5% | 19.1% | 19.0% | 19.1% | 19.5% | 19.3% | 19.4% |

See Notes to Required Supplementary Information

Appendix D • Illustrative ACFR

NAME OF GOVERNMENT
Required Supplementary Information
State Retiree Health Insurance Trust Fund (SRHITF)
Schedule of Employer Contributions
Last Ten Years
June 30, 2027

| | 2027 | 2026 | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| NAME OF GOVERNMENT's SRHITF Statutorily Determined Contribution | \$ 1,733,394 | \$ 1,690,187 | \$ 1,625,785 | \$ 1,563,656 | \$ 1,505,480 | \$ 1,463,482 | \$ 1,432,835 | \$ 1,399,848 | \$ 1,364,880 | \$ 1,321,259 |
| NAME OF GOVERNMENT's SRHITF Contributions in Relation to the Statutorily Determined Contribution | 1,733,394 | 1,690,187 | 1,625,785 | 1,563,656 | 1,505,480 | 1,463,482 | 1,432,835 | 1,399,848 | 1,364,880 | 1,321,259 |
| Contribution Excess (Deficiency) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| NAME OF GOVERNMENT's SRHITF Covered Payroll | \$ 31,516,257 | \$ 30,730,664 | \$ 29,559,727 | \$ 28,430,103 | \$ 27,372,356 | \$ 26,608,770 | \$ 26,051,554 | \$ 25,451,779 | \$ 24,816,008 | \$ 24,022,888 |
| NAME OF GOVERNMENT's SRHITF Contributions as a Percentage of its SRHITF Covered Payroll | 5.5% | 5.5% | 5.5% | 5.5% | 5.5% | 5.5% | 5.5% | 5.5% | 5.5% | 5.5% |

See Notes to Required Supplementary Information

NAME OF GOVERNMENT

Notes to Required Supplementary Information

State Retiree Health Insurance Trust Fund (SRHITF)

1. There was a change with respect to actuarial assumptions from the prior year to reflect revised expectations with respect to the discount rate in 2027. The discount rate increased from 2.92 percent to 3.56 percent.
2. In 2027, there was a change with respect to actuarial assumptions from the prior year to reflect revised expectations with respect to retirement rates.
3. Methods and assumptions used to determine contribution rates for the most recent year include:
 - a. Valuation date: June 30, 2027
 - b. Inflation: 2.25%
 - c. Investment Rate of Return: 4.0%
 - d. Discount rate: 3.56% for 2027
 - e. Healthcare cost trend rate: 7.0% in Fiscal 2027, decreasing to an ultimate trend rate of 4.15% over 15 years
 - f. Actuarial cost method: Entry age normal based on level percentage of projected salary.

NAME OF GOVERNMENT
Required Supplementary Information
Public Safety Other Postemployment Benefit Plan
Schedule of Changes in the Government's Net OPEB Liability and Related Ratios
Last Five Fiscal Years
June 30, 2027

| | 2027 | 2026 | 2025 | 2024 | 2023 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|
| Total Public Safety OPEB Liability | | | | | |
| Service Cost | \$ 71,940 | \$ 68,789 | \$ 66,241 | \$ 68,329 | \$ 67,999 |
| Interest | 119,009 | 113,562 | 110,252 | 108,887 | 1,107,544 |
| Differences Between Expected and Actual Experience | (6,099) | (85,223) | (52,112) | (300,186) | (12,235) |
| Assumption Changes | 1,282,367 | - | 456,324 | 215,624 | - |
| Benefit Payments, Including Refunds of Member Contributions | (1,590,142) | (1,447,759) | (1,399,854) | (1,388,611) | (1,287,955) |
| Net Change in Total Pension Liability | (122,925) | (1,350,631) | (819,149) | (1,295,957) | (124,647) |
| Total OPEB Liability - Beginning | 24,355,547 | 25,706,178 | 26,525,327 | 27,821,284 | 27,945,931 |
| Total Public Safety OPEB Liability - Ending | \$ 24,232,622 | \$ 24,355,547 | \$ 25,706,178 | \$ 26,525,327 | \$ 27,821,284 |
| Public Safety Plan Fiduciary Net Position | | | | | |
| Contributions - Employer | \$ 1,605,905 | \$ 1,400,521 | \$ 1,390,522 | \$ 1,370,741 | \$ 1,257,445 |
| Contributions - Members | 163,063 | 130,033 | 100,152 | 88,558 | 65,514 |
| Net Investment Income | 162,743 | 83,142 | (24,887) | 500,777 | 125,122 |
| Benefit Payments, Including Refunds of Member Contributions | (1,590,142) | (1,447,759) | (1,399,854) | (1,388,611) | (1,287,955) |
| Administrative Expense | (1,739) | (1,448) | (1,399) | (1,454) | (1,952) |
| Net Change in Plan Fiduciary Net Position | 339,830 | 164,489 | 64,534 | 570,011 | 158,174 |
| Public Safety Plan Fiduciary Net Position - Beginning | 957,208 | 792,719 | 728,185 | 158,174 | - |
| Public Safety Plan Fiduciary Net Position - Ending | \$ 1,297,038 | \$ 957,208 | \$ 792,719 | \$ 728,185 | \$ 158,174 |
| NAME OF GOVERNMENT'S Public Safety Plan Net OPEB Liability | \$ 22,935,584 | \$ 23,398,339 | \$ 24,913,459 | \$ 25,797,142 | \$ 27,663,110 |
| Public Safety Plan Fiduciary Net Position | | | | | |
| as a Percentage of the Plan Total OPEB Liability | 5.4% | 3.9% | 3.1% | 2.7% | 0.6% |
| NAME OF GOVERNMENT'S Public Safety Plan Covered-Employee Payroll | \$ 29,128,511 | \$ 28,697,806 | \$ 29,488,729 | \$ 26,560,208 | \$ 24,762,602 |
| NAME OF GOVERNMENT'S Net Public Safety Plan OPEB Liability | | | | | |
| as a Percentage of Public Safety Plan Covered-Employee Payroll | 78.7% | 81.5% | 84.5% | 97.1% | 111.7% |

The schedule is intended to show information for ten years. The Public Safety Other Post-Employment Benefit Plan started in 2023. Additional years will be displayed as they become available.

See Notes to Required Supplementary Information

NAME OF GOVERNMENT
Required Supplementary Information
Public Safety Other Postemployment Benefit Plan
Schedule of Employer Contributions
Last Five Fiscal Years
June 30, 2027

| | 2027 | 2026 | 2025 | 2024 | 2023 |
|--|-------------------|-------------------|-------------------|-------------------|--------------------|
| Public Safety Plan Actuarially Determined Contribution | \$ 1,610,836 | \$ 1,409,492 | \$ 1,400,491 | \$ 1,375,160 | \$ 1,318,262 |
| Public Safety Plan Contributions in Relation to the | | | | | |
| Actuarially Determined Contribution | 1,605,905 | 1,400,521 | 1,390,522 | 1,370,741 | 1,257,445 |
| Contribution Excess (Deficiency) | <u>\$ (4,931)</u> | <u>\$ (8,971)</u> | <u>\$ (9,969)</u> | <u>\$ (4,419)</u> | <u>\$ (60,817)</u> |
| Public Safety Plan Covered-Employee Payroll | \$ 29,128,511 | \$ 28,697,806 | \$ 29,488,729 | \$ 26,560,208 | \$ 24,762,602 |
| NAME OF GOVERNMENT Contributions as a Percentage | | | | | |
| of Public Safety Plan Covered-Employee Payroll | 5.5% | 4.9% | 4.7% | 5.2% | 5.1% |

The schedule is intended to show information for ten years. The Public Safety Other Post-Employment Benefit Plan started in 2023. Additional years will be displayed as they become available.

See Notes to Required Supplementary Information

NAME OF GOVERNMENT
Required Supplementary Information
Public Safety Other Postemployment Benefit Plan
Schedule of Investment Returns
Last Ten Fiscal Years
June 30, 2027

| | <u>2027</u> | <u>2026</u> | <u>2025</u> | <u>2024</u> | <u>2023</u> |
|---|-------------|-------------|-------------|-------------|-------------|
| Public Safety Plan Annual Money-Weighted Rate of Return, Net of Investment Expense | 4.63% | 2.57% | 2.57% | 3.81% | 5.62% |

The schedule is intended to show information for ten years. The Public Safety Other Post-Employment Benefit Plan started in 2023. Additional years will be displayed as they become available.

See Notes to Required Supplementary Information

NAME OF GOVERNMENT

Notes to Required Supplementary Information

Public Safety Other Postemployment Benefit Plan (PSOPEB)

1. There was a change with respect to actuarial assumptions from the prior year to reflect revised expectations with respect to the discount rate in 2027. The discount rate decreased from 4.23 percent to 3.76 percent.
2. In 2025, there was a change with respect to actuarial assumptions from the prior year to reflect revised expectations with respect to mortality rates and retirement rates.
3. Methods and assumptions used to determine contribution rates for the most recent year include:
 - a. Valuation date: June 30, 2027
 - b. Inflation: 2.50%
 - c. Investment Rate of Return: 5.50%
 - d. Discount rate: 3.76% for 2027; 4.23% for 2026
 - e. Healthcare cost trend rate: 8.0% in Fiscal 2027, decreasing to an ultimate trend rate of 4.00% in 2080. In 2027, changes were made to the healthcare trend rate to reflect recent healthcare trend rate surveys, blended with the long-term rates from the Getzen model published by the Society of Actuaries
 - f. Medicare eligibility: All current and future retirees are assumed to be eligible for Medicare at age 65
 - g. Mortality Rate: RP-2025 Generational Table using Scale MP-2025, applied on a gender-specific basis
 - h. Actuarial cost method: Entry age normal based on level percentage of projected salary
 - i. Amortization method: Experience gains and losses are amortized over a closed period equal to the average remaining service of active and inactive plan members (who have no future service). Investment gains and losses are amortized over a closed period of five years.

Combining and Individual Fund Financial Statements and Schedules

NAME OF GOVERNMENT
Capital Projects Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
From Inception of Current Projects and For the Year Ended June 30, 2027

| | Prior Years Actual | Current Year Actual | Total Actual to Date | Project Authorization |
|---|-------------------------------|--------------------------------|---------------------------------|----------------------------------|
| REVENUES | | | | |
| Intergovernmental-state | \$ 2,916,996 | \$ 874,480 | \$ 3,791,476 | \$ 4,850,000 |
| Investment earnings | 1,809,970 | 201,620 | 2,011,590 | 2,881,325 |
| Total revenues | <u>4,726,966</u> | <u>1,076,100</u> | <u>5,803,066</u> | <u>7,731,325</u> |
| EXPENDITURES | | | | |
| Debt service: | | | | |
| Issuance costs | - | 150,541 | 150,541 | 240,000 |
| Capital outlay: | | | | |
| General government | 104,314 | 462,180 | 566,494 | 1,164,250 |
| Public safety | 1,016,896 | 1,465,901 | 2,482,797 | 4,378,700 |
| Highways and streets | 15,157,528 | 9,574,399 | 24,731,927 | 30,283,000 |
| Sanitation | 1,457,573 | 1,696,099 | 3,153,672 | 5,347,300 |
| Culture and recreation | 573,659 | 1,443,330 | 2,016,989 | 3,883,700 |
| Total Expenditures | <u>18,309,970</u> | <u>14,792,450</u> | <u>33,102,420</u> | <u>45,296,950</u> |
| Deficiency of revenues (under) | | | | |
| expenditures | <u>(13,583,004)</u> | <u>(13,716,350)</u> | <u>(27,299,354)</u> | <u>(37,565,625)</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | - | 1,982,520 | 1,982,520 | 2,061,625 |
| Transfers out | - | (1,214,133) | (1,214,133) | (2,846,000) |
| General obligation bonds issued | 19,650,000 | - | 19,650,000 | 33,650,000 |
| Special assessment bonds issued | - | 4,700,000 | 4,700,000 | 4,700,000 |
| Discount on special assessment bonds issued | - | (10,354) | (10,354) | - |
| Total other financing sources (uses) | <u>19,650,000</u> | <u>5,458,033</u> | <u>25,108,033</u> | <u>37,565,625</u> |
| Net change in fund balance | <u>\$ 6,066,996</u> | <u>(8,258,317)</u> | <u>\$ (2,191,321)</u> | <u>\$ -</u> |
| Fund balance - beginning of year | | <u>6,066,996</u> | | |
| Fund balance - end of year | | <u>\$ (2,191,321)</u> | | |

NAME OF GOVERNMENT
Debt Service Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2027

| | Final Budgeted Amounts | Actual Amounts | Variance with Final Budget |
|---|-----------------------------------|---------------------------|---------------------------------------|
| REVENUES | | | |
| Property taxes | \$ 7,732,456 | \$ 7,935,396 | \$ 202,940 |
| Investment earnings | - | 241,967 | 241,967 |
| Special assessments | 470,000 | 470,000 | - |
| Total revenues | <u>8,202,456</u> | <u>8,647,363</u> | <u>444,907</u> |
| EXPENDITURES | | | |
| Debt service: | | | |
| Principal | 5,492,653 | 5,357,958 | 134,695 |
| Interest | 3,314,518 | 3,250,148 | 64,370 |
| Refunding bond issuance costs | 122,710 | 122,710 | - |
| Total expenditures | <u>8,929,881</u> | <u>8,730,816</u> | <u>199,065</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(727,425)</u> | <u>(83,453)</u> | <u>643,972</u> |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers in | 1,226,340 | 1,226,340 | - |
| Transfers out | (621,625) | (621,625) | - |
| Refunding bonds issued | 5,810,000 | 5,810,000 | - |
| Premium on refunding bonds issued | 249,914 | 249,914 | - |
| Payment to refunded bond escrow agent | (5,937,204) | (5,937,204) | - |
| Total other financing sources (uses) | <u>727,425</u> | <u>727,425</u> | <u>-</u> |
| Net change in fund balance | - | 643,972 | 643,972 |
| Fund balance - beginning of year | <u>1,118,005</u> | <u>1,118,005</u> | <u>-</u> |
| Fund balance - end of year | <u>\$ 1,118,005</u> | <u>1,761,977</u> | <u>\$ 643,972</u> |

Nonmajor Governmental Funds

Special Revenue Funds

Special revenue funds are used to account for specific revenue sources that are restricted, committed, or assigned to expenditures for particular purposes.

Library Fund – to account for the operation and maintenance of the library and the application of any gifts and donations received for the benefit of the library. A portion of the property tax levy is dedicated to the library.

Park Grants Fund – to account for state and federal grants that provide for the acquisition, maintenance and upkeep of parks and preserves within the NAME OF GOVERNMENT.

Public Safety Grants Fund – to account for grants received from the federal, state and local governments for the enhancement of public safety activities.

Youth Development and Recreation Fund – to account for various grants received from the federal, state and local governments and private contributions for youth development programs that are designed to build skills and competencies among the NAME OF GOVERNMENT's youth. This fund is also used to account for the acquisition and/or development of recreational facilities and open space for youth programs.

Garage Fund – to account for parking revenues, which are restricted to the operation and maintenance of the parking structure.

Permanent Fund

The permanent fund is used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the NAME OF GOVERNMENT's programs.

Tracy Sylvia Memorial Fund – accounts for an endowment whose earnings are restricted to expenditures for urban concerns.

Appendix D • Illustrative ACFR

NAME OF GOVERNMENT
Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2027

| | Special Revenue Funds | | | | | Permanent Fund | Total Nonmajor Governmental Funds |
|---|-----------------------|-------------------|----------------------|----------------------------------|-------------------|-----------------------|-----------------------------------|
| | Library | Park Grants | Public Safety Grants | Youth Development and Recreation | Garage | Tracy Sylvia Memorial | |
| ASSETS | | | | | | | |
| Cash | \$ 342,746 | \$ 630,302 | \$ 380,929 | \$ 375,937 | \$ 410,244 | \$ 495 | \$ 2,140,653 |
| Investments | - | - | - | - | 528,623 | 10,182 | 538,805 |
| Receivables (net of allowance for uncollectibles) | 3,708 | - | - | - | - | 260 | 3,968 |
| Intergovernmental receivable | - | 38,882 | 107,781 | 539,010 | - | - | 685,673 |
| Prepaid items | 507 | 107 | - | - | - | - | 614 |
| Total assets | <u>\$ 346,961</u> | <u>\$ 669,291</u> | <u>\$ 488,710</u> | <u>\$ 914,947</u> | <u>\$ 938,867</u> | <u>\$ 10,937</u> | <u>\$ 3,369,713</u> |
| LIABILITIES | | | | | | | |
| Accounts payable | 155,437 | 12,540 | 7,510 | 170,053 | 147,191 | - | 492,731 |
| Accrued liabilities | 138,741 | 12,396 | - | 43,673 | 225,174 | - | 419,984 |
| Deposits payable | - | 18,367 | - | - | - | - | 18,367 |
| Due to other funds | - | - | 105,000 | 327,148 | - | - | 432,148 |
| Unearned revenue-other | - | - | - | - | 227,585 | - | 227,585 |
| Total liabilities | <u>294,178</u> | <u>43,303</u> | <u>112,510</u> | <u>540,874</u> | <u>599,950</u> | <u>-</u> | <u>1,590,815</u> |
| FUND BALANCES | | | | | | | |
| Nonspendable: | | | | | | | |
| Endowment | - | - | - | - | - | 10,000 | 10,000 |
| Prepaid items | 507 | 107 | - | - | - | - | 614 |
| Restricted: | | | | | | | |
| Library purposes | 52,276 | - | - | - | - | - | 52,276 |
| Housing services | - | 625,881 | - | - | - | - | 625,881 |
| Community redevelopment | - | - | - | - | - | 937 | 937 |
| Law enforcement | - | - | 376,200 | - | - | - | 376,200 |
| Youth programs | - | - | - | 1,297 | - | - | 1,297 |
| Committed: | | | | | | | |
| Nonrecurring repairs and other parking improvements | - | - | - | - | 338,917 | - | 338,917 |
| For open space | - | - | - | 372,776 | - | - | 372,776 |
| Total fund balances | <u>52,783</u> | <u>625,988</u> | <u>376,200</u> | <u>374,073</u> | <u>338,917</u> | <u>10,937</u> | <u>1,778,898</u> |
| Total liabilities and fund balances | <u>\$ 346,961</u> | <u>\$ 669,291</u> | <u>\$ 488,710</u> | <u>\$ 914,947</u> | <u>\$ 938,867</u> | <u>\$ 10,937</u> | <u>\$ 3,369,713</u> |

Appendix D • Illustrative ACFR

NAME OF GOVERNMENT
Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2027

| | Special Revenue Funds | | | | | | Permanent Fund | Total Nonmajor Governmental Funds |
|--|-----------------------|-------------|-----------------------------------|----------------------|----------------------------------|------------|-----------------------|-----------------------------------|
| | Library | Park Grants | Community Development Block Grant | Public Safety Grants | Youth Development and Recreation | Garage | Tracy Sylvia Memorial | |
| REVENUES | | | | | | | | |
| Property taxes | \$ 5,539,162 | \$ - | | \$ - | \$ - | \$ - | \$ - | \$ 5,539,162 |
| Intergovernmental | 28,115 | 4,248,931 | | 303,280 | 1,555,216 | - | - | 6,135,542 |
| Investment earnings | 170 | 8,711 | | 4,018 | 7,920 | 8,498 | 569 | 29,886 |
| Fees | 125,330 | 17,169 | | - | - | 4,298,524 | - | 4,441,023 |
| Miscellaneous | 40,250 | 12,442 | | 150,288 | 86,505 | 7,665 | - | 297,150 |
| Total revenues | 5,733,027 | 4,287,253 | | 457,586 | 1,649,641 | 4,314,687 | 569 | 16,442,763 |
| EXPENDITURES | | | | | | | | |
| Current: | | | | | | | | |
| Public safety | - | - | | 372,872 | 17,956 | - | - | 390,828 |
| Highways and streets | - | - | | - | - | 4,238,979 | - | 4,238,979 |
| Culture and recreation | 5,449,929 | - | | - | 1,623,765 | - | 222 | 7,073,916 |
| Community development | - | 4,665,591 | | - | - | - | - | 4,665,591 |
| Total expenditures | 5,449,929 | 4,665,591 | | 372,872 | 1,641,721 | 4,238,979 | 222 | 16,369,314 |
| Excess (deficiency) of revenues over (under) expenditures | 283,098 | (378,338) | | 84,714 | 7,920 | 75,708 | 347 | 73,449 |
| OTHER FINANCING SOURCES (USES) | | | | | | | | |
| Transfers in | - | 1,615 | | - | 251,080 | - | - | 252,695 |
| Transfers out | (284,231) | - | | - | - | - | - | (284,231) |
| Total other financing sources (uses) | (284,231) | 1,615 | | - | 251,080 | - | - | (31,536) |
| Net change in fund balances | (1,133) | (376,723) | | 84,714 | 259,000 | 75,708 | 347 | 41,913 |
| Fund balances - beginning of year, as previously presented | 53,916 | 1,002,711 | 4,442,850 | 291,486 | 115,073 | 263,209 | 10,590 | 6,179,835 |
| Adjustments | - | - | (4,442,850) | - | - | - | - | (4,442,850) |
| Fund balances - beginning of year, as adjusted | 53,916 | 1,002,711 | - | 291,486 | 115,073 | 263,209 | 10,590 | 1,736,985 |
| Fund balances - end of year | \$ 52,783 | \$ 625,988 | | \$ 376,200 | \$ 374,073 | \$ 338,917 | \$ 10,937 | \$ 1,778,898 |

NAME OF GOVERNMENT
Library Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2027

| | Final Budgeted Amounts | Actual Amounts | Variance with Final Budget |
|---------------------------------------|-----------------------------------|---------------------------|---------------------------------------|
| REVENUES | | | |
| Property taxes | \$ 5,857,718 | \$ 5,539,162 | \$ (318,556) |
| Intergovernmental | 28,943 | 28,115 | (828) |
| Investment earnings | 250 | 170 | (80) |
| Fees | 137,500 | 125,330 | (12,170) |
| Miscellaneous | 55,185 | 40,250 | (14,935) |
| Total revenues | <u>6,079,596</u> | <u>5,733,027</u> | <u>(346,569)</u> |
| EXPENDITURES | | | |
| Current: | | | |
| Culture and recreation: | | | |
| Personnel services | 4,113,688 | 4,046,808 | 66,880 |
| Materials and supplies | 1,054,785 | 1,044,279 | 10,506 |
| Contractual services | 639,118 | 358,842 | 280,276 |
| Total expenditures | <u>5,807,591</u> | <u>5,449,929</u> | <u>357,662</u> |
| Excess of revenues over expenditures | <u>272,005</u> | <u>283,098</u> | <u>11,093</u> |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers out | (296,591) | (284,231) | 12,360 |
| Total other financing sources (uses) | <u>(296,591)</u> | <u>(284,231)</u> | <u>12,360</u> |
| Net change in fund balance* | (24,586) | (1,133) | 23,453 |
| Fund balance - beginning of year | <u>53,916</u> | <u>53,916</u> | <u>-</u> |
| Fund balance - end of year | <u>\$ 29,330</u> | <u>\$ 52,783</u> | <u>\$ 23,453</u> |

* The net change in fund balances was included in the budget as an appropriation (i.e., spenddown) of fund balance.

Internal Service Funds

Internal service funds are used to account for services provided to other departments or agencies of the government, or to other governments on a cost-reimbursement basis.

Fleet Management Fund – to account for the NAME OF GOVERNMENT’s transportation fleet including fleet acquisition and disposal, preventative maintenance, repairs, and the rental of motor vehicles to other departments and related costs.

Risk Management Fund – to account for the central management and billing of workers’ compensation, general liability, and property damage.

NAME OF GOVERNMENT
Internal Service Funds
Combining Statement of Net Position
June 30, 2027

| | Fleet Management | Risk Management | Total Internal Service Funds |
|---------------------------------------|-----------------------------|----------------------------|---|
| ASSETS | | | |
| Current assets: | | | |
| Cash | \$ 93,865 | \$ 5,789,855 | \$ 5,883,720 |
| Investments | 49,747 | 561,539 | 611,286 |
| Interest receivable | 3,398 | 3,681 | 7,079 |
| Intergovernmental receivable | 129,192 | - | 129,192 |
| Inventories | 22,671 | - | 22,671 |
| Prepaid items | 37,823 | - | 37,823 |
| Total current assets | <u>336,696</u> | <u>6,355,075</u> | <u>6,691,771</u> |
| Noncurrent assets: | | | |
| Capital assets: | | | |
| Buildings | 87,745 | - | 87,745 |
| Machinery, equipment, and vehicles | 5,283,268 | - | 5,283,268 |
| Less accumulated depreciation | (2,466,987) | - | (2,466,987) |
| Total noncurrent assets | <u>2,904,026</u> | <u>-</u> | <u>2,904,026</u> |
| Total assets | <u>3,240,722</u> | <u>6,355,075</u> | <u>9,595,797</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Pension related | 30,101 | 60,200 | 90,301 |
| OPEB related | 2,812 | 5,623 | 8,435 |
| Total deferred outflows of resources | <u>32,913</u> | <u>65,823</u> | <u>98,736</u> |
| LIABILITIES | | | |
| Current liabilities: | | | |
| Accounts payable | 361,794 | 462,911 | 824,705 |
| Compensated absences | 9,265 | 7,414 | 16,679 |
| Claims and judgments | - | 2,174,256 | 2,174,256 |
| Total current liabilities | <u>371,059</u> | <u>2,644,581</u> | <u>3,015,640</u> |
| Noncurrent liabilities: | | | |
| Compensated absences | 24,492 | 12,458 | 36,950 |
| Claims and judgments | - | 1,386,533 | 1,386,533 |
| Net pension liability | 259,217 | 518,435 | 777,652 |
| Net OPEB liability | 163,077 | 326,154 | 489,231 |
| Total noncurrent liabilities | <u>446,786</u> | <u>2,243,580</u> | <u>2,690,366</u> |
| Total liabilities | <u>817,845</u> | <u>4,888,161</u> | <u>5,706,006</u> |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Pension related | 1,796 | 3,591 | 5,387 |
| OPEB related | 76,473 | 152,949 | 229,422 |
| Total deferred inflows of resources | <u>78,269</u> | <u>156,540</u> | <u>234,809</u> |
| NET POSITION | | | |
| Investment in capital assets | 2,904,026 | - | 2,904,026 |
| Unrestricted | (526,505) | 1,376,197 | 849,692 |
| Total net position | <u>\$ 2,377,521</u> | <u>\$ 1,376,197</u> | <u>\$ 3,753,718</u> |

NAME OF GOVERNMENT
Internal Service Funds
Combining Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended June 30, 2027

| | Fleet Management | Risk Management | Total Internal Service Funds |
|--|-----------------------------|----------------------------|---|
| Operating revenues: | | | |
| Charges for services: | | | |
| Risk management | \$ - | \$ 2,632,108 | \$ 2,632,108 |
| Fleet management | 1,902,063 | - | 1,902,063 |
| Total operating revenues | <u>1,902,063</u> | <u>2,632,108</u> | <u>4,534,171</u> |
| Operating expenses: | | | |
| Personnel services | 304,807 | 310,550 | 615,357 |
| Materials and supplies | 518,060 | 426,169 | 944,229 |
| Contractual services | 633,185 | 618,315 | 1,251,500 |
| Claims | - | 1,761,680 | 1,761,680 |
| Depreciation | 373,469 | - | 373,469 |
| Total operating expenses | <u>1,829,521</u> | <u>3,116,714</u> | <u>4,946,235</u> |
| Operating income (loss) | <u>72,542</u> | <u>(484,606)</u> | <u>(412,064)</u> |
| Nonoperating revenues: | | | |
| Investment earnings | <u>8,348</u> | <u>131,182</u> | <u>139,530</u> |
| Change in net position | 80,890 | (353,424) | (272,534) |
| Net position - beginning of year, as previously presented | <u>2,301,808</u> | <u>1,733,805</u> | <u>4,035,613</u> |
| Restatements | <u>(5,177)</u> | <u>(4,184)</u> | <u>(9,361)</u> |
| Net position - beginning of year, as restated | <u>2,296,631</u> | <u>1,729,621</u> | <u>4,026,252</u> |
| Net position - end of year | <u>\$ 2,377,521</u> | <u>\$ 1,376,197</u> | <u>\$ 3,753,718</u> |

NAME OF GOVERNMENT
Internal Service Funds
Combining Statement of Cash Flows
For the Year Ended June 30, 2027

| | Fleet Management | Risk Management | Total Internal Service Funds |
|---|-----------------------------|----------------------------|---|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Receipts from customers | \$ 110,253 | \$ 1,059 | \$ 111,312 |
| Receipts from interfund charges for fleet management services | 1,774,063 | - | 1,774,063 |
| Receipts from interfund charges for risk management services | - | 2,631,049 | 2,631,049 |
| Payments to suppliers and providers | (1,055,552) | (2,940,866) | (3,996,418) |
| Payments to employees for salaries and benefits | (116,315) | (235,484) | (351,799) |
| Net cash provided by (used for) operating activities | <u>712,449</u> | <u>(544,242)</u> | <u>168,207</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | |
| Acquisition and construction of capital assets | (639,405) | - | (639,405) |
| Net cash (used for) capital and related financing activities | <u>(639,405)</u> | <u>-</u> | <u>(639,405)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Purchase of investments | (81,268) | (2,357,174) | (2,438,442) |
| Proceeds from sale of investments | 30,638 | 2,377,000 | 2,407,638 |
| Interest on investments | 6,125 | 131,230 | 137,355 |
| Net cash provided by (used for) investing activities | <u>(44,505)</u> | <u>151,056</u> | <u>106,551</u> |
| Net increase (decrease) in cash and cash equivalents | 28,539 | (393,186) | (364,647) |
| Cash, beginning of year | <u>65,326</u> | <u>6,183,041</u> | <u>6,248,367</u> |
| Cash, end of year | <u>\$ 93,865</u> | <u>\$ 5,789,855</u> | <u>\$ 5,883,720</u> |
| Reconciliation of operating income (loss) to net cash provided by (used for) operating activities: | | | |
| Operating income (loss) | \$ 72,542 | \$ (484,606) | \$ (412,064) |
| Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities: | | | |
| Depreciation expense | 373,469 | - | 373,469 |
| (Increase) in intergovernmental receivables | (17,747) | - | (17,747) |
| (Increase) in inventories | (22,671) | - | (22,671) |
| (Increase) in prepaid items | (37,823) | - | (37,823) |
| Decrease in pension related deferred outflows of resources | 5,697 | 11,397 | 17,094 |
| Decrease in OPEB related deferred outflows of resources | 16,609 | 33,219 | 49,828 |
| Increase in accounts payable | 300,540 | 174,338 | 474,878 |
| Increase in compensated absences | 10,315 | 7,414 | 17,729 |
| (Decrease) in claims and judgments payable | - | (309,040) | (309,040) |
| (Decrease) in net pension liability | (8,333) | (16,661) | (24,994) |
| (Decrease) in net OPEB liability | (9,612) | (19,224) | (28,836) |
| (Decrease) in pension related deferred inflows of resources | (8,230) | (16,461) | (24,691) |
| Increase in OPEB related deferred inflows of resources | 37,693 | 75,382 | 113,075 |
| Total adjustments | <u>639,907</u> | <u>(59,636)</u> | <u>580,271</u> |
| Net cash provided by (used for) operating activities | <u>\$ 712,449</u> | <u>\$ (544,242)</u> | <u>\$ 168,207</u> |

Fiduciary Funds
Pension (and Other Employee Benefit) Trust Funds

The pension (and other employee benefit) trust funds account for the activities of the Police Pension Plan and Other Postemployment Benefit Trust Fund, which accumulates resources for pension and other postemployment benefit payments to qualified beneficiaries.

Police Pension Trust Fund – to account for the resources accumulated for the NAME OF GOVERNMENT's Police Pension Fund.

Public Safety Other Postemployment Benefit Trust Fund – to account for the resources accumulated for the NAME OF GOVERNMENT's postemployment healthcare for police and firefighters.

NAME OF GOVERNMENT
Fiduciary Funds - Pension (and Other Employee Benefit) Trust Funds
Combining Statement of Fiduciary Net Position
June 30, 2027

| | Police Pension Trust Fund | Public Safety Other Postemployment Benefit Trust Fund | Total Pension (and Other Employee Benefit) Trust Funds |
|---|--|--|---|
| ASSETS | | | |
| Cash | \$ 1,006,865 | \$ 942,453 | \$ 1,949,318 |
| Investments: | | | |
| U.S. government and agency obligations | 3,418,979 | 403,339 | 3,822,318 |
| State and local obligations | 424,354 | - | 424,354 |
| Corporate bonds | 2,654,365 | - | 2,654,365 |
| Mutual funds | 14,387,892 | - | 14,387,892 |
| Receivables | 61,233 | 32,891 | 94,124 |
| Total assets | <u>21,953,688</u> | <u>1,378,683</u> | <u>23,332,371</u> |
| LIABILITIES | | | |
| Accounts payable | 4,159 | 7,524 | 11,683 |
| Claims payable | - | 74,121 | 74,121 |
| Refunds payable | 1,000 | - | 1,000 |
| Total liabilities | <u>5,159</u> | <u>81,645</u> | <u>86,804</u> |
| NET POSITION | | | |
| Restricted for: | | | |
| Pensions | 21,948,529 | - | 21,948,529 |
| Postemployment benefits other than pensions | - | 1,297,038 | 1,297,038 |
| Total net position | <u>\$ 21,948,529</u> | <u>\$ 1,297,038</u> | <u>\$ 23,245,567</u> |

NAME OF GOVERNMENT
Fiduciary Funds - Pension (and Other Employee Benefit) Trust Funds
Combining Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2027

| | Police Pension Trust Fund | Public Safety Other Postemployment Benefit Trust Fund | Total Pension (and Other Employee Benefit) Trust Funds |
|---|--|--|---|
| ADDITIONS | | | |
| Contributions: | | | |
| Employer | \$ 1,088,216 | \$ 1,605,905 | \$ 2,694,121 |
| Plan members | 548,946 | 163,063 | 712,009 |
| Total contributions | <u>1,637,162</u> | <u>1,768,968</u> | <u>3,406,130</u> |
| Investment earnings: | | | |
| Interest | 376,266 | 58,136 | 434,402 |
| Dividends | 12,522 | 2,579 | 15,101 |
| Net increase in the fair value of investments | <u>2,488,212</u> | <u>112,066</u> | <u>2,600,278</u> |
| Total investment earnings | 2,877,000 | 172,781 | 3,049,781 |
| Less investment expense | <u>49,899</u> | <u>10,038</u> | <u>59,937</u> |
| Net investment earnings | <u>2,827,101</u> | <u>162,743</u> | <u>2,989,844</u> |
| Total additions | <u>4,464,263</u> | <u>1,931,711</u> | <u>6,395,974</u> |
| DEDUCTIONS | | | |
| Benefits | 1,492,240 | 1,590,142 | 3,082,382 |
| Refunds of contributions | 9,254 | - | 9,254 |
| Administrative expenses | <u>4,838</u> | <u>1,739</u> | <u>6,577</u> |
| Total deductions | <u>1,506,332</u> | <u>1,591,881</u> | <u>3,098,213</u> |
| Net increase (decrease) in fiduciary net position | 2,957,931 | 339,830 | 3,297,761 |
| Net position - beginning of year | <u>18,990,598</u> | <u>957,208</u> | <u>19,947,806</u> |
| Net position - end of year | <u>\$ 21,948,529</u> | <u>\$ 1,297,038</u> | <u>\$ 23,245,567</u> |

STATISTICAL SECTION

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

| <u>Contents</u> | <u>Pages</u> |
|---|---------------------|
| Financial Trends <i>These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.</i> | 133 - 137 |
| Revenue Capacity <i>These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.</i> | 138 - 141 |
| Debt Capacity <i>These schedules present information to help the reader assess the affordability of the government's current level of outstanding debt and the government's ability to issue additional debt in the future.</i> | 142 - 146 |
| Demographic and Economic Information <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.</i> | 147 - 148 |
| Operating Information <i>These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.</i> | 149 - 151 |

Appendix D • Illustrative ACFR

NAME OF GOVERNMENT Net Position by Component Last Ten Fiscal Years (accrual basis of accounting)

| | Fiscal Year | | | | | | | | | |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | 2027 | 2026 | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 |
| Governmental activities | | | | | | | | | | |
| Net investment in capital assets | \$ 204,208,178 | \$ 205,689,215 | \$ 213,680,405 | \$ 214,948,718 | \$ 216,997,086 | \$ 218,452,330 | \$ 214,738,456 | \$ 212,516,234 | \$ 212,294,012 | \$ 212,071,790 |
| Restricted | 6,288,470 | 7,147,294 | 7,423,430 | 7,057,070 | 6,509,427 | 7,289,225 | 8,468,799 | 6,246,577 | 6,024,355 | 5,802,133 |
| Unrestricted | (65,694,857) | (54,897,830) | (54,262,464) | (56,216,315) | (56,668,036) | (55,803,329) | (59,606,134) | (58,960,444) | (59,324,645) | (59,431,494) |
| Total governmental activities net position | \$ 144,801,791 | \$ 157,938,679 | \$ 166,841,371 | \$ 165,789,473 | \$ 166,838,477 | \$ 169,938,226 | \$ 163,601,121 | \$ 159,802,367 | \$ 158,993,722 | \$ 158,442,429 |
| Business-type activities | | | | | | | | | | |
| Net investment in capital assets | \$ 28,829,549 | \$ 28,564,707 | \$ 27,573,605 | \$ 27,163,979 | \$ 27,592,642 | \$ 26,727,785 | \$ 27,311,185 | \$ 26,600,074 | \$ 26,377,852 | \$ 26,155,630 |
| Restricted | 257,452 | - | - | - | - | - | - | - | - | - |
| Unrestricted | 5,029,489 | 3,918,785 | 4,468,806 | 4,258,913 | 3,895,282 | 5,076,573 | 5,601,452 | 7,318,463 | 8,643,394 | 9,954,647 |
| Total business-type activities net position | \$ 34,116,490 | \$ 32,483,492 | \$ 32,042,411 | \$ 31,422,892 | \$ 31,487,924 | \$ 31,804,358 | \$ 32,912,637 | \$ 33,918,537 | \$ 35,021,246 | \$ 36,110,277 |
| Primary government | | | | | | | | | | |
| Net investment in capital assets | \$ 233,037,727 | \$ 234,253,922 | \$ 241,254,010 | \$ 242,112,697 | \$ 244,589,728 | \$ 245,180,115 | \$ 242,049,641 | \$ 239,116,308 | \$ 238,671,864 | \$ 238,227,420 |
| Restricted | 6,545,922 | 7,147,294 | 7,423,430 | 7,057,070 | 6,509,427 | 7,289,225 | 8,468,799 | 6,246,577 | 6,024,355 | 5,802,133 |
| Unrestricted | (60,665,368) | (50,979,045) | (49,793,658) | (51,957,402) | (52,772,754) | (50,726,756) | (54,004,682) | (51,641,981) | (50,681,251) | (49,476,847) |
| Total primary government net position | \$ 178,918,281 | \$ 190,422,171 | \$ 198,883,782 | \$ 197,212,365 | \$ 198,326,401 | \$ 201,742,584 | \$ 196,513,758 | \$ 193,720,904 | \$ 194,014,968 | \$ 194,552,706 |

Appendix D • Illustrative ACFR

NAME OF GOVERNMENT Changes in Net Position Last Ten Fiscal Years (accrual basis of accounting)

| | Fiscal Year | | | | | | | | | |
|------------------------------------|------------------|------------------|------------------|------------------|------------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | 2027 | 2026 | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 |
| Expenses | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| General government | \$ 32,216,739 | \$ 31,817,571 | \$ 24,734,046 | \$ 23,825,828 | \$ 22,360,541 | \$ 19,956,458 | \$ 18,433,468 | \$ 18,430,999 | \$ 18,406,311 | \$ 18,381,622 |
| Public safety | 59,935,190 | 59,427,149 | 57,170,449 | 56,215,513 | 53,251,097 | 44,465,059 | 37,808,992 | 37,607,685 | 37,194,618 | 36,881,550 |
| Highways and streets | 33,882,810 | 33,029,059 | 27,742,706 | 24,544,783 | 23,399,935 | 20,288,061 | 18,859,178 | 18,758,505 | 18,451,773 | 18,145,041 |
| Sanitation | 10,909,555 | 9,914,570 | 10,606,726 | 10,102,997 | 9,451,147 | 9,281,934 | 8,552,546 | 8,502,180 | 8,348,513 | 8,244,846 |
| Culture and recreation | 17,678,163 | 17,534,931 | 20,126,194 | 19,281,096 | 18,150,210 | 16,019,884 | 14,536,088 | 14,447,912 | 13,826,195 | 13,608,073 |
| Community development | 8,190,154 | 7,488,334 | 6,534,427 | 6,122,987 | 6,258,423 | 6,113,772 | 6,000,471 | 5,987,352 | 5,996,114 | 5,901,281 |
| Interest | 3,246,111 | 2,838,043 | 2,550,891 | 2,394,391 | 2,589,890 | 2,440,058 | 2,533,428 | 2,532,206 | 2,519,983 | 2,507,762 |
| Total Governmental Activities | 166,058,722 | 162,049,657 | 149,465,438 | 142,487,595 | 135,461,243 | 118,565,226 | 106,724,171 | 106,266,839 | 104,743,507 | 103,670,175 |
| Business-type Activities: | | | | | | | | | | |
| Water | 8,359,864 | 8,356,237 | 7,625,604 | 7,038,281 | 7,060,813 | 6,174,790 | 5,878,362 | 5,877,140 | 5,864,918 | 5,852,696 |
| Transit | 5,974,954 | 5,762,334 | 5,604,867 | 5,382,817 | 5,505,039 | 5,417,627 | 5,195,405 | 5,173,183 | 4,950,961 | 4,693,549 |
| Total Business-type Activities | 14,334,818 | 14,118,571 | 13,230,471 | 12,421,098 | 12,565,852 | 11,592,417 | 11,073,767 | 11,050,323 | 10,815,879 | 10,546,245 |
| Total Expenses | \$ 180,393,540 | \$ 176,168,228 | \$ 162,695,909 | \$ 154,908,693 | \$ 148,027,095 | \$ 130,157,643 | \$ 117,797,938 | \$ 117,317,162 | \$ 115,559,386 | \$ 114,216,420 |
| Program Revenues | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| Charges for services | | | | | | | | | | |
| General government | \$ 7,953,182 | \$ 7,841,202 | \$ 6,838,367 | \$ 6,819,679 | \$ 6,380,477 | \$ 6,054,614 | \$ 5,770,685 | \$ 4,469,610 | \$ 3,958,855 | \$ 3,248,099 |
| Public safety | 14,620,151 | 15,367,995 | 10,635,881 | 10,109,547 | 9,645,217 | 7,881,501 | 6,481,420 | 5,379,905 | 4,364,750 | 3,849,594 |
| Highways and streets | 9,296,585 | 8,974,640 | 8,879,220 | 8,849,489 | 8,496,213 | 7,882,340 | 5,930,636 | 5,128,925 | 4,311,814 | 3,894,703 |
| Sanitation | 2,682,219 | 2,212,837 | 2,121,670 | 1,919,971 | 1,725,498 | 1,450,419 | 1,324,608 | 1,224,510 | 1,173,532 | 1,022,554 |
| Culture and recreation | 3,300,105 | 3,413,071 | 2,954,111 | 2,937,627 | 2,462,043 | 2,076,543 | 948,046 | 938,326 | 936,217 | 935,538 |
| Community development | 67,703 | 151,112 | 154,238 | 162,227 | 165,447 | 175,554 | 174,993 | 184,224 | 181,444 | 177,234 |
| Total charges for services | 37,919,945 | 37,960,856 | 31,583,487 | 30,798,539 | 28,874,895 | 25,520,971 | 20,630,388 | 17,325,500 | 14,926,612 | 13,127,722 |
| Operating grants and contributions | 14,708,339 | 12,827,195 | 8,982,551 | 8,222,199 | 8,085,497 | 7,630,697 | 7,277,208 | 7,275,986 | 7,263,764 | 7,251,544 |
| Capital grants and contributions | 2,983,358 | 5,876,009 | 3,602,599 | 3,334,484 | 2,923,455 | 8,208,645 | 8,256,422 | 8,255,200 | 8,242,978 | 8,230,756 |
| Total Governmental Activities | 55,611,642 | 56,664,060 | 44,168,637 | 42,355,222 | 39,883,847 | 41,360,313 | 36,164,018 | 32,856,686 | 30,433,354 | 28,610,022 |
| Business-type Activities: | | | | | | | | | | |
| Charges for services | | | | | | | | | | |
| Water | 9,454,008 | 8,632,164 | 7,948,377 | 6,762,515 | 6,173,338 | 5,009,489 | 4,610,971 | 4,608,527 | 4,584,083 | 4,559,639 |
| Transit | 930,131 | 890,818 | 876,150 | 863,805 | 842,354 | 820,132 | 778,808 | 804,220 | 791,808 | 779,667 |
| Total charges for services | 10,384,139 | 9,522,982 | 8,824,527 | 7,626,320 | 7,015,692 | 5,829,621 | 5,389,779 | 5,412,747 | 5,375,891 | 5,339,306 |
| Operating grants and contributions | 401,441 | 370,202 | 54,123 | - | 203,324 | 63,425 | 40,629 | 39,407 | 27,185 | 23,937 |
| Capital grants and contributions | 1,178,126 | 839,053 | 515,564 | 644,220 | 549,912 | 54,479 | 955,430 | 683,098 | 1,251,834 | 1,054,729 |
| Total Business-type Activities | 11,963,706 | 10,732,237 | 9,394,214 | 8,270,540 | 7,768,928 | 5,947,525 | 6,385,838 | 6,135,252 | 6,654,910 | 6,417,972 |
| Total Program Revenues | \$ 67,575,348 | \$ 67,396,297 | \$ 53,562,851 | \$ 50,625,762 | \$ 47,652,775 | \$ 47,307,838 | \$ 42,549,856 | \$ 38,991,938 | \$ 37,088,264 | \$ 35,027,994 |
| Net (Expense)/Revenue | | | | | | | | | | |
| Governmental Activities | \$ (110,447,080) | \$ (105,385,597) | \$ (105,296,801) | \$ (100,132,373) | \$ (95,577,396) | \$ (77,204,913) | \$ (70,560,153) | \$ (73,410,153) | \$ (74,310,153) | \$ (75,060,153) |
| Business-type Activities | (2,371,112) | (3,386,334) | (3,836,257) | (4,150,558) | (4,796,924) | (5,644,892) | (4,687,929) | (4,915,071) | (4,160,969) | (4,128,273) |
| Total Net (Expense)/Revenue | \$ (112,818,192) | \$ (108,771,931) | \$ (109,133,058) | \$ (104,282,931) | \$ (100,374,320) | \$ (82,849,805) | \$ (75,248,082) | \$ (78,325,224) | \$ (78,471,122) | \$ (79,188,426) |

Appendix D • Illustrative ACFR

Name of Government Changes in Net Position (continued) Last Ten Fiscal Years (accrual basis of accounting)

| | Fiscal Year | | | | | | | | | |
|---|-----------------|----------------|----------------|----------------|----------------|---------------|---------------|---------------|---------------|----------------|
| | 2027 | 2026 | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 |
| General Revenues and Transfers | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| Property Taxes | \$ 45,060,105 | \$ 43,705,394 | \$ 41,562,032 | \$ 40,677,976 | \$ 39,560,991 | \$ 36,187,978 | \$ 32,443,742 | \$ 32,442,520 | \$ 32,430,298 | \$ 32,418,076 |
| Sales Tax | 44,368,865 | 45,588,771 | 44,853,309 | 42,886,257 | 41,429,781 | 37,698,714 | 34,413,440 | 34,412,218 | 34,399,996 | 34,387,774 |
| Franchise taxes | 1,537,833 | 1,897,939 | 1,393,945 | 1,490,316 | 1,373,286 | 1,365,271 | 1,151,473 | 1,150,251 | 1,138,029 | 1,125,807 |
| Intergovernmental-unrestricted | 1,753,982 | 1,692,600 | 11,129,981 | 10,448,692 | 9,398,195 | 7,112,143 | 7,136,794 | 7,135,572 | 7,123,350 | 7,111,128 |
| Unrestricted investment earnings | 3,973,515 | 3,055,796 | 2,603,890 | 2,128,736 | 1,983,331 | 671,908 | 1,845,553 | 1,843,109 | 1,818,665 | 1,794,221 |
| Payments in lieu of taxes | 2,345,545 | 2,288,147 | 2,255,443 | 2,294,583 | - | - | - | - | - | - |
| Gain (loss) on sale of capital assets | 22,276 | - | - | - | - | - | - | - | - | - |
| Miscellaneous | 2,596,367 | 1,858,896 | 6,833,167 | 3,079,037 | 3,056,187 | 1,616,921 | 882,139 | 880,917 | 868,695 | 856,473 |
| Transfers in (out) | (3,728,209) | (3,604,638) | (4,283,068) | (3,922,228) | (4,324,124) | (4,415,778) | (3,514,234) | (3,645,789) | (2,917,587) | (2,641,785) |
| Special Item | - | - | - | - | - | 3,304,861 | - | - | - | - |
| Total general revenues, transfers, and special item | 97,930,279 | 96,482,905 | 106,348,699 | 99,083,369 | 92,477,647 | 83,542,018 | 74,358,907 | 74,218,798 | 74,861,446 | 75,051,694 |
| Business-type Activities: | | | | | | | | | | |
| Unrestricted investment earnings | \$ 287,010 | \$ 222,777 | \$ 172,708 | \$ 163,298 | \$ 156,366 | \$ 120,835 | \$ 167,795 | \$ 166,573 | \$ 154,351 | \$ 142,129 |
| Transfers in (out) | 3,728,209 | 3,604,638 | 4,283,068 | 3,922,228 | 4,324,124 | 4,415,778 | 3,514,234 | 3,645,789 | 2,917,587 | 2,641,785 |
| Total Business-type activities | 4,015,219 | 3,827,415 | 4,455,776 | 4,085,526 | 4,480,490 | 4,536,613 | 3,682,029 | 3,812,362 | 3,071,938 | 2,783,914 |
| Total primary government | \$ 101,945,498 | \$ 100,310,320 | \$ 110,804,475 | \$ 103,168,895 | \$ 96,958,137 | \$ 88,078,631 | \$ 78,040,936 | \$ 78,031,160 | \$ 77,933,384 | \$ 77,835,608 |
| Change in Net Position | | | | | | | | | | |
| Governmental Activities | \$ (12,516,801) | \$ (8,902,692) | \$ 1,051,898 | \$ (1,049,004) | \$ (3,099,749) | \$ 6,337,105 | \$ 3,798,754 | \$ 808,645 | \$ 551,293 | \$ (8,459) |
| Business-type Activity | 1,644,107 | 441,081 | 619,519 | (65,032) | (316,434) | (1,108,279) | (1,005,900) | (1,102,709) | (1,089,031) | (1,344,359) |
| Total Change in Net Position | \$ (10,872,694) | \$ (8,461,611) | \$ 1,671,417 | \$ (1,114,036) | \$ (3,416,183) | \$ 5,228,826 | \$ 2,792,854 | \$ (294,064) | \$ (537,738) | \$ (1,352,818) |

Appendix D • Illustrative ACFR

NAME OF GOVERNMENT Fund Balances of Governmental Funds Last Ten Fiscal Years (modified accrual basis of accounting)

| | Fiscal Year | | | | | | | | | |
|------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2027 | 2026 | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 |
| General Fund | | | | | | | | | | |
| Nonspendable | \$ 3,810,899 | \$ 1,112,367 | \$ 1,158,208 | \$ 1,116,199 | \$ 1,165,587 | \$ 1,192,637 | \$ 1,174,232 | \$ 1,149,202 | \$ 1,181,721 | \$ 1,175,130 |
| Restricted | 1,500,000 | - | - | - | - | - | - | - | - | - |
| Committed | 407,377 | - | - | - | - | - | - | - | - | - |
| Assigned | 2,808,387 | 6,134,938 | 1,714,649 | 510,469 | 1,189,412 | 1,143,725 | 522,315 | 498,256 | 979,812 | 835,217 |
| Unassigned | 13,302,201 | 21,125,605 | 27,120,781 | 24,470,440 | 28,052,072 | 25,728,970 | 18,502,740 | 25,907,004 | 24,151,591 | 13,342,127 |
| Total general fund | <u>\$ 21,828,864</u> | <u>\$ 28,372,910</u> | <u>\$ 29,993,638</u> | <u>\$ 26,097,108</u> | <u>\$ 30,407,071</u> | <u>\$ 28,065,332</u> | <u>\$ 20,199,287</u> | <u>\$ 27,554,462</u> | <u>\$ 26,313,124</u> | <u>\$ 15,352,474</u> |
| All other governmental funds | | | | | | | | | | |
| Nonspendable | \$ 10,614 | \$ 10,573 | \$ 10,527 | \$ 250 | \$ - | \$ - | \$ 948 | \$ - | \$ 215 | \$ - |
| Restricted | 7,870,127 | 12,718,778 | 12,508,040 | 9,523,094 | 10,801,837 | 9,868,768 | 13,478,541 | 15,884,573 | 9,963,083 | 9,012,351 |
| Committed: | 1,911,693 | 635,485 | 298,468 | 298,468 | 147,685 | 147,685 | - | - | - | - |
| Assigned | - | - | - | - | - | 3,624,645 | 4,909,990 | - | - | - |
| Unassigned | (4,266,321) | - | (2,214,030) | (222,315) | (3,315,220) | - | - | (2,593,189) | (988,776) | - |
| Total all other governmental funds | <u>\$ 5,526,113</u> | <u>\$ 13,364,836</u> | <u>\$ 10,603,005</u> | <u>\$ 9,599,497</u> | <u>\$ 7,634,302</u> | <u>\$ 13,641,098</u> | <u>\$ 18,389,479</u> | <u>\$ 13,291,384</u> | <u>\$ 8,974,522</u> | <u>\$ 9,012,351</u> |

Notes:

- (1) The deficit unassigned fund balances reported in the other governmental funds are the result of bond anticipation notes issued and reported as a liability in the Capital Projects Fund.
- (2) The increase in the General Fund's nonspendable fund balance is due to long-term receivables entered into for a public-private partnership and a lease.

Appendix D • Illustrative ACFR

NAME OF GOVERNMENT Changes in Fund Balances of Governmental Funds Last Ten Fiscal Years (modified accrual basis of accounting)

| | Fiscal Year | | | | | | | | | |
|--|------------------------|------------------------|---------------------|-----------------------|-----------------------|-----------------------|-----------------------|---------------------|----------------------|---------------------|
| | 2027 | 2026 | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 |
| REVENUES | | | | | | | | | | |
| Property taxes | \$ 44,805,729 | \$ 44,878,064 | \$ 43,646,644 | \$ 41,275,590 | \$ 39,970,123 | \$ 36,433,998 | \$ 34,137,925 | \$ 30,942,676 | \$ 29,296,239 | \$ 28,498,615 |
| Sales taxes | 44,368,865 | 44,440,582 | 43,221,166 | 40,878,100 | 39,585,359 | 36,185,655 | 34,314,888 | 30,641,039 | 29,010,652 | 28,223,727 |
| Franchise taxes | 1,537,833 | 1,540,319 | 1,498,054 | 1,399,512 | 1,354,705 | 1,226,473 | 1,137,370 | 1,062,024 | 1,005,515 | 967,842 |
| Payments in lieu of taxes | 2,649,889 | 2,288,147 | 2,255,443 | 2,294,583 | - | - | - | - | - | - |
| Licenses and permits | 19,042,679 | 4,253,707 | 4,714,648 | 4,947,321 | 3,461,692 | 2,319,937 | 2,749,721 | 3,193,943 | 2,195,943 | 2,173,721 |
| Intergovernmental | 19,207,530 | 18,228,591 | 19,402,038 | 18,610,505 | 18,146,071 | 16,418,321 | 16,444,995 | 15,694,995 | 14,806,995 | 13,806,996 |
| Charges for services | 6,670,562 | 17,976,903 | 14,355,680 | 14,031,230 | 13,346,928 | 11,112,023 | 9,587,683 | 9,107,683 | 8,457,683 | 7,082,683 |
| Fines and forfeitures | 3,835,015 | 7,537,158 | 7,511,149 | 7,623,848 | 6,980,147 | 4,900,776 | 4,599,093 | 4,539,093 | 4,761,315 | 4,305,760 |
| Investment earnings | 4,491,557 | 2,131,948 | 2,436,139 | 2,018,885 | 1,085,579 | 529,057 | 959,831 | 937,609 | 904,276 | 848,721 |
| Fees | 470,000 | 5,327,040 | 4,026,579 | 3,905,891 | 3,118,156 | 5,148,016 | 5,686,189 | 4,908,412 | 4,352,857 | 3,441,746 |
| Special assessments | 2,345,545 | - | - | - | - | - | - | - | - | - |
| Miscellaneous | 2,596,367 | 4,423,236 | 7,695,231 | 4,149,550 | 4,425,309 | 6,451,423 | 7,547,760 | 4,414,198 | 7,525,538 | 5,662,535 |
| Total Revenues | <u>152,021,571</u> | <u>153,025,695</u> | <u>150,762,771</u> | <u>141,135,015</u> | <u>131,474,069</u> | <u>120,725,679</u> | <u>117,165,455</u> | <u>105,441,672</u> | <u>102,317,013</u> | <u>95,012,346</u> |
| EXPENDITURES | | | | | | | | | | |
| Current: | | | | | | | | | | |
| General government | 29,778,662 | 27,697,982 | 25,710,086 | 24,351,996 | 21,636,465 | 19,834,138 | 18,001,573 | 17,232,685 | 16,481,019 | 13,049,908 |
| Public safety | 56,845,918 | 55,482,693 | 53,232,761 | 51,555,464 | 46,742,123 | 42,067,710 | 37,157,871 | 32,713,427 | 30,833,635 | 23,824,539 |
| Highways and streets | 27,472,013 | 23,703,093 | 22,223,697 | 19,360,550 | 18,841,650 | 13,833,659 | 13,039,449 | 12,281,672 | 11,478,894 | 10,661,116 |
| Sanitation | 8,140,187 | 7,988,698 | 7,698,698 | 7,135,926 | 7,113,206 | 6,814,199 | 6,429,985 | 6,063,319 | 6,221,652 | 5,329,985 |
| Culture and recreation | 16,720,404 | 15,259,782 | 18,743,445 | 18,048,555 | 16,580,432 | 14,442,955 | 12,949,564 | 11,230,668 | 9,593,152 | 8,056,762 |
| Community development | 7,317,937 | 7,231,113 | 6,121,875 | 5,754,213 | 5,925,202 | 5,887,930 | 5,774,024 | 5,864,031 | 5,872,658 | 5,780,160 |
| Debt Service: | | | | | | | | | | |
| Principal | 5,357,958 | 6,324,088 | 6,577,407 | 6,299,245 | 6,060,995 | 6,852,569 | 6,985,217 | 6,630,347 | 5,549,245 | 6,277,023 |
| Interest and fiscal charges | 3,250,148 | 2,783,145 | 2,525,172 | 2,762,142 | 2,489,014 | 2,328,124 | 2,627,514 | 2,477,514 | 2,350,346 | 2,095,476 |
| Issuance costs | 288,505 | - | 138,109 | - | - | 108,271 | - | - | - | - |
| Capital Outlay | 14,641,909 | 24,644,360 | 7,567,246 | 7,863,464 | 12,989,505 | 16,934,301 | 20,569,823 | 7,419,020 | 9,478,224 | 18,422,138 |
| Total Expenditures | <u>169,813,641</u> | <u>171,114,954</u> | <u>150,538,496</u> | <u>143,131,555</u> | <u>138,378,592</u> | <u>129,103,856</u> | <u>123,535,020</u> | <u>101,912,683</u> | <u>97,858,825</u> | <u>93,497,107</u> |
| Excess (Deficiency) of Revenues over Expenditures | <u>\$ (17,792,070)</u> | <u>\$ (18,089,259)</u> | <u>\$ 224,275</u> | <u>\$ (1,996,540)</u> | <u>\$ (6,904,523)</u> | <u>\$ (8,378,177)</u> | <u>\$ (6,369,565)</u> | <u>\$ 3,528,989</u> | <u>\$ 4,458,188</u> | <u>\$ 1,515,239</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | | | | | |
| Transfers in | \$ 3,482,499 | \$ 17,494,976 | \$ 17,598,166 | \$ 16,551,216 | \$ 12,750,296 | \$ 7,709,375 | \$ 11,125,659 | \$ 16,328,994 | \$ 6,931,598 | \$ 7,931,597 |
| Transfers out | (7,210,708) (1) | (21,099,614) | (21,881,234) | (20,473,444) | (17,074,420) | (12,125,153) | (14,639,893) | (19,974,783) | (9,849,185) | (10,573,382) |
| Notes issued | 2,000,000 | - | - | - | - | - | - | - | - | - |
| Refunding bonds issued | 5,810,000 | - | 12,470,000 | - | - | 8,180,946 | - | - | 18,275,000 | - |
| Premium on refunding bonds issued | 249,914 | - | 509,521 | - | - | 209,942 | - | - | 788,468 | - |
| Special assessment bonds issued | 4,700,000 | - | - | - | - | - | - | - | - | - |
| Discount on special assessment bonds | (10,354) | - | - | - | - | - | - | - | - | - |
| Payment to refunded bond escrow agent | (5,937,204) | - | (12,841,412) | - | - | (8,282,617) | - | - | (18,359,248) | - |
| Leases (as lessee) | 57,517 | - | - | - | 938,657 | - | - | - | - | - |
| SBITA | 42,105 | - | - | - | - | - | - | - | - | - |
| Sales of general capital assets | 31,450 | - | - | - | 222,315 | - | - | - | - | - |
| Insurance recoveries | 194,082 | - | - | - | - | - | - | - | - | - |
| General obligation bonds issued | - | 22,835,000 | 8,644,500 | 3,574,000 | 6,275,000 | 9,547,000 | 7,525,000 | 5,675,000 | 8,678,000 | 2,888,000 |
| Premium on general obligation bonds | - | - | 176,222 | - | 127,618 | - | 101,719 | - | - | - |
| Total Other Financing Sources (Uses) | <u>3,409,301</u> | <u>19,230,362</u> | <u>4,675,763</u> | <u>(348,228)</u> | <u>3,239,466</u> | <u>5,239,493</u> | <u>4,112,485</u> | <u>2,029,211</u> | <u>6,464,633</u> | <u>246,215</u> |
| Unusual or Infrequent items | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>6,256,348 (2)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balances | <u>\$ (14,382,769)</u> | <u>\$ 1,141,103</u> | <u>\$ 4,900,038</u> | <u>\$ (2,344,768)</u> | <u>\$ (3,665,057)</u> | <u>\$ 3,117,664</u> | <u>\$ (2,257,080)</u> | <u>\$ 5,558,200</u> | <u>\$ 10,922,821</u> | <u>\$ 1,761,454</u> |
| Debt service as a percentage of noncapital expenditures | 5.57% | 6.26% | 6.41% | 6.75% | 6.85% | 8.22% | 9.42% | 9.78% | 9.04% | 11.46% |

(1) The government began recording property tax revenues directly in the fund that benefits from them, rather than transferring the revenues out of the General Fund.

(2) On March 29, 2022, the government sold park land for \$6,256,348.

Appendix D • Illustrative ACFR

NAME OF GOVERNMENT
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

| Fiscal Year Ended June 30 | One-Three Family Residences | Condo, Co-ops, Apartments | Commercial | Less Tax-Exempt Property | Total Taxable Assessed Value | Taxable Assessed Value as a Percentage of Estimated Actual Value | Estimated Actual Value of Taxable Property | Total Direct Rate |
|--|--|--|-------------------|---|---|---|---|----------------------------------|
| 2027 | \$ 121,005,719 | \$ 72,739,746 | \$ 248,431,682 | \$ 151,987,770 | \$ 290,189,377 | 2.75% | \$ 10,552,340,982 | 147.48 |
| 2026 | 120,796,989 | 72,115,083 | 253,648,541 | 156,658,202 | 289,902,411 | 2.75% | 10,541,905,855 | 141.93 |
| 2025 | 120,349,269 | 72,309,698 | 258,470,800 | 154,975,203 | 296,154,564 | 3.24% | 9,140,572,963 | 132.64 |
| 2024 | 119,440,434 | 66,388,333 | 268,331,520 | 151,904,088 | 302,256,199 | 3.54% | 8,538,310,706 | 123.05 |
| 2023 | 118,563,640 | 64,679,083 | 275,369,362 | 153,931,776 | 304,680,309 | 3.82% | 7,975,924,319 | 117.61 |
| 2022 | 117,932,903 | 64,189,864 | 282,257,581 | 147,275,814 | 317,104,534 | 4.45% | 7,125,944,584 | 104.31 |
| 2021 | 117,927,223 | 63,724,104 | 283,224,518 | 145,441,665 | 319,434,180 | 4.71% | 6,782,042,038 | 97.00 |
| 2020 | 116,736,008 | 63,651,429 | 283,447,393 | 145,410,174 | 318,424,656 | 6.35% | 5,014,561,512 | 91.48 |
| 2019 | 115,635,003 | 63,825,309 | 282,725,648 | 145,141,310 | 317,044,650 | 7.09% | 4,471,715,797 | 91.48 |
| 2018 | 110,803,152 | 53,130,144 | 152,440,740 | N/A (1) | 316,374,036 | 7.46% | 4,240,938,820 | 89.15 |

(1) Exemptions are reflected in the assessed valuation numbers.

Source: County Assessor's Office

Note: Property in the county is reassessed annually. Tax rates are per \$1,000 of assessed value.

Appendix D • Illustrative ACFR

NAME OF GOVERNMENT
Property Tax Rates
Direct and Overlapping Governments
Last Ten Fiscal Years

| Fiscal Year | Name of Government (1) | | | | Overlapping Rates | | | | | | Total Direct and Overlapping |
|----------------|------------------------|--------------------|----------------------------|-------------------------|--------------------|-----------|---------------------------|--------------------------------|-----------------------------|-----------------------------|------------------------------------|
| | Operating Millage | Library Millage | Debt Service Millage | Total Direct Rate | School District | County | | | | | |
| | | | | | | County | Sewer Districts | Refuse Disposal District | Total County | | |
| 2027 | \$ 103.19 | \$ 17.70 | \$ 26.59 | \$ 147.48 | \$ 503.01 | \$ 102.80 | \$ 14.51 (2) 17.53 (3) | \$ 9.82 | \$ 127.13 (2) 130.15 (3) | \$ 777.62 (2) 780.64 (3) | |
| 2026 | 141.93 | - | - | 141.93 | 474.62 | 93.22 | 12.96 (2) 15.75 (3) | 10.15 | 116.33 (2) 119.12 (3) | 732.88 (2) 735.67 (3) | |
| 2025 | 132.64 | - | - | 132.64 | 443.77 | 88.89 | 10.32 (2) 13.29 (3) | 10.24 | 109.45 (2) 112.42 (3) | 685.86 (2) 688.83 (3) | |
| 2024 | 123.05 | - | - | 123.05 | 410.45 | 86.10 | 9.82 (2) 12.43 (3) | 10.28 | 106.20 (2) 108.81 (3) | 639.70 (2) 642.31 (3) | |
| 2023 | 117.61 | - | - | 117.61 | 375.30 | 82.26 | 8.73 (2) 10.75 (3) | 9.75 | 100.74 (2) 102.76 (3) | 593.65 (2) 595.67 (3) | |
| 2022 | 104.31 | - | - | 104.31 | 349.03 | 62.88 | 7.80 (2) 9.39 (3) | 8.60 | 79.28 (2) 80.87 (3) | 532.62 (2) 534.21 (3) | |
| 2021 | 97.00 | - | - | 97.00 | 326.53 | 54.36 | 7.04 (2) 9.83 (3) | 7.86 | 69.26 (2) 72.05 (3) | 492.79 (2) 495.58 (3) | |
| 2020 | 91.48 | - | - | 91.48 | 300.71 | 54.99 | 7.36 (2) 9.82 (3) | 8.16 | 70.51 (2) 72.97 (3) | 462.70 (2) 465.16 (3) | |
| 2019 | 91.48 | - | - | 91.48 | 278.59 | 59.68 | 7.29 (2) 11.14 (3) | 8.30 | 75.27 (2) 79.12 (3) | 445.34 (2) 449.19 (3) | |
| 2018 | 89.15 | - | - | 89.15 | 258.81 | 61.48 | 7.57 (2) 11.34 (3) | 8.34 | 77.39 (2) 81.16 (3) | 425.35 (2) 429.12 (3) | |

(1) During the current fiscal year, the levy rates were separated for the library and for debt service.

(2) Summer Valley District

(3) River Valley District

NAME OF GOVERNMENT
Principal Property Taxpayers
Current Year and Nine Years Ago

| Taxpayer | 2027 | | | 2018 | | |
|--------------------------------|----------------------------------|------|---|----------------------------------|------|---|
| | Taxable Assessed Valuation | Rank | Percentage of Total Assessed Valuation | Taxable Assessed Valuation | Rank | Percentage of Total Assessed Valuation |
| Mall Management Company, LP | \$ 11,079,450 | 1 | 3.82% | \$ 13,253,400 | 2 | 4.19% |
| Electric Power Company | 10,563,972 | 2 | 3.64% | 13,326,544 | 1 | 4.21% |
| Kruger Imports | 8,100,000 | 3 | 2.79% | | | |
| 4532 Kostner Property LLC | 4,270,000 | 4 | 1.47% | | | |
| RKD Realty Associates, LP | 4,010,000 | 5 | 1.38% | 4,839,200 | 9 | 1.53% |
| Willowbrook Plaza | 3,394,800 | 6 | 1.17% | | | |
| Weston Group, Inc. | 3,275,000 | 7 | 1.13% | | | |
| American Telephone & Telegraph | 3,125,000 | 8 | 1.08% | 7,939,492 | 6 | 2.51% |
| Initech, LLC | 2,200,000 | 9 | 0.76% | | | |
| Varnsen Synthetics | 2,084,689 | 10 | 0.72% | | | |
| BLK Life Insurance Co. | | | | 10,350,000 | 3 | 3.27% |
| Cadillac Mall | | | | 8,610,000 | 4 | 2.72% |
| Van Del Aye Inc. | | | | 7,995,500 | 5 | 2.53% |
| Northern Properties | | | | 6,522,000 | 7 | 2.06% |
| Westhaven One | | | | 6,370,000 | 8 | 2.01% |
| State Telephone Company | | | | 3,989,894 | 10 | 1.26% |
| | <u>\$ 52,102,911</u> | | <u>17.95%</u> | <u>\$ 83,196,030</u> | | <u>26.30%</u> |

Source: Assessor's Office

NAME OF GOVERNMENT
Property Tax Levies and Collections
Last Ten Fiscal Years

| Fiscal Year Ended June 30 | Total Tax Levy for Fiscal Year | Collected within the Fiscal Year of the Levy | | Collections in Subsequent Years | Total Collections to Date | |
|--|---|---|-------------------------------|--|----------------------------------|-------------------------------|
| | | Amount Collected | Percentage of Levy | | Amount Collected | Percentage of Levy |
| 2027 | \$ 44,294,228 | \$ 43,909,528 | 99.13% | \$ - | \$ 43,909,528 | 99.13% |
| 2026 | 43,889,768 | 43,531,722 | 99.18% | 179,463 | 43,711,185 | 99.59% |
| 2025 | 42,517,288 | 42,337,304 | 99.58% | 131,824 | 42,469,128 | 99.89% |
| 2024 | 40,886,754 | 40,037,322 | 97.92% | 840,693 | 40,878,015 | 99.98% |
| 2023 | 39,476,392 | 38,771,019 | 98.21% | 697,106 | 39,468,125 | 99.98% |
| 2022 | 35,747,472 | 35,340,978 | 98.86% | 402,536 | 35,743,514 | 99.99% |
| 2021 | 33,374,171 | 33,113,787 | 99.22% | 256,641 | 33,370,428 | 99.99% |
| 2020 | 30,137,040 | 30,014,396 | 99.59% | 118,144 | 30,132,540 | 99.99% |
| 2019 | 28,461,997 | 28,417,352 | 99.84% | 41,645 | 28,458,997 | 99.99% |
| 2018 | 27,706,272 | 27,643,657 | 99.77% | 56,115 | 27,699,772 | 99.98% |

Source: Name of Government Finance Department

NAME OF GOVERNMENT
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

| Fiscal Year | Governmental Activities | | | | | Business-type Activities | Total Outstanding Debt | Percentage of Personal Income (2) | Population (3) | Debt per Capita |
|----------------|------------------------------------|------------------------------------|-------------------------------|--------------------|---------------------------|-----------------------------|------------------------------|---|----------------|-----------------------|
| | General Obligation Bonds (1) | Special Assessment Bonds (1) | Private Placement Notes | Lease Liability | Subscription Liability | Revenue Bonds | | | | |
| 2027 | \$ 73,022,878 | \$ 4,690,681 | \$ 2,000,000 | \$ 49,587 | \$ 42,105 | \$ 10,042,000 | \$ 89,847,251 | 5.00% | 57,468 | \$ 1,563 |
| 2026 | 77,994,507 | - | - | 644,165 | - | 11,069,000 | 89,707,672 | 5.00% | 57,100 | 1,571 |
| 2025 | 60,529,569 | - | - | 744,279 | - | 11,021,000 | 72,294,848 | 3.99% | 57,079 | 1,267 |
| 2024 | 57,905,557 | - | - | 842,430 | - | 9,154,000 | 67,901,987 | 3.94% | 56,972 | 1,192 |
| 2023 | 60,593,966 | - | - | 938,657 | - | 7,189,000 | 68,721,623 | 4.09% | 57,250 | 1,200 |
| 2022 | 60,379,961 | - | - | - | - | 5,919,000 | 66,298,961 | 4.17% | 56,825 | 1,167 |
| 2021 | 57,501,584 | - | - | - | - | 5,136,000 | 62,637,584 | 4.10% | 56,216 | 1,114 |
| 2020 | 55,279,362 | - | - | - | - | 4,458,000 | 59,737,362 | 4.16% | 55,664 | 1,073 |
| 2019 | 54,067,251 | - | - | - | - | 3,668,000 | 57,735,251 | 4.20% | 54,297 | 1,063 |
| 2018 | 60,371,744 | - | - | - | - | 2,880,000 | 63,251,744 | 4.90% | 53,307 | 1,187 |

(1) Presented net of original issuance discounts and premiums

(2) Personal income is disclosed on Demographic and Economic Statistics table

(3) U.S. Census Bureau

NAME OF GOVERNMENT
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years

| Fiscal Year Ended June 30 | General Obligation Bonds (1) | Less: Amounts Restricted for Debt Service Principal | Total | Percentage of Estimated Actual Taxable Value of Property (2) | Per Capita (3) |
|--|---|--|---------------|---|---------------------------|
| 2027 | \$ 73,022,878 | \$ 525,000 | \$ 72,497,878 | 0.69% | \$ 1,262 |
| 2026 | 77,994,507 | 800,000 | 77,194,507 | 0.73% | 1,352 |
| 2025 | 60,529,569 | 650,000 | 59,879,569 | 0.66% | 1,049 |
| 2024 | 57,905,557 | 580,000 | 57,325,557 | 0.67% | 1,006 |
| 2023 | 60,593,966 | 620,000 | 59,973,966 | 0.75% | 1,048 |
| 2022 | 60,379,961 | 600,000 | 59,779,961 | 0.84% | 1,052 |
| 2021 | 57,501,584 | 425,000 | 57,076,584 | 0.84% | 1,015 |
| 2020 | 55,279,362 | 415,000 | 54,864,362 | 1.09% | 986 |
| 2019 | 54,067,251 | 325,000 | 53,742,251 | 1.20% | 990 |
| 2018 | 60,371,744 | 650,000 | 59,721,744 | 1.41% | 1,120 |

(1) This is the general bonded debt of both governmental and business-type activities, net of original issuance discounts and premiums.

(2) See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property for property value data.

(3) Population data can be found in the schedule of Ratios of Outstanding Debt by Type.

(4) Details regarding the Name of Government's outstanding debt can be found in the notes to the financial statements.

NAME OF GOVERNMENT
Direct and Overlapping Governmental Activities Debt
As of June 30, 2027

| <u>Government Unit:</u> | <u>Debt Outstanding</u> | <u>Estimated Percentage Applicable</u> | <u>Amount Applicable to NAME OF GOVERNMENT</u> |
|-----------------------------------|------------------------------------|---|---|
| School District | \$ 100,170,000 | 100.00% | \$ 100,170,000 |
| County | 708,325,064 | 5.19% | 36,762,071 |
| Subtotal, overlapping debt | | | 136,932,071 |
| NAME OF GOVERNMENT direct debt | | | 79,805,251 |
| Total direct and overlapping debt | | | <u><u>\$ 216,737,322</u></u> |

Sources: Outstanding debt from the financial statements of the School District and the County. The applicable percentages provided by County Assessor's Office.

Note: Overlapping governments are those below the state level that coincide, at least in part, with geographic boundaries of the NAME OF GOVERNMENT. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the property taxpayers of the NAME OF GOVERNMENT. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the property taxpayers should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt of each overlapping government.

NAME OF GOVERNMENT
Legal Debt Margin Information
June 30, 2027

| Fiscal Year | Total Taxable Assessed Value | Taxable Assessed Value as a Percentage of Estimated Actual Value | Estimated Actual Taxable Value |
|---|-------------------------------------|---|---------------------------------------|
| 2027 | \$ 290,189,377 | 2.75% | \$ 10,552,340,982 |
| 2026 | 289,902,411 | 2.75% | 10,541,905,855 |
| 2025 | 296,154,564 | 3.24% | 9,140,572,963 |
| 2024 | 302,256,199 | 3.54% | 8,538,310,706 |
| 2023 | 304,680,309 | 3.82% | 7,975,924,319 |
| Total Five Year Valuation | | | \$ 46,749,054,825 |
| Five Year Average Full Valuation of Taxable Real Property | | | \$ 9,349,810,965 |
| Constitutional Debt Limit (7% of Average Full Valuation) | | | \$ 654,486,768 |
| Outstanding General Obligation Indebtedness as of June 30, 2027 (excluding any discounts and premiums) | | | |
| Governmental Activities - General Obligation Debt | | | \$ 72,352,863 |
| Governmental Activities - Short-term Debt - Bond Anticipation Notes | | | 6,905,200 |
| Net Indebtedness subject to debt limit | | | \$ 79,258,063 |
| Net debt contracting margin | | | \$ 575,228,705 |
| Percentage of net debt contracting margin available | | | 87.89% |
| Percentage of net debt contracting power exhausted | | | 12.11% |

| Last Ten Fiscal Years | | | |
|------------------------------|----------------------------------|---|--|
| Year | Constitutional Debt Limit | Outstanding Indebtedness June 30 | Percentage of Net Debt Contracting Margin Available |
| 2027 | \$ 654,486,768 | \$ 79,258,063 | 87.89% |
| 2026 | 606,517,218 | 79,764,930 | 86.85% |
| 2025 | 553,691,863 | 62,328,944 | 88.74% |
| 2024 | 495,927,703 | 62,083,557 | 87.48% |
| 2023 | 438,995,374 | 72,519,200 | 83.48% |
| 2022 | 386,728,897 | 66,299,700 | 82.86% |
| 2021 | 342,919,806 | 64,365,700 | 81.23% |
| 2020 | 305,609,037 | 64,373,139 | 78.94% |
| 2019 | 288,699,535 | 60,396,307 | 79.08% |
| 2018 | 278,230,257 | 67,976,953 | 75.57% |

NAME OF GOVERNMENT
Principal Employers
Current Year and Nine Years Ago

| Employer | 2027 | | | 2018 | | |
|-----------------------------------|------------------|-------------|--|------------------|-------------|--|
| | Employees | Rank | Percentage of Total City Employment | Employees | Rank | Percentage of Total City Employment |
| Hospital Center | 1,300 | 1 | 3.26% | 1,125 | 1 | 3.38% |
| School District | 1,155 | 2 | 2.90% | 995 | 2 | 3.22% |
| NAME OF GOVERNMENT | 1,151 | 3 | 2.89% | 822 | 3 | 1.62% |
| IBM | 700 | 4 | 1.76% | 352 | 9 | 0.58% |
| Fortuno | 650 | 5 | 1.63% | | | |
| Rehabilitation Hospital | 550 | 6 | 1.38% | 498 | 4 | 1.25% |
| Bloomington's | 500 | 7 | 1.25% | 462 | 5 | 1.22% |
| Nordstrom | 440 | 8 | 1.10% | 402 | 8 | 1.16% |
| National Economic Research | 430 | 9 | 1.08% | | | |
| Alliance Capital Management Corp. | 430 | 10 | 1.08% | | | |
| XYZ Corporation | | | | 410 | 7 | 1.19% |
| State Mental Health Facility | | | | 422 | 6 | 1.21% |
| Spark Electric | | | | 298 | 10 | 0.52% |
| | <u>7,306</u> | | <u>18.32%</u> | <u>5,786</u> | | <u>15.35%</u> |

Source: State Department of Commerce and County Planning Department

NAME OF GOVERNMENT
Pledged-Revenue Coverage
June 30, 2027

| Special Assessment Bonds | | | | | | |
|---------------------------------|---|---------------------|-----------------|-----------------|--|--|
| Fiscal Year | Special Assessment Collections | Debt Service | | Coverage | | |
| | | Principal | Interest | | | |
| 2027 | \$ 658,000 | \$ - (1) | \$ 188,000 | 3.50 | | |

| Revenue Bonds | | | | | | |
|------------------------|----------------------------|-----------------|----------------------------|---------------------|-----------------|-----------------|
| Fiscal Year | Pledged Revenue | Expenses | Net Revenue (2) | Debt Service | | Coverage |
| | | | | Principal | Interest | |
| 2027 | \$ 9,596,776 | \$ 7,003,921 | \$ 2,592,855 | \$ 1,027,000 | \$ 448,474 | 1.76 |
| 2026 | 9,259,548 | 6,992,124 | 2,267,424 | 1,019,000 | 456,124 | 1.54 |
| 2025 | 9,224,773 | 6,921,444 | 2,303,329 | 1,011,000 | 498,127 | 1.53 |
| 2024 | 9,201,338 | 6,894,772 | 2,306,566 | 1,001,000 (3) | 505,786 | 1.53 |

- (1) This was the year of issuance. Accordingly, no principal payments were scheduled. Further, there was not any debt outstanding in the previous nine years that was secured by pledged revenue.
- (2) The pledged revenue includes water sales, tap fees and interest income; the expenses include all operating expenses excluding depreciation.
- (3) This was the year of issuance. There was not any debt outstanding in the previous six years that was secured by pledged revenue.

NAME OF GOVERNMENT
Demographic and Economic Statistics
Last Ten Fiscal Years

| Fiscal Year | Population (1) | Median Age (1) | Per Capita Income (1) | Personal Income | Education Level in Years of Formal Schooling (2) | Public School Enrollment (2) | Unemployment Rate (3) |
|------------------------|-----------------------|---------------------------|----------------------------------|----------------------------|---|---|----------------------------------|
| 2027 | 57,468 | 37.8 | \$ 31,241 | \$ 1,795,357,788 | 14.9 | 7,067 | 7.1% |
| 2026 | 57,100 | 37.9 | 31,442 | 1,795,338,200 | 14.9 | 7,167 | 4.6% |
| 2025 | 57,079 | 37.6 | 31,728 | 1,811,002,512 | 15.0 | 6,820 | 3.5% |
| 2024 | 56,972 | 37.8 | 30,222 | 1,721,807,784 | 15.1 | 6,940 | 3.7% |
| 2023 | 57,250 | 37.9 | 29,315 | 1,678,283,750 | 15.3 | 6,727 | 3.6% |
| 2022 | 56,825 | 37.8 | 28,007 | 1,591,497,775 | 15.4 | 6,972 | 4.2% |
| 2021 | 56,216 | 38 | 27,156 | 1,526,601,696 | 15.5 | 6,868 | 4.3% |
| 2020 | 55,664 | 38.2 | 25,823 | 1,437,411,472 | 15.7 | 6,546 | 4.3% |
| 2019 | 54,297 | 38.3 | 25,325 | 1,375,071,525 | 15.8 | 6,546 | 3.3% |
| 2018 | 53,307 | 38.1 | 24,225 | 1,291,362,075 | 15.9 | 6,622 | 3.1% |

Sources: (1) U.S. Census Bureau
(2) Annual School Census of the Board of Education
(3) State Department of Labor unemployment rate for the County (not seasonally adjusted)

NAME OF GOVERNMENT
Full-time Equivalent Employees by Function
Last Ten Fiscal Years

| Function | Full-time Equivalent Employees as of June 30 | | | | | | | | | |
|---------------------------|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | 2027 | 2026 | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 |
| General government | 301 | 309 | 309 | 311 | 311 | 313 | 296 | 306 | 302 | 310 |
| Public safety | | | | | | | | | | |
| Police | | | | | | | | | | |
| Officers | 196 | 196 | 195 | 196 | 196 | 195 | 194 | 194 | 193 | 193 |
| Civilians | 23 | 22 | 23 | 24 | 24 | 25 | 24 | 25 | 26 | 26 |
| Fire | | | | | | | | | | |
| Firefighters and officers | 166 | 167 | 166 | 167 | 165 | 166 | 166 | 167 | 166 | 166 |
| Civilians | 9 | 9 | 8 | 9 | 9 | 10 | 9 | 8 | 8 | 8 |
| Highways and streets | | | | | | | | | | |
| Engineering | 67 | 67 | 67 (1) | 43 | 43 | 41 | 41 | 40 | 39 | 39 |
| Maintenance | 45 | 45 | 45 (1) | 29 | 28 | 28 | 28 | 27 | 26 | 26 |
| Sanitation | 58 | 58 | 59 | 58 | 57 | 53 | 52 | 52 | 53 | 52 |
| Culture and recreation | 76 | 75 | 78 | 77 | 76 | 76 | 89 | 87 | 86 | 84 |
| Water | 107 | 110 | 109 | 109 | 106 | 105 | 102 | 106 | 110 | 107 |
| Transit | 75 | 74 | 72 | 76 | 74 | 73 | 71 | 78 | 74 | 71 |
| Total | 1,123 | 1,132 | 1,131 | 1,099 | 1,089 | 1,085 | 1,072 | 1,090 | 1,083 | 1,082 |

(1) Due to the increase in building and infrastructure projects, more employees were hired to manage projects and maintain existing and new assets.

Sources: Various departments within the NAME OF GOVERNMENT

Appendix D • Illustrative ACFR

NAME OF GOVERNMENT Operating Indicators by Function Last Ten Years

| | Fiscal Year | | | | | | | | | |
|--|-------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| | 2027 | 2026 | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 |
| General Government: | | | | | | | | | | |
| Building permits issued | 1,224 | 1,751 | 1,630 | 1,440 | 1,622 | 1,752 | 1,576 | 1,494 | 1,699 | 1,877 |
| Public Safety: | | | | | | | | | | |
| Number of police personnel and officers | 249 | 245 | 245 | 245 | 243 | 242 | 229 | 229 | 230 | 219 |
| Number of arrests | 4,797 | 4,574 | 4,227 | 4,736 | 4,325 | 3,545 | 2,802 | 2,967 | 2,813 | 3,142 |
| Number of traffic violations | 23,740 | 25,252 | 23,138 | 26,311 | 20,913 | 16,693 | 14,490 | 17,891 | 10,024 | 9,459 |
| Number of parking violations | 228,113 | 233,697 | 244,882 | 248,030 | 265,569 | 235,406 | 219,953 | 241,392 | 205,220 | 214,963 |
| Number of paid firefighters | 165 | 165 | 165 | 161 | 158 | 162 | 162 | 159 | 167 | 163 |
| Number of fire emergency responses | 3,825 | 4,197 | 4,372 | 4,163 | 4,106 | 3,829 | 3,346 | 3,351 | 3,339 | 3,441 |
| Number of fires extinguished | 76 | 91 | 85 | 87 | 140 | 112 | 75 | 70 | 71 | 70 |
| Number of fire inspections | 1,928 | 1,851 | 1,822 | 1,530 | 1,891 | 1,686 | 1,432 | 1,528 | 1,717 | 1,704 |
| Number of school crossing guards | 24 | 23 | 23 | 24 | 24 | 23 | 23 | 20 | 22 | 22 |
| Public Works: | | | | | | | | | | |
| Tons collected and disposed: | | | | | | | | | | |
| Solid waste | 34,222 | 38,466 | 41,731 | 41,094 | 42,271 | 42,911 | 41,387 | 41,085 | 41,399 | 40,954 |
| Metal | 393 | 110 | 350 | 385 | 385 | 243 | 283 | 283 | 248 | 223 |
| Papers | 3,835 | 3,578 | 3,402 | 3,381 | 3,358 | 3,557 | 3,744 | 3,861 | 3,855 | 4,012 |
| Recyclable containers | 1,752 | 1,292 | 1,025 | 1,009 | 1,032 | 1,012 | 1,134 | 1,154 | 1,193 | 1,207 |
| Leaves (cubic yards) | 47,672 | 38,564 | 46,654 | 56,775 | 36,175 | 34,071 | 30,421 | 29,855 | 29,200 | 28,600 |
| Number of shade trees: | | | | | | | | | | |
| Planted | 130 | 158 | 175 | 158 | 59 | 141 | 159 | 189 | 162 | 253 |
| Removed | 217 | 293 | 712 | 293 | 272 | 272 | 297 | 376 | 349 | 469 |
| Trimmed | 284 | 374 | 237 | 374 | 326 | 326 | 354 | 381 | 386 | 516 |
| Stumps removed | 280 | 204 | 253 | 204 | 168 | 189 | 197 | 289 | 170 | 241 |
| Wastewater | | | | | | | | | | |
| Catch basins cleaned | 1,110 | 1,300 | 1,250 | 1,200 | 800 | 800 | 915 | 430 | 355 | 825 |
| Emergency calls | 200 | 275 | 253 | 200 | 250 | 125 | 100 | 100 | 100 | 100 |
| Recreation and Parks | | | | | | | | | | |
| Field permits issued | 236 | 185 | 230 | 200 | 188 | 192 | 190 | 175 | 181 | 180 |
| Recreation permits issued | 2,314 | 2,395 | 2,200 | 2,500 | 2,487 | 4,311 | 4,240 | 4,171 | 4,171 | 4,165 |
| Number of youth programs | 298 | 238 | 226 | 183 | 211 | 127 | 94 | 118 | 115 | 103 |
| Number of adult programs | 165 | 216 | 173 | 259 | 193 | 108 | 64 | 61 | 67 | 61 |
| Number of senior citizen programs | 285 | 301 | 410 | 410 | 400 | 400 | 359 | 291 | 107 | 101 |
| Library | | | | | | | | | | |
| Volumes in collection - books | 329,563 | 328,364 | 325,813 | 340,612 | 331,338 | 333,535 | 347,506 | 348,164 | 335,134 | 555,124 |
| Volumes in collection - e-books | 45,231 | 45,101 | 44,223 | 42,877 | 41,998 | 41,012 | 40,877 | 40,203 | 40,101 | 39,874 |
| Annual number of users of electronic resources | 131,712 | 133,554 | 134,887 | 127,891 | 116,987 | 117,891 | 116,997 | 118,777 | 116,544 | 115,779 |
| Water | | | | | | | | | | |
| Average daily consumption (gallons) | 8,270,000 | 8,540,000 | 8,525,000 | 8,440,000 | 8,530,000 | 8,630,000 | 8,626,580 | 8,804,290 | 8,975,330 | 9,055,800 |
| Number of metered accounts | 9,541 | 9,546 | 9,528 | 9,527 | 9,492 | 9,455 | 9,440 | 9,418 | 94,040 | 9,373 |
| Number of fire lines | 681 | 673 | 673 | 672 | 672 | 677 | 669 | 679 | 677 | 672 |

Sources: Various departments within the NAME OF GOVERNMENT

NAME OF GOVERNMENT
Capital Asset Statistics by Function
Last Ten Fiscal Years

| | Fiscal Year | | | | | | | | | |
|---|-------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| | 2027 | 2026 | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 |
| General Government: | | | | | | | | | | |
| Number of general government buildings | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Public Safety: | | | | | | | | | | |
| Number of police stations | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Number of fire stations | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 |
| Parking Department: | | | | | | | | | | |
| Number of parking garages | 7 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 |
| Public Works: | | | | | | | | | | |
| Number of public works buildings | 6 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| Miles of streets | 142 | 142 | 142 | 140 | 140 | 135 | 135 | 135 | 135 | 135 |
| Number of street lights | 5,700 | 5,700 | 5,700 | 7,500 | 6,000 | 6,000 | 6,000 | 6,000 | 6,000 | 5,600 |
| Miles of sanitary sewers | 127.1 | 127.1 | 127 | 124.8 | 124.8 | 124.8 | 124.8 | 124.8 | 124.8 | 124.4 |
| Miles of storm water drains | 82.4 | 82.2 | 82 | 81.5 | 81.5 | 81.5 | 81.5 | 81.5 | 81.5 | 81.5 |
| Recreation and Parks | | | | | | | | | | |
| Number of parks and recreation facilities | 23 | 23 | 23 | 23 | 23 | 22 | 20 | 19 | 19 | 19 |
| Acres of parks | 230.7 | 230.7 | 230.7 | 230.7 | 230.7 | 225.7 | 225.7 | 217.1 | 217.1 | 217.1 |
| Water | | | | | | | | | | |
| Miles of water mains | 158.4 | 158.2 | 158.1 | 158.1 | 158.1 | 157.4 | 157.8 | 157.8 | 157.8 | 155.5 |
| Number of fire hydrants | 1,772 | 1,770 | 1,769 | 1,767 | 1,767 | 1,762 | 1,762 | 1,762 | 1,762 | 1,759 |

Sources: Various departments within the NAME OF GOVERNMENT

NAME OF GOVERNMENT, STATE

