PRELIMINARY OFFICIAL STATEMENT DATED AUGUST 11, 2026

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. As of its date, this Preliminary Official Statement has been "deemed final" by the City for purposes of SEC Rule 15c2-12(b)(1) except for the information permitted to be omitted from SEC Rule 15c2-12(b)(1).

NEW ISSUE RATING [1] S&P Global Ratings Services: "A+"
BOOK-ENTRY-ONLY (See "RATING INFORMATION" herein)

In the opinion of Miller, Canfield, Paddock and Stone, P.L.C., Bond Counsel, under existing law, assuming compliance with certain covenants by the City, (i) the interest on the Bonds is excludable from gross income for federal income tax purposes, and (ii) the Bonds and the interest thereon are exempt from all taxation by the State of Michigan or by any taxing authority within the State of Michigan except estate taxes and taxes on gains realized from the sale, payment or other disposition thereof. See "TAX MATTERS" and "APPENDIX E - FORM OF APPROVING OPINION" herein for a description of certain provisions of the Internal Revenue Code of 1986, as amended (the "Code"), which may affect the tax treatment of interest on the Bonds for certain Bondholders.

The Bonds have been designated as "qualified tax-exempt obligations" for purposes of deduction of interest expense by financial institutions pursuant to the Code.

$8,000,000 *
CITY OF ROSEVILLE
COUNTY OF MACOMB, STATE OF MICHIGAN
2026 UNLIMITED TAX GENERAL OBLIGATION BONDS

OFFICIAL STATEMENT

The 2026 Unlimited Tax General Obligation Bonds (the "Bonds") are being issued pursuant to the provisions of Act 34, Public Acts of Michigan, 2001, as amended ("Act 34") and pursuant to a resolution adopted by the City Council of the City of Roseville, County of Macomb, State of Michigan (the "City") on July 28, 2026 for the purpose of paying the cost of acquiring land and buildings for use by the City, and acquiring, constructing, renovating, furnishing and equipping various municipal facilities in the City, including, but not limited to, fire station or stations, library, court facilities and Department of Public Services facility, together with all related site improvements, appurtenances and attachments (the "Project") and costs of issuance incurred with respect to the Bonds.

The Bonds will pledge the full faith and credit and the unlimited taxing power of the City for payment of the principal of and interest thereon and will be payable from ad valorem taxes, which may be levied without limitation as to either rate or amount, in an amount sufficient to pay the annual principal of and interest on the Bonds.

The Bonds will be issued in fully registered form and when issued will be registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Bonds, as described herein.

Interest on the Bonds will be payable semi-annually on the first day of April and October of each year, commencing April 1, 2027. Principal and interest will be paid by the City to Argent Institutional Trust Company, Grand Rapids, Michigan, the paying agent for the Bonds, or its successor, which will in turn remit such principal and interest to DTC, which will in turn remit such principal and interest to its Participants, for subsequent distribution to the Beneficial Owners of the Bonds, as described herein. The Bonds may be transferred in the manner described in the Bonds and as referenced in certain proceedings of the City referred to therein.

The record date of the Bonds will be the fifteenth day of the month preceding each interest payment date.

Certain of the Bonds are subject to redemption prior to maturity. See "REDEMPTION PROVISIONS" herein.

BIDS RECEIVED UNTIL: 1:00 P.M., E.T., August 18

Bids will be received as indicated in the Official Notice of Sale provided in Appendix H of this Official Statement. Bids may also be submitted electronically via **PARITY** or email (info@bendzinski.com) pursuant to the Official Notice of Sale. To the extent any instructions or directions set forth in **PARITY** conflict with the Official Notice of Sale for the Bonds, the terms of the Official Notice of Sale shall control.

Award will be based on a calculation of the True Interest Cost on the Bonds.

MATURITY SCHEDULE *

Dated: Date of Delivery (expected to be September 8, 2026) Principal Due: April 1 of each year as shown below

CUSIP [2]	Year	Amount	Interest Rate	Reoffering Rate	CUSIP [2]	Year	Amount	Interest Rate	Reoffering Rate	CUSIP [2]	Year	Amount	Interest Rate	Reoffering Rate
	2028	$35,000				2038	$160,000				2048	$310,000		
	2029	35,000				2039	170,000				2049	310,000		
	2030	35,000				2040	210,000				2050	350,000		
	2031	35,000				2041	225,000				2051	390,000		
	2032	35,000				2042	240,000				2052	435,000		
	2033	35,000				2043	250,000				2053	470,000		
	2034	85,000				2044	265,000				2054	500,000		
	2035	100,000				2045	270,000				2055	1,075,000		
	2036	125,000				2046	285,000				2056	1,125,000		
	2037	150,000				2047	290,000							

The information regarding the reoffering rates was provided to the City by the initial purchasers of the Bonds.

The Date of this Official Statement is , 2026.

---

* Preliminary, subject to change.

(1) As of Date of Delivery.

(2) CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by S&P Global Market Intelligence. Copyright(c) 2026 CUSIP Global Services. All rights reserved. CUSIP® data herein is provided by CGS. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. None of the City, the Underwriter or its agents or counsel assume responsibility for the accuracy of such numbers.

(THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. IT IS NOT A SUMMARY OF THIS ISSUE. INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED DECISION.)

The Bonds have not been registered with the Securities and Exchange Commission (the "SEC") under the Securities Act of 1933, as amended, or registered in any state and will not be listed on any stock or other securities exchange. Neither the SEC nor any other federal, state or other governmental entity or agency will have passed upon the accuracy or adequacy of this Official Statement or approved the Bonds for sale, except as disclosed herein.

No dealer, salesman or any other person has been authorized to give any information or to make any representation, other than the information and representations contained herein, in connection with the offering of the Bonds and, if given or made, such information or representations must not be relied upon.

This Official Statement does not constitute an offer to sell or a solicitation of an offer to buy any of the securities offered hereby by any person in any jurisdiction in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to whom it is unlawful to make such offer or solicitation. The information set forth herein has been provided by the City and other sources which are believed to be reliable but is not guaranteed as to accuracy or completeness.

All summaries contained in this Official Statement are subject in all respects to the complete statute, regulation, rule, court decision or report. The information and expressions of opinion contained herein are subject to change without notice and neither the delivery of this Official Statement nor the sale made hereunder shall under any circumstance create any implication that there has been no change in the affairs of the City since the date hereof.

TABLE OF CONTENTS

THE BONDS

$8,000,000 *
CITY OF ROSEVILLE
COUNTY OF MACOMB, STATE OF MICHIGAN
2026 UNLIMITED TAX GENERAL OBLIGATION BONDS

INFORMATION FOR BIDDERS

Date of Sale:	August 18, 2026			
Time of Sale:	1:00 P.M Eastern Time			
Place of Sale:	Info@bendzinski.com	or	Electronically via PARITY	
Dated:	Date of Delivery (Expected to be September 8, 2026)		Maximum Interest Rate:	6%
Principal Due:	April 1, Serially		Maximum Discount Allowed:	1.00%
Denominations:	$5,000 or multiples thereof up to the amount of a single maturity		Multiples:	Any
Registration:	Book-Entry-Only		Qualified Tax-Exempt Obligations:	YES

ADJUSTMENT TO MATURITY *

The City reserves the right to adjust the amount of any principal maturity of the bonds after receipt of the bids and prior to the final award. Such adjustment, if necessary, will be made in increments of $5,000.

MATURITIES*

Year	Amount	Year	Amount	Year	Amount	Year	Amount
2028	$35,000	2036	$125,000	2044	$265,000	2052	$435,000
2029	35,000	2037	150,000	2045	270,000	2053	470,000
2030	35,000	2038	160,000	2046	285,000	2054	500,000
2031	35,000	2039	170,000	2047	290,000	2055	1,075,000
2032	35,000	2040	210,000	2048	310,000	2056	1,125,000
2033	35,000	2041	225,000	2049	310,000		
2034	85,000	2042	240,000	2050	350,000		
2035	100,000	2043	250,000	2051	390,000		

DESCRIPTION AND FORM OF THE BONDS

The Bonds will be issued in book-entry-only form as one fully registered Bond per maturity, without coupons, in the aggregate principal amount for each maturity set forth on the cover page hereof and may be purchased in denominations of $5,000 or any integral multiple thereof. The Bonds will be dated the Date of Delivery and will bear interest from that date. Interest on the Bonds shall be payable on April 1, 2027, and semiannually each October 1 and April 1 thereafter prior to maturity or earlier redemption. Interest on the Bonds shall be computed using a 360-day year with twelve 30-day months, and the Bonds will mature on the dates and in the principal amounts and will bear interest at the rates as set forth on the cover of this Official Statement.

Argent Institutional Trust Company, Grand Rapids, Michigan, or its successor will serve as transfer agent (the "Transfer Agent") and also as bond registrar and paying agent if the Bonds cease to be held in book-entry-only form. For a description of payment of principal and interest, transfers and exchanges and notice of redemption on the Bonds which are held in the book-entry-only system, see "Book-Entry-Only System" below. In the event the Bonds cease to be held in the book-entry-only system, then interest on the Bonds shall be payable when due by check or draft to the person or entity who or which is, as of the fifteenth (15th) day of the month preceding each interest payment date, the registered owner of record, at the owner's registered address. See "Transfer Outside Book-Entry-Only System" herein.

---
* Preliminary, subject to adjustment

REDEMPTION PROVISIONS

OPTIONAL REDEMPTION

Bonds maturing in the years 2028 to 2035, inclusive, shall not be subject to optional redemption prior to maturity.

Bonds or portions thereof in multiples of $5,000, maturing in the year 2036 and thereafter, shall be subject to redemption prior to maturity, at the option of the City, in any order of maturity and within any maturity by lot, on any date on or after April 1, 2035, at par and accrued interest to the date fixed for redemption.

TERM BONDS

Bidders shall have the option of designating bonds maturing in the years 2028 through 2056, inclusive, as serial bonds or term bonds, or both. The bid must designate whether each of the principal amounts shown above for the years 2028 through 2056, inclusive, represent a serial maturity or a mandatory redemption requirement for a term bond maturity. In any event, the above principal amount schedule for the years 2028 through 2056, inclusive, shall be represented by either serial bond maturities or mandatory redemption requirements, or a combination of both. Any such designation must be made at the time bids are submitted.

MANDATORY REDEMPTION

Bonds designated as term bonds (the "Term Bonds") shall be subject to mandatory redemption at par and accrued interest on the dates and in the amounts corresponding to the annual principal maturities herein before set forth. The Term Bonds or portions of Term Bonds to be redeemed shall be selected by lot.

Term Bond Maturing	Year	Principal Amount	Term Bond Maturing	Year	Principal Amount
April 1,	20___		April 1,	20___	
April 1,	20___		April 1,	20___	
April 1,	20___	________	April 1,	20___	________

The principal amounts of the Term Bonds to be redeemed each year as set forth in the preceding tables may be redeemed through the earlier purchase or optional redemption thereof by the City, with any partial purchase or optional redemptions of such Term Bonds credited against such future redemption requirements as the City shall determine.

NOTICE AND EFFECT OF REDEMPTION

If any Bonds are called for redemption, the Transfer Agent, on behalf of the City, shall give notice of such redemption at least 30 days prior to the date fixed for redemption. As described herein under "Book-Entry-Only System", as long as the Bonds are registered in the name of DTC or its nominee, redemption notices will be given to DTC only. Conveyance of notices by DTC to DTC Participants and Indirect Participants and, in turn, by the DTC Participants and Indirect Participants to Beneficial Owners (as defined in "Book-Entry-Only System") will be governed by arrangements among them. No further interest on Bonds called for redemption shall accrue after the date fixed for redemption, whether the Bonds are presented for redemption or not, provided the City has money available for such redemption.

BOOK-ENTRY-ONLY SYSTEM

The information in this section has been furnished by The Depository Trust Company, New York, New York ("DTC"). No representation is made by the City or the Transfer Agent as to the completeness or accuracy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof. No attempt has been made by the City or the Transfer Agent to determine whether DTC is or will be financially or otherwise capable of fulfilling its obligations. Neither the City nor the Transfer Agent will have any responsibility or obligation to Direct Participants, Indirect Participants (both as defined below) or the persons for which they act as nominees with respect to the Bonds, or for any principal, premium, if any, or interest payment thereof.

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity and will be deposited with DTC. DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 2.2 million issues of U.S. and non-U.S. equity, corporate and municipal debt issues and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Fixed Income Clearing Corporation and Emerging Markets Clearing Corporation (NSCC, FICC and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's rating of: AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond of ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interest in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, the Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Bonds with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds of either issue are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of the Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of the notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments of principal, interest and redemption amounts, if any, on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or Transfer Agent on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC (nor its nominee), the Transfer Agent, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payments of principal, interest and redemption amounts, if any, to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) are the responsibility of the City or the Transfer Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the City or the Transfer Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Bond certificates are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered.

TRANSFER OUTSIDE BOOK-ENTRY-ONLY SYSTEM

In the event the Book-Entry-Only System is discontinued, the following provisions would apply to the Bonds. The Transfer Agent shall keep the registration books for the Bonds (the "Bond Register") at its designated corporate trust office. Subject to the further conditions contained in the Resolution (hereinafter defined), the Bonds may be transferred or exchanged for one or more Bonds in different authorized denominations upon surrender thereof at the principal corporate trust office of the Transfer Agent by the registered owners or their duly authorized attorneys; upon surrender of any Bonds to be transferred or exchanged, the Transfer Agent shall record the transfer or exchange in the Bond Register and shall authenticate replacement bonds in authorized denominations, the Transfer Agent shall not be required to effect or register any transfer or exchange of any Bond which has been selected for such redemption, except the Bonds properly surrendered for partial redemption may be exchanged for new Bonds in authorized denominations equal in the aggregate to the unredeemed portion; the City and the Transfer Agent shall be entitled to treat the registered owners of the Bonds, as their names appear in the Bond Register as of the appropriate dates, as the owner of such Bonds for all purposes under the Resolution. No transfer or exchange made other than as described above and in the Resolution shall be valid or effective for any purposes under the Resolution.

THE PROJECT

DESCRIPTION

The Bonds are being for the purpose of paying the cost of acquiring land and buildings for use by the City, and acquiring, constructing, renovating, furnishing and equipping various municipal facilities in the City, including, but not limited to, fire station or stations, library, court facilities and Department of Public Services facility, together with all related site improvements, appurtenances and attachments (the "Project") and costs of issuance incurred with respect to the Bonds.

USE OF BOND PROCEEDS

The estimated project cost is as follows:

Construction, Engineering & Contingency	$7,825,900
Bond Discount (1.00%)	80,000
Cost of Issuance	94,100
Total Project Cost	$8,000,000

AUTHORITY

The Bonds are being issued pursuant to the provisions of Act 34, Public Acts of Michigan, 2001, as amended ("Act 34"), an election duly called and held on November 7, 2023 and a resolution duly adopted by the City Council of the City on July 28, 2026 (the "Resolution").

MUNICIPAL FINANCE QUALIFYING STATEMENT

The City has filed a Qualifying Statement for the fiscal year ended June 30, 2025. The Michigan Department of Treasury has determined that the City is in material compliance with the criteria identified in Section 303(3) of Act 34.

SECURITY

The full faith and credit of the City has been pledged for the prompt payment of the principal of and interest on the Bonds and the City is required to levy annual ad valorem taxes on all taxable property in the City, which may be levied without limitation as to either rate or amount, in amounts sufficient to pay the annual principal of and interest on the Bonds.

The rights and remedies of bondholders may be affected by bankruptcy, insolvency, fraudulent conveyance or other laws affecting creditors' rights generally now existing or hereafter enacted and by the application of general principles of equity including those relating to equitable subordination.

QUALIFIED TAX-EXEMPT OBLIGATIONS

The Bonds have been designated as "qualified tax-exempt obligations" for purposes of deduction of interest expense by financial institutions pursuant to the Internal Revenue Code of 1986, as amended.

TAX MATTERS

In the opinion of Miller, Canfield, Paddock and Stone, P.L.C., Bond Counsel, under existing law, the interest on the Bonds is excludable from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax. Bond Counsel is also of the opinion that, under existing law, the Bonds and the interest thereon are exempt from all taxation by the State of Michigan or by any taxing authority within the State of Michigan, except estate taxes and taxes on gains realized from the sale, payment or other disposition thereof. Bond Counsel will express no opinion regarding any other federal or state tax consequences arising with respect to the Bonds and the interest thereon.

The opinions on federal and State of Michigan tax matters are based on the accuracy of certain representations and certifications, and continuing compliance with certain covenants, of the City contained in the transcript of proceedings and which are intended to evidence and assure the foregoing, including that the Bonds are and will remain obligations the interest on which is excludable from gross income for federal and State of Michigan income tax purposes. The City has covenanted to take the actions required of it for the interest on the Bonds to be and to remain excludable from gross income for federal and State of Michigan income tax purposes, and not to take any actions that would adversely affect that exclusion. Bond Counsel's opinions assume the accuracy of the City's certifications and representations and the continuing compliance with the City's covenants. Noncompliance with these covenants by the City may cause the interest on the Bonds to be included in gross income for federal and State of Michigan income tax purposes retroactively to the date of issuance of the Bonds. After the date of issuance of the Bonds, Bond Counsel will not undertake to determine (or to so inform any person) whether any actions taken or not taken, or any events occurring or not occurring, or any other matters coming to Bond Counsel's attention, may adversely affect the exclusion from gross income for federal and State of Michigan income tax purposes of interest on the Bonds or the market prices of the Bonds.

The opinions of Bond Counsel are based on current legal authority and cover certain matters not directly addressed by such authority. They represent Bond Counsel's legal judgment as to the excludability of interest on the Bonds from gross income for federal and State of Michigan income tax purposes but are not a guarantee of that conclusion. The Federal income tax opinion is not binding on the Internal Revenue Service ("IRS") or any court. Bond Counsel cannot give and has not given any opinion or assurance about the effect of future changes in the Internal Revenue Code of 1986, as amended (the "Code"), the applicable regulations, the interpretations thereof or the enforcement thereof by the IRS.

Ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, corporations subject to the branch profits tax, corporations (as defined in Section 59(k) of the Code) subject to the alternative minimum tax, financial institutions, certain insurance companies, certain S corporations, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry the Bonds. Bond Counsel will express no opinion regarding any such consequences.

TAX TREATMENT OF ACCRUALS ON ORIGINAL ISSUE DISCOUNT BONDS

Under existing law, if the initial public offering price to the public (excluding bond houses and brokers) of a Bond is less than the stated redemption price of such Bonds at maturity, then such Bond is considered to have "original issue discount" equal to the difference between such initial offering price and the amount payable at maturity (such Bonds are referred to as "OID Bonds"). Such discount is treated as interest excludable from federal gross income to the extent properly allocable to each registered owner thereof. The original issue discount accrues over the term to maturity of each such OID Bonds on the basis of a constant interest rate compounded at the end of each six-month period (or shorter period) from the date of original issue with straight-line interpolations between compounding dates. The amount of original issue discount accruing during each period is added to the adjusted basis of such OID Bonds to determine taxable gain upon disposition (including sale, redemption or payment on maturity) of such OID Bonds.

The Code contains certain provisions relating to the accrual of original issue discount in the case of purchasers of OID Bonds who purchase such OID Bonds after the initial offering of a substantial amount thereof. Owners who do not purchase such OID Bonds in the initial offering at the initial offering prices should consult their own tax advisors with respect to the tax consequences of ownership of such OID Bonds.

All holders of the OID Bonds should consult their own tax advisors with respect to the allowance of a deduction for any loss on a sale or other disposition of an OID Bond to the extent such loss is attributable to accrued original issue discount.

AMORTIZABLE BOND PREMIUM

For federal income tax purposes, the excess of the initial offering price to the public (excluding bond houses and brokers) at which a Bond is sold over the amount payable at maturity thereof constitutes for the original purchasers of such Bonds (collectively, the "Original Premium Bonds") an amortizable bond premium. Bonds other than Original Premium Bonds may also be subject to an amortizable bond premium determined generally with regard to the taxpayer's basis (for purposes of determining loss on a sale or exchange) and the amount payable on maturity or, in certain cases, on an earlier call date (such bonds being referred to herein collectively with the Original Premium Bonds as the "Premium Bonds"). Such amortizable bond premium is not deductible from gross income. The amount of amortizable bond premium allocable to each taxable year is generally determined on the basis of the taxpayer's yield to maturity determined by using the taxpayer's basis (for purposes of determining loss on sale or exchange) of such Premium Bonds and compounding at the close of each six-month accrual period. The amount of amortizable bond premium allocable to each taxable year is deducted from the taxpayer's adjusted basis of such Premium Bonds to determine taxable gain upon disposition (including sale, redemption or payment at maturity) of such Premium Bonds.

All holders of the Premium Bonds should consult with their own tax advisors as to the amount and effect of the amortizable bond premium.

MARKET DISCOUNT

The "market discount rules" of the Code apply to the Bonds. Accordingly, holders acquiring their Bonds subsequent to the initial issuance of the Bonds will generally be required to treat market discount recognized under the provisions of the Code as ordinary taxable income (as opposed to capital gain income). Holders should consult their own tax advisors regarding the application of the market discount provisions of the Code and the advisability of making any of the elections relating to market discount allowed by the Code.

INFORMATION REPORTING AND BACKUP WITHHOLDING

Information reporting requirements apply to interest paid after March 31, 2007 on tax-exempt obligations, including the Bonds. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with, a Form W-9, "Request for Taxpayer Identification Number and Certification," or unless the recipient is one of a limited class of exempt recipients, including corporations. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to "backup withholding," which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a "payor" generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If an owner purchasing the Bonds through a brokerage account has executed a Form W-9 in connection with the establishment of such account no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the Bonds from gross income for federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the owner's federal income tax once the required information is furnished to the IRS.

FUTURE DEVELOPMENTS

Bond Counsel's engagement with respect to the Bonds ends with the issuance of the Bonds and, unless separately engaged, Bond Counsel is not obligated to defend the City in the event of an audit examination by the IRS. The IRS has a program to audit tax-exempt obligations to determine whether the interest thereon is includible in gross income for federal income tax purposes. If the IRS does audit the Bonds, under current IRS procedures, the IRS will treat the City as the taxpayer and the beneficial owners of the Bonds will have only limited rights, if any, to obtain and participate in judicial review of such audit.

NO ASSURANCE CAN BE GIVEN THAT ANY FUTURE LEGISLATION OR CLARIFICATIONS OR AMENDMENTS TO THE CODE, IF ENACTED INTO LAW, WILL NOT CONTAIN PROPOSALS WHICH COULD CAUSE THE INTEREST ON THE BONDS TO BE SUBJECT DIRECTLY OR INDIRECTLY TO FEDERAL OR STATE OF MICHIGAN INCOME TAXATION, ADVERSELY AFFECT THE MARKET PRICE OR MARKETABILITY OF THE BONDS, OR OTHERWISE PREVENT THE HOLDERS FROM REALIZING THE FULL CURRENT BENEFIT OF THE STATUS OF THE INTEREST THEREON.

FURTHER, NO ASSURANCE CAN BE GIVEN THAT ANY ACTIONS OF THE INTERNAL REVENUE SERVICE, INCLUDING, BUT NOT LIMITED TO, SELECTION OF THE BONDS FOR AUDIT EXAMINATION, OR THE COURSE OR RESULT OF ANY EXAMINATION OF THE BONDS, OR OTHER BONDS WHICH PRESENT SIMILAR TAX ISSUES, WILL NOT AFFECT THE MARKET PRICE OF THE BONDS.

INVESTORS SHOULD CONSULT WITH THEIR TAX ADVISORS AS TO THE TAX CONSEQUENCES OF THEIR ACQUISITION, HOLDING OR DISPOSITION OF THE BONDS, INCLUDING THE IMPACT OF ANY PENDING OR PROPOSED FEDERAL OR STATE OF MICHIGAN TAX LEGISLATION.

LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Bonds are subject to the approval of Miller, Canfield, Paddock and Stone, P.L.C., Detroit, Michigan, Bond Counsel. A copy of the opinion of Bond Counsel will be provided with the Bonds, which opinion will be in substantially the form set forth in Appendix E.

ISSUE PRICE

The winning bidder shall assist the City in establishing the issue price of the Bonds, in accordance with the requirements set forth in the Notice of Sale attached in Appendix H hereto, and shall deliver to the City at closing an "issue price" or similar certificate setting forth the reasonably expected issue price to the public or the sales prices of the Bonds, substantially in the form attached as either Appendix H-1 or H-2 of the Preliminary Official Statement, with such modifications as may be appropriate or necessary, in the reasonable judgment of the winning bidder, the City and Bond Counsel.

BOND COUNSEL'S RESPONSIBILITY

The fees of Miller, Canfield, Paddock and Stone, P.L.C. ("Bond Counsel") for services rendered in connection with its approving opinion are expected to be paid from Bond proceeds. Except to the extent necessary to issue its approving opinion as to the validity of the Bonds and the exemption of the Bonds and the interest thereon from taxation, and as hereafter stated, Bond Counsel has not been retained to examine or review, and has not examined or reviewed any financial documents, statements or materials that have been or may be furnished in connection with the authorization, issuance or marketing of the Bonds and accordingly will not express any opinion with respect to the accuracy or completeness of any such financial documents, statements or materials.

Bond Counsel has not been retained to review this Official Statement for accuracy or completeness and has not made inquiry of any official or employee of the City or any other person regarding, and has made no independent verification of, such other portions hereof, and further has not expressed and will not express an opinion as to any portions hereof.

REGISTERED MUNICIPAL ADVISOR TO THE CITY

Bendzinski & Co., Municipal Finance Advisors, Grosse Pointe, Michigan, (the "Municipal Advisor") is a Registered Municipal Advisor in accordance with the rules of the Municipal Securities Rulemaking Board ("MSRB"). The Municipal Advisor has been retained by the City to provide certain financial advisory services including, among other things, preparation of the deemed "final" Preliminary Official Statement and the final Official Statement (the "Official Statements"). The information contained in the Official Statement was prepared in form by the Municipal Advisor and is based on information supplied by various officials from records, statements and reports required by various local, county or state agencies of the State of Michigan in accordance with constitutional or statutory requirements.

To the best of the Municipal Advisor's knowledge, all of the information contained in the Official Statements, which it assisted in preparing, while it may be summarized (i) is complete and accurate; (ii) does not contain any untrue statement of a material fact; and (iii) does not omit any material fact or make any statement which would be misleading in light of the circumstances under which these statements are being made. However, the Municipal Advisor has not and will not independently verify the completeness and accuracy of the information contained in the Official Statements.

The Municipal Advisor is not engaged in the business of underwriting, trading, marketing or the distribution of securities or any other negotiable instruments. The Municipal Advisor's duties, responsibilities and fees arise solely as Registered Municipal Advisor to the City and it has no secondary obligation or other responsibility. The Municipal Advisor's fees are expected to be paid from Bond proceeds.

RATING INFORMATION

S&P Global Ratings has assigned its municipal bond rating as stated on the front cover of this Official Statement, to this issue of Bonds.

The assigned rating reflects the independent judgment of the rating agency and there is no assurance that said rating will continue for any period of time or that it will not be revised or withdrawn by the rating agency. A revision or withdrawal of said rating may have an effect on the market price of the securities. The rating agency's fee is expected to be paid from Bond proceeds.

CONTINUING DISCLOSURE

Prior to delivery of the Bonds, the City will execute a Continuing Disclosure Undertaking (the "Undertaking") for the benefit of the Beneficial Owners (as defined in the Undertaking) of the Bonds to send certain information annually and to provide notice of certain events to the Municipal Securities Rulemaking Board ("MSRB") electronically through MSRB's Electronic Municipal Market Access System, pursuant to the requirements of section (b)(5) of Rule 15c2-12 (the "Rule") adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934. The information to be provided on an annual basis, the events which will be noticed on an occurrence basis and the other terms of the Undertaking, are set forth in Appendix F- "FORM OF CONTINUING DISCLOSURE UNDERTAKING" to this Official Statement.

A failure by the City to comply with the Undertaking will not constitute an event of default under the Resolution and Beneficial Owners of the Bonds are limited to the remedies described in the Undertaking.

A failure by the City to comply with the Undertaking must be reported by the City in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such failure may adversely affect the transferability and liquidity of the Bonds and their market price.

The City has not failed to comply in the last five years in any material respect, with any previous undertakings pursuant to the Rule.

PRINTING AND DELIVERY

The City will furnish Bonds at its expense for delivery to the purchaser to DTC at New York, New York or an authorized agent of DTC. Delivery of the Bonds shall be within 45 days from the date of sale of the Bonds. Payment for the Bonds shall be made in immediately available Federal Reserve funds.

ABSENCE OF CERTAIN LITIGATION

According to the City there is no litigation to their knowledge, pending or threatened, in any court (either state or federal) which seeks to restrain or enjoin the issuance or delivery of the Bonds, or which questions (i) the proceedings under which the Bonds are to be issued, (ii) the validity of the Bonds, (iii) the legal existence of the City or the title to the office of the present officials of the City, or (iv) the ability of the City to operate or any other matter which may materially affect the financial condition of the City.

OTHER MATTERS

The City certifies that to its best knowledge and belief, this Official Statement, insofar as it pertains to the City and its economic and financial condition, is true and correct as of its date, and does not contain, nor omit, any material facts or information which would make the statements contained herein misleading. All information contained in this Official Statement is subject, in all respects, to the complete body of information contained in the original sources thereof. In particular, no opinion or representation is rendered as to whether any projection will approximate actual results, and all opinions, estimates and assumptions, whether or not expressly identified as such, should not be considered statements of fact.

The date of the Preliminary Official Statement is August 11, 2026. The information contained herein is subject to revision, amendment and completion. As of that date, the Preliminary Official Statement was deemed "final" by the City for purposes of paragraph (b)(1) of the Rule.

This Official Statement has been duly approved, executed and delivered by the City on the date as set forth on the front cover of this Official Statement.

CITY OF ROSEVILLE

By: /s/

Ryan M. Monroe, City Manager

APPENDIX A

CITY OF ROSEVILLE
GENERAL DESCRIPTION AND STATISTICAL INFORMATION

CITY OF ROSEVILLE

LOCATION AND DESCRIPTION

The City of Roseville, located in the County of Macomb encompasses an area of approximately 9.5 square miles, approximately 12 miles northeast of the City of Detroit. The City is primarily residential and commercial in nature.

FORM OF GOVERNMENT

The City was incorporated in 1958 as a home rule city under the Council-Manager form of government. The City Council consists of a Mayor and six council members. The Mayor and Council members are elected at large for a four-year term of office. The terms of office of the Council are staggered so that three Council members stand for election every other year. At the first regular meeting following each regular city election, the Council selects one of its members to serve as Mayor Pro-Tem. The Mayor Pro-Tem shall perform the duties of the Mayor in the Mayor's absence. The City Manager is the chief executive officer of the City and is appointed by the Council and serves at its pleasure. With exception of the City Attorney, who is appointed by the Council, the City Manager is responsible for the appointment of all other administrative and departmental heads. The City Clerk and Treasurer are elected at large for four-year terms of office.

POPULATION

2020 U.S. Census	47,710
2010 U.S. Census	47,299
2000 U.S. Census	46,882

* Source: U.S. Census Bureau

FISCAL YEAR

July 1 to June 30

PROPERTY VALUATIONS

Article IX, Section 3, of the Michigan Constitution provides that the proportion of true cash value at which property shall be assessed shall not exceed 50% of true cash value. The Michigan Legislature by statute has provided that property shall be assessed at 50% of its true cash value, except as described below. The Michigan Legislature or the electorate may at some future time reduce the percentage below 50% of true cash value.

On March 15, 1994, the electors of the State approved an amendment to the Michigan Constitution permitting the Legislature to authorize ad valorem taxes on a non-uniform basis. The legislation implementing this constitutional amendment added a new measure of property value known as "Taxable Value." Since 1995, taxable property has two valuations -- State equalized valuation ("SEV") and Taxable Value. Property taxes are levied on Taxable Value. Generally, Taxable Value of property is the lesser of (a) the Taxable Value of the property in the immediately preceding year minus any losses, multiplied by the lesser of 1.05 or the inflation rate, plus additions, or (b) the property's current SEV. Under certain circumstances, therefore, the Taxable Value of property may be different from the same property's SEV. When property is sold or transferred, Taxable Value is adjusted to the SEV, which under existing law is 50% of the current true cash value. The Taxable Value of new construction is equal to current SEV. Taxable Value and SEV of existing property are also adjusted annually for additions and losses.

REAL PROPERTY TAX ASSESSMENTS

Responsibility for assessing taxable real property rests with the local assessing officer of each township and city. Any property owner may appeal the assessment to the local assessor, the local Board of Review and ultimately to the Michigan Tax Tribunal.

The Michigan Constitution also mandates a system of equalization for assessments. Although the assessors for each local unit of government within a county are responsible for actually assessing at 50% of true cash value, adjusted for Taxable Value purposes, the final SEV and Taxable Value are arrived at through several steps. Assessments are established initially by the municipal assessor. Municipal assessments are then equalized to the 50% levels as determined by the County's Department of Equalization. Thereafter, the State equalizes the various counties in relation to each other. SEV is important, aside from its use in determining Taxable Value for the purpose of levying ad valorem property taxes, because of its role in the spreading of taxes between overlapping jurisdictions, the distribution of various State aid programs, State revenue sharing and in the calculation of debt limits.

Real property that is exempt from property taxes, e.g., churches, government property, public schools, is not included in the SEV and Taxable Value data in this Official Statement. Property granted tax abatements under the Michigan Plant

Rehabilitation and Industrial Development District Act, Act 198, Public Acts of Michigan, 1974, as amended ("Act 198") are recorded on separate tax rolls while subject to tax abatement. The valuation of tax abated property is based upon SEV but is not included in either the SEV or Taxable Value data in this Official Statement except as noted.

APPEAL OF PROPERTY ASSESSMENTS

Property taxpayers may appeal their assessments to the Michigan Tax Tribunal. Unless otherwise ordered by the Tax Tribunal, before the Tax Tribunal renders a decision on an assessment appeal, the taxpayer must have paid the tax bill. The City has approximately eleven (11) tax appeals pending before the Tax Tribunal (including personal property appeals), none of which are expected to have a significant impact on the City's State Equalized Valuation, Taxable Value or the resulting taxes.

INDUSTRIAL FACILITIES TAX

The Michigan Plant Rehabilitation and Industrial Development District Act (Act 198, Public Acts of Michigan, 1974, as amended) ("Act 198") provides significant property tax incentives to industry to renovate and expand aging industrial facilities and to build new industrial facilities in Michigan. Under the provisions of Act 198, qualifying cities, villages and townships may establish districts in which industrial firms are offered certain property tax incentives to encourage restoration or replacement of obsolete industrial facilities and to attract new industrial facilities.

Property owners situated in such districts pay an Industrial Facilities Tax ("IFT") in lieu of ad valorem property taxes on plant and equipment for a period of up to 12 years. For rehabilitated plant and equipment, the IFT is determined by calculating the product of the taxable value of the replacement facility in the year before the effective date of the abatement certificate multiplied by the total mills levied by all taxing units in the current year. For abatements granted prior to January 1, 1994, new plant and equipment is taxed at one-half the total mills levied by all taxing units, except for mills levied for local school district operating purposes or under the State Education Tax Act, plus one-half of the number of mills levied for local school district operating purposes in 1993. For new facility abatements granted after 1993, new plant and equipment is taxed at one-half of the total mills levied as ad valorem taxes by all taxing units, except mills levied under the State Education Tax Act, plus the number of mills levied under the State Education Tax Act. For new facility abatements granted after 1993, the State Treasurer may permit abatement of all, none or one-half of the mills levied under the State Education Tax Act. It must be emphasized, however, that ad valorem property taxes on land and inventory are not reduced in any way since both land and inventory are specifically excluded under Act 198.

The City has IFT exemption certificates currently outstanding, aggregating $1,148,456 in 2026 Taxable Value.

HISTORY OF PROPERTY VALUATIONS [1]

Year	STATE EQUALIZED VALUATION	TAXABLE VALUE
2026	$2,050,213,174	$1,360,369,800
2025	1,920,458,301	1,295,019,098
2024	1,796,164,194	1,222,020,291
2023	1,637,106,900	1,137,214,086
2022	1,484,994,045	1,062,773,716
2021	1,374,669,226	1,002,892,213
2020	1,273,335,426	966,791,333
2019	1,160,941,700	924,583,943
2018	1,051,911,608	886,065,607
2017	1,026,614,374	865,272,771

(1) These values include properties located within the Renaissance Zone.
Source: State of Michigan Department of Treasury website - https://eequal.bsasoftware.com/default.aspx

MICHIGAN PROPERTY TAX REFORM

The enactment of Michigan Public Acts 153 and 154 of 2013, together with subsequent enactment of Michigan Public Acts 80 and 86 through 93 of 2014, significantly reformed personal property tax in Michigan. The voters of the State approved a referendum on August 4, 2014, to which all of these acts were tied, and therefore these acts will continue in effect.

Under these acts, owners of industrial and commercial personal property with a total true cash value of $80,000 or less may annually file an affidavit claiming a personal property tax exemption. To be eligible for the exemption, all of the commercial or industrial personal property within a city or township that is owned by, leased to, or controlled by the claimant has to have accumulated true cash value of $80,000 or less. The $80,000 threshold was increased to $180,000, beginning in 2023. Beginning in 2016, owners of certain eligible manufacturing personal property that was either purchased after December 31, 2012, or that is a least 10 years old have been able to claim an exemption from personal property tax by filing an affidavit claiming the exemption. By 2022, all eligible manufacturing personal property will be at least 10 years old or purchased after December 31, 2012, so that it could be exempted from personal property tax.

To replace revenues lost by local governments, due to these exemptions, a portion of the current State use tax is set aside as a "local community stabilization share" that will not be subject to the annual appropriations process, and is automatically provided to a "local community stabilization authority" for distribution pursuant to a statutory formula anticipated to provide 100% reimbursement to local governments for losses due to the new personal property tax exemptions. The City received $1,688,498 from the Local Community Stabilization Authority to replace personal property tax revenues during the fiscal year ended June 30, 2026.

An analysis of **State Equalized Valuation** is as follows:

	BY CLASS		
	2026	**2025**	**2024**
Real Property	$ 1,963,985,874	$ 1,838,457,601	$ 1,716,113,094
Personal Property	86,227,300	82,000,700	80,051,100
TOTAL	$ 2,050,213,174	$ 1,920,458,301	$ 1,796,164,194

	BY USE		
	2026	**2025**	**2024**
Residential	$ 1,428,736,874	$ 1,332,394,501	$ 1,239,407,494
Commercial	429,210,100	407,114,200	378,923,000
Industrial	106,038,900	98,948,900	97,782,600
Personal Property	86,227,300	82,000,700	80,051,100
TOTAL	$ 2,050,213,174	$ 1,920,458,301	$ 1,796,164,194

An analysis of **Taxable Value** is as follows:

	BY CLASS		
	2026	**2025**	**2024**
Real Property	$ 1,274,142,500	$ 1,213,018,398	$ 1,141,969,191
Personal Property	86,227,300	82,000,700	80,051,100
TOTAL	$ 1,360,369,800	$ 1,295,019,098	$ 1,222,020,291

	BY USE		
	2026	**2025**	**2024**
Residential	$ 859,946,628	$ 810,964,466	$ 762,103,741
Commercial	337,862,962	328,526,525	307,917,586
Industrial	76,332,910	73,527,407	71,947,864
Personal Property	86,227,300	82,000,700	80,051,100
TOTAL	$ 1,360,369,800	$ 1,295,019,098	$ 1,222,020,291

Source: Source: State of Michigan Department of Treasury website - https://eequal.bsasoftware.com/default.aspx

MAJOR TAXPAYERS

According to City officials, the 2026 Taxable Value of each of the City's major taxpayers is as follows:

Name of Taxpayer	2026 Taxable Value
Consumers Energy Co.	23,006,337
DTE Energy	16,769,712
Macomb Center PTR and Holdings LLC	13,102,106
Kroger Co. of Michigan	11,411,914
Walmart	9,758,800
Meijer	7,844,080
American House Roseville	6,889,629
Gratiot Plaza/Federal Realty	6,445,499
Sandhurst Owner LLC	5,841,835
Gratiot Center Associates	5,470,596

Source: City of Roseville

{This space has been left intentionally blank.}

TAX RATES **

(Per $1,000 of Taxable Value)

	2026		2025		2024	
	Principal Residence	Non Principal Residence	Principal Residence	Non Principal Residence	Principal Residence	Non Principal Residence
City of Roseville						
Operating	$ 12.5263	$ 12.5263	$ 12.4849	$ 12.4849	$ 12.4192	$ 12.4192
Operating (Extra)	4.5718	4.5718	4.6250	4.6250	4.6907	4.6907
Refuse	2.4255	2.4255	2.5278	2.5278	2.4538	2.4538
Advanced life (1)	0.3195	0.3195	0.3233	0.3233	0.3279	0.3279
Debt	0.7354	0.7354	0.7354	0.7354	0.7600	0.7600
Library	0.9141	0.9141	0.9248	0.9248	0.9376	0.9376
Library (Voted) (2)	0.4568	0.4568	0.4622	0.4622	0.4692	0.4692
Police & Fire Pension Fund	6.7737	6.7737	7.2129	7.2129	6.4530	6.4530
County of Macomb*	4.3336	4.3336	4.3336	4.3336	4.3595	4.3595
Roseville School District						
Local	-	18.0000	-	18.0000	-	18.0000
Debt	11.2000	11.2000	11.2000	11.2000	11.2000	11.2000
State Education Tax (SET)	6.0000	6.0000	6.0000	6.0000	6.0000	6.0000
Macomb County ISD*	4.7427	4.7427	4.7427	4.7427	4.7697	4.7697
Macomb County Community College*	1.3899	1.3899	1.3899	1.3899	1.3982	1.3982
Huron Clinton Metro Authority*	0.2050	0.2050	0.2050	0.2050	0.2062	0.2062
Zoo Authority*	0.0932	0.0932	0.0932	0.0932	0.0938	0.0938
Art Authority*	0.1930	0.1930	0.1930	0.1930	0.1942	0.1942
SMART*	0.9380	0.9380	0.9380	0.9380	0.9436	0.9436
Total All Jurisdictions	$ 57.8185	$ 75.8185	$ 58.3917	$ 76.3917	$ 57.6766	$ 75.6766

**Principal residence includes qualified agricultural property, qualified forest property and industrial personal property, which is excluded from taxes levied for school operating purposes. Moreover, commercial personal property is exempt from a portion of taxes levied for school operating purposes. Non Principal Residence is property not included in the above definition.

*Estimated based on 2025 tax rates, 2026 tax rate may vary.

(1) Voted millage expires 2037

(2) Voted millage expires 2035

TAX RATE LIMITATIONS

The City Charter provides tax rate limitations as follows:

Purpose	Maximum Millage Authorized	Maximum (1) Millage to be Levied	Expiration Date of Millage
General Operating	$ 15.0000	$ 12.5263	In perpetuity

(1) See “CONSTITUTIONAL TAX LIMITATION”, herein

The City may levy taxes in excess of the above limitation pursuant to state law for the following purposes:

Purpose	Authority	Rate (per $1,000 of Taxable Value)
Refuse collection and Disposal	Act 298, P.A. of Michigan 1917, as amended	$3.00
Police & Fire Pension Requirements	Act 345, P.A. of Michigan 1937, as amended	Amount Required to Make Contribution

In addition, Article IX, Section 6, permits the levy of millage in excess of the above for:

1. All debt service on tax supported bond and bonds issued prior to December 23, 1978 or tax supported issues which have been approved by the voters for which the issuer has pledged its full faith and credit.
2. Operating purposes for a specified period of time provided that said increase is approved by a majority of the qualified electors of the local unit.
3. Payment of valid judgments levied in accordance with the State law.

CONSTITUTIONAL MILLAGE ROLL-BACK

Article IX, Section 31 of the Michigan Constitution requires that if the total value of existing taxable property in a local taxing unit, exclusive of new construction and improvements, increases faster than the U.S. Consumer Price Index from one year to the next, the maximum authorized tax rate for that local taxing unit must be permanently reduced through a Millage Reduction Factor unless reversed by a vote of the electorate of the local taxing unit.

TAX LEVIES AND COLLECTIONS

Year	Tax Levy	Collections to March 1 of Following Year	
2026	$39,612,864	In process of collection	
2025	37,588,293	$36,217,953	96.35%
2024	35,697,172	33,419,055	93.62%
2023	32,623,073	30,667,967	94.01%
2022	29,349,143	27,733,793	94.50%
2021	27,699,841	26,203,390	94.60%
2020	22,950,841	21,757,513	94.80%
2019	22,171,464	21,028,752	94.85%
2018	21,365,629	20,252,655	91.35%
2017	20,882,938	19,829,903	92.81%

Source: Treasurer, City of Roseville

The City's taxes are due and payable and a lien created upon the assessed property on July 1, each year. Taxes remaining unpaid on the following March 1st are turned over to the County Treasurer for collection.

The delinquent real property taxes are subject to additional penalties and interest by the county. Unless the delinquent real property taxes are paid within approximately 25 months from the date of delinquency the underlying property is foreclosed upon and sold at public auction.

Macomb County has established a Delinquent Tax Revolving Fund which pays all real property taxes returned delinquent to the County Treasurer as of March 1st of each year. If feasible, it is anticipated that the County will continue to reimburse the City for any uncollected taxes, but there is no assurance that this will be the case since the County is not obligated to continue this fund in future years. Uncollected personal property taxes are collected by the County and are negligible.

REVENUES FROM THE STATE OF MICHIGAN

The City receives revenue sharing payments from the State of Michigan under the State Constitution and the State Revenue Sharing Act of 1971, as amended. The revenue sharing payments are composed of two components – a constitutional distribution and a statutory distribution.

The constitutional distribution is mandated by the State Constitution and distributed on a per capita basis to townships, cities and villages. The amount of the constitutionally mandated revenue sharing component distributed to the City can vary depending on the population of the City and the receipt of sales tax revenues by the State.

The statutory distribution is authorized by legislative action and distribution is subject to annual State appropriation by the State Legislature. Statutory distributions may be reduced or delayed by Executive Order during any State fiscal year in which the Governor, with the approval of the State Legislature's appropriations committees, determines that actual revenues will be less than the revenue estimates on which appropriations were based.

On July 29, 2026, Governor Whitmer signed into law the budget for the State's 2027 fiscal year. The budget includes a constitutional revenue sharing distribution to cities, villages and townships of approximately $1.001 billion. An additional $333.5 million has been appropriated for revenue sharing distributions, of which $299.1 million will be distributed pursuant to the State Revenue Sharing Act and $34.4 million will be distributed in 1/3 increments to cities, villages, and townships: (i) according to a statutory formula based on the per capita taxable valuation of each city, village, or township in proportion to the State-wide per capita taxable valuation; (ii) to each unit type according to its population; and (iii) pursuant to a formula that provides a yield equalization payment to each unit that is sufficient to provide the guaranteed tax base for a local tax effort, not to exceed 0.02.

The City anticipates receiving $1,190,676 in total statutory revenue sharing for fiscal year 2027.

Purchasers of the Bonds should be alerted to further modifications to revenue sharing payments to Michigan local governmental units, to potential consequent impact on the City's general fund condition, and to the potential impact upon the market price or marketability of the Bonds resulting from changes in revenues received by the City from the State.

The following table sets forth the annual revenue sharing payments received by the City during the State of Michigan's fiscal years ended September 30, 2023 through September 2025, and the currently anticipated revenue sharing payments the City expects to receive based on the State of Michigan's fiscal year ending September 30, 2026 and 2027.

State of Michigan Fiscal Year Ending September 30,	Constitutional Payments	EVIP/CVTRS Payments	Statutory Payments	Total	
2027	$ 4,750,452	$ -	$ 1,190,676	$ 5,941,128	*
2026	4,908,672	-	1,190,676	6,099,348	*
2025	5,142,031	-	1,190,868	6,332,899	
2024	5,230,938	1,043,723	-	6,274,661	
2023	5,137,246	984,732	-	6,121,978	

* Estimate, calculated as of August 11, 2026
Source: https://treas-secure.state.mi.us/apps/findrevshareinfo.asp

LABOR AGREEMENTS

The City has seven (7) employee bargaining units which have negotiated comprehensive salary, wage, fringe benefit and working conditions contracts with the City. The duration of these agreements are as follows:

Employee Group	Number of Employees	Expiration Date of Contract
Firefighters Association No. 1614	45	6/30/2027
AFL-CIO, Local No. 1917	27	6/30/2027
TPOAM	31	6/30/2028
Police Officers Association of Michigan - Clerical	12	6/30/2028
Police Officers Association of Michigan - Roseville	54	6/30/2028
Police Officers Association of Michigan - Command	16	6/30/2027
RCCAMAPE	11	6/30/2028

Source: City of Roseville

RETIREMENT PLANS*

Plan Description

The City of Roseville Employees' Retirement System and Police and Fire Retirement System are single-employer defined benefit pension plans that provide pensions for all permanent full-time general and police and fire employees of the City, respectively. Benefit terms have been established by contractual agreements between the City and the various employee union representation; amendments are subject to the same process.

Management of the System is vested in the pension board, which consists of five members: the mayor, one council person, a citizen of the City appointed by the mayor, and representatives of both general and police and fire employees.

Management of the Police and Fire System is vested in the pension board, which consists of five members: the mayor, an individual appointed by the City Council, the treasurer, and representatives elected by the City's police and fire employees.

Benefits Provided

The systems provide retirement, disability, and death benefits. Retirement benefits are established by the City's contracts with the City's collective bargaining units and may be amended through negotiation with the City's collective bargaining units. A plan member who leaves the City's service may withdraw his or her contributions, plus any accumulated interest.

Employees Covered by Benefit Terms

At June 30, 2024, measurement date, the following employees were covered by the benefit terms:

	City of Roseville Employees' Retirement System	City of Roseville Police and Fire Retirement System
Inactive plan members or beneficiaries currently receiving benefits	190	196
Inactive plan members entitled to but not yet receiving benefits	3	11
Active plan members	139	101
Total employees covered by the plan	332	308

Contributions

Article 9 Section 24 of the State of Michigan Constitution requires public employers to make pension contributions in accordance with an actuarial valuation. The City hires an independent actuary for this purpose and annually contributes the amount determined to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Employees are required to make pension contributions based on the contracts with the applicable collective bargaining units. The City's required contribution is determined after consideration of the required contribution rate of employees. For the year ended June 30, 2025, the average active employee contribution rate for the System was 8.48 percent of annual pay, and the City's average contribution rate was 22.68 percent of annual payroll. The average active employee contribution rate for the Police and Fire System was 11.31 percent of annual pay, and the City's average contribution rate was 46.82 percent of annual payroll.

____

* For additional information see Note 9 in the Audited Annual Financial Reports, fiscal year ended June 30, 2025

Schedule of Changes in the Net Pension Liability and Related Ratios (City Employees)

	2025	2024	2023
Total Pension Liability			
Service cost	$ 798,465	$ 746,420	$ 717,143
Interest	5,482,247	5,486,919	5,452,186
Transfer of liabilities to Police and Fire Retirement System	-	-	-
Differences between expected and actual experience	747,362	(282,942)	334,085
Changes in assumptions	-	-	-
Benefit payments, including refunds	(6,170,534)	(5,967,816)	(6,105,189)
Net Change in Total Pension Liability	857,540	(17,419)	398,225
Total Pension Liability - Beginning of year	80,604,633	80,622,052	80,223,827
Total Pension Liability - End of year	**$ 81,462,173**	**$ 80,604,633**	**$ 80,622,052**
Plan Fiduciary Net Position			
Contributions - Employer	$ 1,884,467	$ 1,904,444	$ 1,781,384
Contributions - Member	701,459	641,122	598,387
Net investment income (loss)	4,570,650	5,225,642	5,297,024
Administrative expenses	(122,434)	(124,889)	(115,427)
Benefit payments, including refunds	(6,170,534)	(5,967,816)	(6,105,189)
Transfer of assets to Police and Fire Retirement System	-	-	-
Net Change in Plan Fiduciary Net Position	863,608	1,678,503	1,456,179
Plan Fiduciary Net Position - Beginning of year	57,892,851	56,214,348	54,758,169
Plan Fiduciary Net Position - End of year	**$ 58,756,459**	**$ 57,892,851**	**$ 56,214,348**
City's Net Pension Liability - Ending	**$ 22,705,714**	**$ 22,711,782**	**$ 24,407,704**
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	72.13 %	71.82 %	69.73 %
Covered Payroll	$ 8,308,901	$ 7,673,867	$ 7,219,072
City's Net Pension Liability as a Percentage of Covered Payroll	273.27 %	295.96 %	338.10 %

{This space has been left intentionally blank.}

Schedule of Pension Contributions (City Employees)

	2025	2024	2023
Actuarially determined contribution	$ 1,884	$ 1,904	$ 1,781
Contributions in relation to the actuarially determined contribution	1,884	1,904	1,781
Contribution Excess	**$ -**	**$ -**	**$ -**
Covered Payroll	$ 8,309	$ 7,674	$ 7,219
Contributions as a Percentage of Covered Payroll	22.67 %	24.81 %	24.67 %

Schedule of Changes in the Net Pension Liability and Related Ratios (Police and Fire)

	2025	2024	2023
Total Pension Liability			
Service cost	$ 1,960,128	$ 1,921,855	$ 1,667,694
Interest	9,981,337	9,380,014	9,426,181
Changes of benefit terms/Plan transfers	-	211,782	-
Differences between expected and actual experience	5,766,361	8,076,561	(319,278)
Changes in assumptions	-	-	-
Benefit payments, including refunds	(11,110,770)	(10,965,558)	(12,411,095)
Net Change in Total Pension Liability	6,597,056	8,624,654	(1,636,498)
Total Pension Liability - Beginning of year	146,185,772	137,561,118	139,197,616
Total Pension Liability - End of year	**$ 152,782,828**	**$ 146,185,772**	**$ 137,561,118**
Plan Fiduciary Net Position			
Contributions - Employer	$ 4,979,207	$ 5,019,554	$ 4,145,121
Contributions - Member	1,202,301	1,137,283	1,100,726
Net investment income (loss)	6,889,021	7,619,945	8,079,356
Administrative expenses	(11,110,770)	(10,965,558)	(132,377)
Benefit payments, including refunds	(138,916)	(131,582)	(12,411,095)
Transfer of assets from Employees' Retirement System	-	-	-
Net Change in Plan Fiduciary Net Position	1,820,843	2,679,642	781,731
Plan Fiduciary Net Position - Beginning of year	88,185,220	85,505,578	84,723,847
Plan Fiduciary Net Position - End of year	**$ 90,006,063**	**$ 88,185,220**	**$ 85,505,578**
City's Net Pension Liability - Ending	**$ 62,776,765**	**$ 58,000,552**	**$ 52,055,540**
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	58.91 %	60.32 %	62.16 %
Covered Payroll	$ 10,634,310	$ 10,624,837	$ 9,150,284
City's Net Pension Liability as a Percentage of Covered Payroll	590.32 %	545.90 %	568.90 %

Schedule of Pension Contributions (Police and Fire)

	2025	2024	2023
Actuarially determined contribution	$ 4,979	$ 4,220	$ 4,131
Contributions in relation to the actuarially determined contribution	4,979	5,020	4,145
Contribution Excess	**$ -**	**$ 800**	**$ 14**
Covered Payroll	$ 10,634	$ 10,625	$ 9,150
Contributions as a Percentage of Covered Payroll	46.82 %	47.25 %	45.30 %

Source: City of Roseville audited Annual Financial Reports, fiscal year ended June 30, 2025

OTHER POST EMPLOYMENT BENEFITS *

Plan Description

The City provides retiree healthcare benefits to eligible employees and their spouses for police and fire safety, as well as general employees of the City. The benefits are provided through the City of Roseville Retiree Health Care Benefits Plan, a single employer plan administered by the City of Roseville Retiree Health Care Benefits Plan Board. The benefits are provided under collective bargaining agreements. The plan does not issue a separate stand-alone financial statement. Administrative costs are paid by the plan through employer contributions. Administrative costs are paid by the plan through employer contributions.

The net position of the OPEB are included in these financial statements as an other employment benefit trust fund (a fiduciary fund).

Management of the plan is vested with the Roseville Retiree health Care Benefits Trust Board (the "Board"), which consists of five members: the mayor, one council person, two members with interest in the plan appointed by the mayor, and a citizen of the City appointed by the mayor.

Benefits Provided

The City of Roseville Retiree Health Care Benefits Plan provides healthcare for retirees and their dependents. Benefits are provided through a third-party insurer, and the full cost of the benefits is covered by the plan.

Employee Covered by Benefit Terms

The following members were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	294
Active plan members	77
Total plan members	371

Contributions

Retiree health care costs are paid by the City on a pay-as-you-go basis. The City has no obligation to make contributions in advance of when the insurance premiums are due for payment. For the fiscal year ended June 30, 2025, the City made payments for postemployment health benefit premiums of $4,249,715, with an additional $350,000 contribution made in advance of premiums due. Under Public Act 202, for the fiscal year ended June 30, 2025, the actuarially determined contribution was determined to be $4,249,715.

{This space is left intentionally blank.}

* For additional information see Note 10 in the Audited Annual Financial Reports, fiscal year ended June 30, 2025

Schedule of Changes in the Net OPEB Liability and Related Ratios

	2025	2024	2023
Total OPEB Liability			
Service cost	$ 284,272	$ 371,036	$ 340,176
Interest	4,762,171	4,729,983	4,445,807
Differences between expected and actual experience	5,014,485	(1,100,223)	3,407,620
Changes in assumptions	1,989,972	892,721	-
Benefit payments, including refunds	(4,249,715)	(4,440,897)	(3,897,918)
Net Change in Total OPEB Liability	7,801,185	452,620	4,295,685
Total OPEB Liability - Beginning of year	69,835,657	69,383,037	65,087,352
Total OPEB Liability - End of year	**$ 77,636,842**	**$ 69,835,657**	**$ 69,383,037**
Plan Fiduciary Net Position			
Contributions - Employer	$ 4,599,715	$ 4,790,897	$ 4,247,918
Net investment income (loss)	1,550,081	1,969,012	1,376,673
Administrative expenses	(9,344)	(31,037)	(30,372)
Benefit payments, including refunds	(4,249,715)	(4,440,897)	(3,897,918)
Other	-	-	-
Net Change in Plan Fiduciary Net Position	1,890,737	2,287,975	1,696,301
Plan Fiduciary Net Position - Beginning of year	15,704,540	13,416,565	11,720,264
Plan Fiduciary Net Position - End of year	**$ 17,595,277**	**$ 15,704,540**	**$ 13,416,565**
Net OPEB Liability - Ending	**$ 60,041,565**	**$ 54,131,117**	**$ 55,966,472**
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	22.66 %	22.49 %	19.34 %
Covered-employee Payroll	$ 6,902,405	$ 6,668,990	$ 6,385,637
Net OPEB Liability as a Percentage of Covered-employee Payroll	869.86 %	811.68 %	876.44 %

Schedule of OPEB Contributions

	2025	2024	2023
Actuarially determined contribution	$ 4,250	$ 4,441	$ 3,898
Contributions in relation to the actuarially determined contribution	4,600	4,791	4,248
Contribution Excess (Deficiency)	**$ 350**	**$ 350**	**$ 350**
Covered-employee Payroll	$ 6,902	$ 6,669	$ 6,386
Contributions as a Percentage of Covered-employee Payroll	66.65 %	71.84 %	66.52 %

Source: City of Roseville audited Annual Financial Report for the fiscal year ended June 30, 2023

GENERAL FUND-FUND BALANCE

The City's General Fund fund balance for the last five years has been as follows:

Fiscal Year Ended June 30	Fund Balance
2025	$ 19,725,248
2024	14,462,313
2023	9,210,511
2022	6,804,535
2021	3,575,312

Source: City of Roseville audited financial statements

{This space is left intentionally blank.}

DEBT STATEMENT*

(As of September 8, 2026, including the Bonds described herein)

DIRECT DEBT:

General Obligation Bonds				
09/18/2012	SRF Capital Improvement Bonds (Proj. # 5373-01)	$ 1,810,000		
04/01/2016	SRF Capital Improvement Bonds (Proj. # 5605-01)	$ 631,680		
06/27/2024	UTGO Bonds, Series 2024	11,115,000		
Date of Delivery	UTGO Bonds, Series 2026	8,000,000		
			$ 21,556,680	
Share of County Issued Bonds				
12/19/2013	Lake St. Clair Clean Water Refunding, Series 2013	904,164		
12/27/2019	Lake St. Clair Clean Water Refunding, Series 2019	695,981		
12/10/2020	Lake St. Clair Clean Water Refunding, Series 2020	927,635	2,527,780	
TOTAL DIRECT DEBT			$24,084,460	
NET DIRECT DEBT			$24,084,460	

OVERLAPPING DEBT:

8.73%	Fraser School District	$ 117,064,654	$ 10,219,744
100.00%	Roseville	135,611,909	135,611,909
3.23%	Macomb County	178,846,840	5,776,753
3.16%	Macomb ISD	88,570,000	2,798,812
3.23%	Macomb Community College	-	-
TOTAL OVERLAPPING DEBT			$ 154,407,218
NET DIRECT AND OVERLAPPING DEBT			$ 178,491,678

Source: Municipal Advisory Council of Michigan

DEBT RATIOS:

Per Capita 2026 State Equalized Valuation	$ 42,972
Per Capita 2026 True Cash Value	$ 85,945
Per Capita Net Direct Debt	$ 505
Per Capita Combined Net Direct and Overlapping Debt	$ 3,741
Percent Net Direct Debt of 2026 State Equalized Valuation	1.17%
Percent Net Direct and Overlapping Debt of 2026 State Equalized Valuation	8.71%
Percent of Net Direct Debt of 2026 True Cash Value	0.59%
Percent of Net Direct and Overlapping Debt of 2026 True Cash Value	4.35%

* Preliminary, subject to change

SCHEDULE OF BOND MATURITIES*

(As of September 8, 2026, including the Bonds described herein)

Year	General Obligation Bonds	Share of County Bonds
2026	$ -	$ 599,034
2027	375,995	623,526
2028	422,640	643,936
2029	537,640	661,285
2030	549,285	-
2031	555,930	-
2032	562,575	-
2033	594,220	-
2034	370,865	-
2035	405,865	-
2036	452,510	-
2037	504,155	-
2038	475,000	-
2039	515,000	-
2040	515,000	-
2041	560,000	-
2042	610,000	-
2043	655,000	-
2044	710,000	-
2045	760,000	-
2046	820,000	-
2047	870,000	-
2048	930,000	-
2049	990,000	-
2050	1,040,000	-
2051	1,085,000	-
2052	1,130,000	-
2053	1,165,000	-
2054	1,195,000	-
2055	1,075,000	-
2056	1,125,000	-
2057	-	-
2058	-	-
	$ 21,556,680	$ 2,527,780

DEBT HISTORY: There is no record of default.
FUTURE FINANCING: The City does not anticipate issuing additional bonds in the next six months.

* Preliminary, subject to change

STATEMENT OF LEGAL DEBT MARGIN*

(As of September 8, 2026, including the Bonds described herein)

2026 State Equalized Valuation			$	2,050,213,174
Plus Assessed Value Equivalent:				
IFT Exemptions	$	1,148,456		
State Revenue Sharing		216,586,935		
Personal Property Tax Reimbursement		41,040,975		258,776,366
Total Valuation			$	2,308,989,540
Debt Limit (10% of State Equalized Valuation)			$	230,898,954
Amount of Outstanding Debt (Debt Statement)	$	24,084,460		
				24,084,460
LEGAL DEBT MARGIN			$	206,814,495

(1) Act 279, Public Acts of Michigan, 1909, as amended, and the City Charter of the City, provide that the net indebtedness of the City shall not exceed 10% of all assessed real and personal property in the City, plus assessed value equivalent of certain City revenues as determined under this Act, plus Act 198 specific tax levies.
(2) Bonds which are not included in the computation of legal debt margin according to said Act 279 are:
(a) Special Assessment Bonds;
(b) Mortgage Bonds;
(c) Transportation Fund Bonds;
(d) Revenue Bonds;
(e) Bonds issued, or contracts or assessment obligations incurred, to comply with an order of the Water Resources Commission or a court of competent jurisdiction;
(f) Other obligations incurred for water supply, sewage, drainage or refuse disposal projects necessary to protect the public health by abating pollution;
(g) Bonds issued, or contracts or assessment obligations incurred, for the construction, improvement or replacement of a combined sewer overflow abatement facility;
(h) Bonds issued to pay premiums or establish self-insurance contracts in accordance with Act 34, Public Acts of Michigan, 2001, as amended.
(3) Act 99 of 1933, as amended, provides for the acquisition of real or personal property through the use of contract or agreement to be paid for in installments, provided the oustanding balance of all such purchases, exclusive of interest ,shall not exceed 1 1/4% of the taxable value of real and personal property in the City. The amount of such contracts or agreements cannot exceed $14,215,176 (1 1/4% of the City's 2023 Taxable Value of $ 1,137,214,086).

* Preliminary, subject to change

MAJOR EMPLOYERS

Major employers in the City are as follows:

Firm Name	Product/Service	Approximate Number of Employees
Rco Engineering	Engineering Services	779
Costco	Warehouse Clubs and Supercenters	225
Sodecia North America	Special Die & Tool, Die Set, Jig & Fixture Mfg	200
Sam's Club	Warehouse Clubs & Supercenters	200
Home Depot	Home Centers	199
Dominion Technologies Group	Special Die & Tool, Die Set, Jig & Fixture Mfg	160
Chrysler Dodge Jeep Ram-Rsvll	New Car Dealers	150
JC Penney	Department Stores	140
Kroger	Supermarkets/Other Grocery (Exc Convenience) Strs	130
Jeffrey Automotive Group	General Automotive Repair	120
Turri's Italian Foods	Frozen Specialty Food Manufacturing	100
Piper Industries Inc	Precision Turned Product Manufacturing	100
Meijer	Supermarkets/Other Grocery (Exc Convenience) Strs	100
King KOIL-Comfort Mattress Co	Furniture Stores	100
Joe Randazzo's Fruit-Vegetable	Fresh Fruit & Vegetable Merchant Wholesalers	100
Cadillac Products Automotive	Mineral Wool Manufacturing	100
Atlas Tool Inc	Special Die & Tool, Die Set, Jig & Fixture Mfg	100

Source: Southeast Michigan Council of Governments.

{This space has been left intentionally blank.}

LABOR CHARACTERISTICS

The U.S. Census 2024 American Community Survey 5 Year Estimate lists the labor force characteristics for the City, for employed persons 16 years and over, as follows:

By Occupation	Number of Employees
Management, business, science and arts occupation	6,687
Service occupations	4,644
Sales and office occupations	5,556
Natural resources, construction, and maintenance occupations	2,367
Production, transportation, and material moving occupations	4,619
Total	23,873

By Industry	
Agriculture, forestry, fishing and hunting and mining	64
Construction	1,967
Manufacturing	4,631
Wholesale trade	423
Retail trade	2,821
Transportation and warehousing, and utilities	1,284
Information	139
Finance, insurance, real estate, and rental and leasing	1,951
Professional, scientific, management, administrative, and waste management service:	2,672
Educational, health and social assistance	4,279
Arts, entertainment, recreation, accomodation and food services	1,780
Other services (except professional administration)	915
Public administration	947
Total	23,873

UNEMPLOYMENT DATA

According to the Michigan Department of Career Development, Employment Security Agency, Office of Labor Market Information, the unemployment statistics for the State of Michigan and City during the current year and the last three calendar years are as follows:

City of Roseville

	2026	2025	2024	2023
January	6.4%	6.9%	4.6%	4.9%
February	6.7%	6.5%	4.7%	4.5%
March	6.3%	6.1%	4.8%	3.9%
April	5.2%	4.9%	4.1%	2.8%
May	6.5%	5.9%	4.8%	4.0%
June	6.0%	5.8%	5.6%	4.5%
July		6.8%	7.1%	4.9%
August		5.5%	5.5%	4.6%
September		5.8%	5.7%	4.7%
October		--	6.5%	4.8%
November		6.0%	6.5%	4.1%
December		5.6%	5.8%	3.9%
Annual Average		6.0%	5.5%	4.3%

State of Michigan

	2026	2025	2024	2023
January	5.6%	5.7%	4.2%	4.5%
February	5.3%	5.7%	4.4%	4.4%
March	5.1%	5.5%	4.3%	4.0%
April	4.5%	4.7%	3.9%	3.1%
May	5.2%	5.1%	4.4%	3.8%
June	5.1%	5.2%	5.1%	4.1%
July		5.7%	5.8%	4.4%
August		4.9%	4.9%	4.1%
September		4.6%	4.6%	3.8%
October		--	4.8%	3.8%
November		4.8%	4.8%	3.4%
December		4.8%	5.0%	3.6%
Annual Average		5.2%	4.7%	3.9%

INCOME CHARACTERISTICS

There were 21,226 households in the City, according to the U.S. Census 2024 American Community Survey 5 Year Estimate, which had a median household income of $62,182. A breakdown of the income for the City's households is as follows:

Income of Household	Number of Households
Less than $10,000	1,188
$10,000 to $14,999	601
$15,000 to $24,999	1,689
$25,000 to $34,999	1,843
$35,000 to $49,999	3,346
$50,000 to $74,999	4,204
$75,000 to $99,999	3,119
$100,000 to $149,999	3,542
$150,000 or more	1,694

The per capita income for the City in was $35,763 according to the U.S. Census 2024 American Community Survey 5 Year Estimate.

CITY OF ROSEVILLE
GENERAL FUND BUDGET SUMMARIES
FISCAL YEARS ENDED JUNE 30, 2026 AND ENDING JUNE 30, 2027

CITY OF ROSEVILLE
SUMMARY OF BUDGETED REVENUES AND EXPENDITURES BY FUND
2025-2026 FISCAL YEAR

REVENUES - GENERAL FUND

Property Taxes & Administrative Fees	$	26,427,950
License & Permits		1,599,795
Federal, State & Local Grants		239,000
State Shared Revenue		6,284,509
Highway Fund Reimbursement		1,903,849
Charges for Services		4,985,252
Fines & Fees		2,329,700
Miscellaneous Revenue		3,650,038
TOTAL GENERAL FUND	**$**	**47,420,092**

EXPENDITURES - GENERAL FUND

General	$	6,405,644
39th District Court - General		3,132,552
39th District Court - Probation		696,368
Manager		704,992
Controller's		570,690
City Clerk		751,416
Information Services		968,304
Purchasing & Insurance		276,861
City Treasurer		567,298
City Assessor		520,056
Building Maintenance		1,062,365
Act 78 Board		6,695
Personnel		239,281
Retirement		189,295
Economic Development & Planning		89,604
Police Department		14,073,975
Fire Department		7,662,484
Building Inspection		1,907,405
Highway Department		2,322,624
Mechanics Division		583,197
Engineering		213,963
Sanitation Department		3,261,450
Housing Commission		758,572
Planning Commission		27,355
Parks - Buildings & Grounds		418,348
Beautification Commission		9,300
TOTAL GENERAL FUND	**$**	**47,420,092**

REVENUES -SPECIAL REVENUE FUNDS:

Major Street Fund	$	5,150,253
Local Street Fund		3,853,736
Indigent Defense Fund		1,656,230
Drug Law Enforcement Fund		353,000
CDBG Fund		557,000
Downtown Development Authority		85,520
Police and Fire-PA345		9,496,368
American Rescue Act		-
Library Authority Fund		2,105,886

REVENUES-CAPITAL PROJECT FUNDS:

Working Capital Fund	1,050
Capital Project Fund	703,675
Bond Construction Fund	6,535,000
Equipment Replacement Fund	1,550,000

REVENUES-DEBT SERVICE FUNDS:

Debt Service Fund	948,840
Chapter 20 Drain Fund	443,724

REVENUES-INTERNAL SERVICE FUND:

Self-Insurance Funds	11,736,852

REVENUES-ENTERPRISE FUNDS:

Water Fund	20,694,476
Storm Water Fund	2,949,517

TOTAL ALL FUNDS	**$**	**116,241,218**

EXPENDITURES-SPECIAL REVENUE FUNDS:

Major Street Fund	$	5,150,253
Local Street Fund		3,853,736
Indigent Defense Fund		1,656,230
Drug Law Enforcement Fund		353,000
CDBG Fund		557,000
Downtown Development Authority		85,520
Police and Fire-PA345		9,496,368
American Rescue Act		-
Library Authority Fund		2,105,886

EXPENDITURES-CAPITAL PROJECT FUNDS:

Working Capital Fund	1,050
Capital Project Fund	703,675
Bond Construction Fund	6,535,000
Equipment Replacement Fund	1,550,000

EXPENDITURES-DEBT SERVICE FUNDS:

Debt Service Fund	948,840
Chapter 20 Drain Fund	443,724

EXPENDITURES-INTERNAL SERVICE FUND:

Self-Insurance Funds	11,736,852

EXPENDITURES-ENTERPRISE FUNDS:

Water Fund	20,694,476
Storm Water Fund	2,949,517

TOTAL ALL FUNDS	**$**	**116,241,218**

CITY OF ROSEVILLE
SUMMARY OF BUDGETED REVENUES AND EXPENDITURES BY FUND
2026-2027 FISCAL YEAR

REVENUES - GENERAL FUND

Property Taxes & Administrative Fees	$	27,535,006
License & Permits		1,514,295
Federal, State & Local Grants		325,000
State Shared Revenue		6,272,794
Highway Fund Reimbursement		1,891,972
Charges for Services		5,159,514
Fines & Fees		2,178,888
Miscellaneous Revenue		4,001,544
TOTAL GENERAL FUND	**$**	**48,879,014**

EXPENDITURES - GENERAL FUND

General	$	6,556,187
39th District Court - General		3,218,685
39th District Court - Probation		743,650
Manager		642,484
Controller's		580,845
City Clerk		867,364
Information Services		1,039,474
Purchasing & Insurance		288,384
City Treasurer		598,280
City Assessor		540,084
Building Maintenance		1,095,624
Act 78 Board		6,865
Personnel		244,933
Retirement		197,213
Economic Development & Planning		93,316
Police Department		14,002,518
Fire Department		7,865,694
Building Inspection		1,940,292
Highway Department		2,488,060
Mechanics Division		620,899
Engineering		218,648
Sanitation Department		3,358,753
Housing Commission		784,793
Planning Commission		31,607
Parks - Buildings & Grounds		438,124
Beautification Commission		9,300
TOTAL GENERAL FUND	**$**	**48,472,077**

REVENUES -SPECIAL REVENUE FUNDS:

Major Street Fund	$	5,182,114
Local Street Fund		5,152,605
Indigent Defense Fund		1,280,028
Drug Law Enforcement Fund		353,000
CDBG Fund		556,354
Downtown Development Authority		93,408
Police and Fire-PA345		9,357,427
Library Authority Fund		1,997,218

EXPENDITURES-SPECIAL REVENUE FUNDS:

Major Street Fund	$	4,876,711
Local Street Fund		3,895,261
Indigent Defense Fund		1,280,028
Drug Law Enforcement Fund		353,000
CDBG Fund		556,354
Downtown Development Authority		173,000
Police and Fire-PA345		9,357,427
Library Authority Fund		2,015,154

REVENUES-CAPITAL PROJECT FUNDS:

Working Capital Fund	1,050
Capital Project Fund	124,000
Bond Construction Fund	8,050,000
Equipment Replacement Fund	1,925,000

EXPENDITURES-CAPITAL PROJECT FUNDS:

Working Capital Fund	1,050
Capital Project Fund	423,591
Bond Construction Fund	7,077,437
Equipment Replacement Fund	2,722,338

REVENUES-DEBT SERVICE FUNDS:

Debt Service Fund	995,035
Chapter 20 Drain Fund	10,000

EXPENDITURES-DEBT SERVICE FUNDS:

Debt Service Fund	608,642
Chapter 20 Drain Fund	477,434

REVENUES-INTERNAL SERVICE FUND:

Self-Insurance Funds	11,891,005

EXPENDITURES-INTERNAL SERVICE FUND:

Self-Insurance Funds	11,891,005

REVENUES-ENTERPRISE FUNDS:

Water Fund		21,726,444
Storm Water Fund		3,373,439
TOTAL ALL FUNDS	**$**	**120,947,141**

EXPENDITURES-ENTERPRISE FUNDS:

Water Fund		21,855,973
Storm Water Fund		3,323,439
TOTAL ALL FUNDS	**$**	**119,359,919**

APPENDIX C

CITY OF ROSEVILLE

FINANCIAL STATEMENTS

FISCAL YEAR ENDED JUNE 30, 2025

City of Roseville, Michigan

Financial Report with Supplemental Information June 30, 2025

Contents

Contents (Continued)

Financial Section

For the period ending June 30, 2025

Plante & Moran, PLLC
Suite 300
19176 Hall Road
Clinton Township, MI 48038
Tel: 586.416.4900
Fax: 586.416.4901
plantemoran.com

Independent Auditor's Report

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

Opinions

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

In our opinion, based on our audit and the report of other auditors, 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 discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of June 30, 2025 and the respective changes in its financial position and, where applicable, its cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Southeast Macomb Sanitary District and the South Macomb Disposal Authority, which collectively represent the following percentages of assets, net position, and revenue: 0.00 percent, (7.01) percent, and (0.10) percent of the governmental activities; 12.56 percent, 17.73 percent, and 5.77 percent of the business-type activities; and 14.06 percent, 20.77 percent, and 5.28 percent of the Water and Sewer Fund, respectively. Those financial statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for governmental activities, the business-type activities, and the major funds, is based solely on the report of the other auditors.

Basis for Opinions

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

Emphasis of Matter

As discussed in Note 1 to the financial statements, in 2025, the City adopted new accounting guidance under GASB Statement No. 101, *Compensated Absences*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

PRAXITY™
Empowering Business Globally

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

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

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The nonmajor governmental funds combining balance sheet and combining statement of revenue, expenditures, and changes in fund balances; the internal service funds combining statement of net position, combining statement of revenue, expenses, and changes in net position, and combining statement of cash flows; and the fiduciary funds combining statement of fiduciary net position and combining statement of changes in fiduciary net position are presented for the purpose of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Plante & Moran, PLLC

December 17, 2025

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

Using This Annual Report

The annual report consists of a series of narratives and financial statements. This narrative is intended to serve as an introduction to the City's basic financial statements. The basic financial statements consist of three components: government-wide financial statements, fund financial statements, and the notes to the financial statements. This report also contains other supplementary information.

The format of the annual report was modified in 2003 to comply with the reporting requirements of Governmental Accounting Standards Board (GASB) Statement No. 34. The basic financial statements include two kinds of statements that present different views of the City. The statement of net position and the statement of activities provide information about the activities of the City on a government-wide basis. They are designed to present a long-term view of the City's finances. The fund financial statements, which follow the above-mentioned statements, illustrate how the services provided by the City were financed in the short term, as well as what remains for future spending. Additionally, the fund financial statements report the City's operations in more detail than the government-wide financial statements.

Government-wide Statements

The government-wide statements provide information about the City as a whole, using accounting methods similar to those used by private sector companies. The statement of net position includes all of the City's assets and liabilities. Net position, the difference between the City's assets and liabilities, is one way to measure the City's overall financial health. The statement of activities reflects all of the current year's revenue and expenses, regardless of when cash is actually received or paid.

The government-wide financial statements of the City are divided into three categories:

- Governmental activities - Most of the City's basic services are included here, such as police, fire, EMS, public works, recreation, and general administration. Property taxes, state-shared revenue, charges for services, and grants provide the majority of the funding.
- Business-type activities - The City charges user fees to customers to cover costs of providing water, sewer, and stormwater services.
- Component unit - The City includes one other entity in its report, the Downtown Development Authority. Although legally separate, this component unit is important to the City's reporting because the City exercises control over it.

Fund Financial Statements

The fund financial statements provide more detailed information about the City’s most significant funds, not the City as a whole. Funds are accounting tools that the City uses to keep track of specific sources of funding or monitor spending. Some funds are required to be separately maintained by state law. The City Council establishes other funds to control and manage money for particular purposes.

The City has three kinds of funds:

- **Governmental Funds** - Most of the City’s basic services are included in governmental funds, which focus on how cash and other financial assets that can be converted to cash flow in and out and the balance left at year end that is available for future spending. The governmental fund statements provide a detailed short-term view that highlights whether there are more or fewer financial resources available in the near future to finance the City’s programs. Because the focus of governmental funds is narrower, it is useful to compare this information with similar information presented for governmental activities in the government wide financial statements. Both the balance sheet and the statement of revenue, expenditures, and changes in fund balances for the governmental funds provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. The City maintains 13 individual governmental funds. Information is presented separately in the governmental fund balance sheet and statement of revenue, expenditures, and changes in fund balances for the General Fund, Major Streets Fund, Local Streets Fund, and Capital Projects Fund, all of which are considered to be major funds. Data for the other 9 governmental funds is combined into a single, aggregated presentation. Individual fund data for the nonmajor governmental funds is provided in the form of combining statements located in the other supplementary information section of this report. The City adopts an annual appropriated budget for all of its governmental funds. Budgetary comparison statements have been provided for all major governmental funds to demonstrate budgetary compliance.

- **Proprietary Funds** - Proprietary fund reporting, like government-wide statements, provides both short-term and long-term financial information. The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented in the business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water and sewer operation and its stormwater operation. The Water and Sewer Fund is considered a major fund of the City. Internal service funds accumulate and allocate costs internally among various functions. The City uses internal service funds to account for its self-insurance programs and workers’ compensation-related expenditures. Because these programs predominantly benefit governmental rather than business type functions, they have been consolidated within the governmental activities in the government-wide financial statements.

- **Fiduciary Funds** - Fiduciary funds are used to account for resources held for the benefit of parties outside of the City. Fiduciary funds are not reflected in the government wide financial statements because the resources held in those funds are not available to finance the City’s programs.

Notes to the Financial Statements

Notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required Supplementary Information

The required supplementary information is in addition to the basic financial statements and accompanying notes to the financial statements. This section of the report highlights the City’s progress in funding its obligations to provide pension and other postemployment benefits to its employees. Also included in this section are the budgetary comparison statements for the General Fund and major special revenue funds.

Other Supplementary Information

Combining fund statements referred to earlier are presented immediately following the required supplementary information section of this report.

The City of Roseville, Michigan as a Whole

The City's combined total net position increased from $97.8 million to $112.7 million during fiscal year 2025. A review of the governmental activities, separate from the business-type activities, shows an increase of approximately $5.9 million in total net position during fiscal year 2025. The increase in total net position of governmental activities is primarily due to a $6.2 million increase in net investment in capital assets. The City continues to address the adverse impact on property tax revenue due to the slow recovery of property values imposed by Proposal A, the continued long-term effect of the Headlee Amendment, and the effects of funding retiree health care benefits for current and future retirees. In 2025, the City contributed $6.9 million to its pension plans, $1.9 million of which was paid by the General Fund and $5.0 million was paid by the Police and Fire Retirement Fund.

Total net position for business-type activities increased by approximately $9.0 million during fiscal year 2025. The increase is primarily due to a $4.8 million increase in net investment in capital assets and a $6.2 million increase to cash and investments that was set aside to address costs of critical repairs to the City's 13 Mile Pump Station and Force Main Project that began during fiscal 2025. The increase in net investment in capital assets and cash and investments was a result of operational savings realized from restructured water, sewer, and stormwater billing rates designed to address future critical improvements to the City's aging water, sewer, and stormwater infrastructure.

The City's Net Position

	Governmental Activities			
	2024	2025	Change	Percent Change
Assets				
Other assets	$ 75,138,440	$ 79,681,873	$ 4,543,433	6.05
Capital assets	126,935,647	135,778,541	8,842,894	6.97
Total assets	202,074,087	215,460,414	13,386,327	6.62
Deferred Outflows of Resources	6,766,892	10,177154	3,410,262	50.40
Liabilities				
Current liabilities	9,935,331	10,050,498	115,167	1.16
Noncurrent liabilities	138,750,072	149,350,058	10,599,986	7.64
Total liabilities	148,685,403	159,400,556	10,715,153	7.21
Deferred Inflows of Resources	719,833	904,342	184,509	25.63
Net Position (Deficit)				
Net investment in capital assets	125,286,885	131,522,213	6,235,328	4.98
Restricted	13,972,075	13,359,425	(612,650)	(4.38)
Unrestricted	(79,823,217)	(79,548,968)	274,249	(0.34)
Total net position (deficit)	$ 59,435,743	$ 65,332,670	$ 5,898,927	9.92

	Business-type Activities			
	2024	2025	Change	Percent Change
Assets				
Other assets	$ 27,469,599	33,665,856	$ 6,196,257	22.56
Capital assets	28,631,262	33,166,763	4,535,501	15.84
Total assets	56,100,861	66,832,619	10,731,758	19.13
Deferred Outflows of Resources	53,347	318,077	264,730	496.24
Liabilities				
Current liabilities	1,225,152	2,940,027	1,714,875	139,.97
Noncurrent liabilities	16,516,895	16,783,414	266,519	1.61
Total liabilities	17,742,047	19,723,441	1,981,394	11.17
Deferred Inflows of Resources	83,928	85,796	1,868	2.23
Net Position				
Net investment in capital assets	25,780,868	30,596,813	4,815,945	18.68
Unrestricted	12,547,365	16,744,646	4,197,281	33.45
Total net position	$ 38,328,233	$ 47,341,459	$ 9,013,226	23.52

The City's Changes in Net Position

	Governmental Activities			
	2024	2025	Change	Percent Change
Revenue				
Program revenue:				
Charges for services	$ 5,938,606	$ 6,837,154	$ 898,548	15,13
Operating grants	17,183,496	8,939,968	(8,243,528)	(47.97)
Capital grants	1,162,081	2,129,370	967,289	83.24
General revenue:				
Taxes	33,556,474	35,416,967	1,860,493	5.54
Intergovernmental	8,294,614	8,561,798	267,184	3.22
Investment earnings	2,301,889	3,052,617	750,728	32.61
Other revenue	1,348,870	1,923,988	575,118	42.64
Total revenue	69,786,030	48,955,370	(20,830,660)	(29.85)
Expenses				
General government	8,668,265	18,082,518	9,414,253	108.61
Police and fire safety	26,859,463	30,745,182	3,885,719	14.47
Public works	10,554,271	9,402,800	(1,151,471)	(10.91)
Community and economic development	1,178,242	1,013,995	(164,247)	(13.94)
Recreation and culture	1,250,405	1,629,429	379,024	30.31
Debt service	178,280	591,011	412,731	231.51
Total expenses	48,688,926	61,464,935	12,776,009	26.24
Change in Net Position	21,097,104	5,896,927	(15,200,177)	(72.05)
Net Position (Deficit) - Beginning of year	38,338,639	59,435,743	21,097,104	55.03
Net Position (Deficit) - End of year	$ 59,435,743	$ 65,332,670	$ 5,896,927	9.92

	Business-type Activities			
	2024	2025	Change	Percent Change
Revenue - Program revenue - Charges for services	$ 22,537,356	$ 27,775,194	$ 5,237,838	23.24
Expenses - Program expenses	17,890,866	18,761,968	871,102	4.87
Change in Net Position	4,646,490	9,013,226	4,366,736	93.98
Net Position - Beginning of year	33,681,743	38,328,233	4,646,490	13.80
Net Position - End of year	$ 38,328,233	$ 47,341,459	$ 9,013,226	23.52

Governmental Activities

The City's total governmental revenue decreased from $69.8 million in fiscal 2024 to $49.0 million in fiscal 2025. Of this amount, property taxes, which account for approximately 72.3 percent of total revenue, increased from $33.6 million in fiscal 2024 to $35.4 million in fiscal 2025. Operating grants decreased from $17.2 million in fiscal 2024 to $8.9 million in fiscal 2025 and represents 18.3 percent of total revenue. Intergovernmental revenue increased from $8.3 million in fiscal 2024 to $8.6 million in fiscal 2025, which includes state-shared revenue and state reimbursements for lost personal property taxes because of legislation. Intergovernmental revenue accounts for approximately 17.5 percent of total revenue. Charges for service-type activities, which support program costs, such as the district court, building and rental inspections, etc., increased from $5.9 million in fiscal 2024 to $6.8 million in fiscal 2025. During fiscal year 2025, charges for service-type activities represent 14.0 percent of total revenue. Capital grants, investment earnings, and other revenue increased from $4.8 million in fiscal 2024 to $7.1 million in fiscal 2025, which represents 14.5 percent of total revenue.

Total expenditures increased $12.8 million or 26.2 percent compared to the previous fiscal year. This increase is primarily attributed to an increase in the actuarily determined net OPEB expense of approximately $6.6 million. Other increases include an increase in actuarily determined net pension expense, an increase in compensated absence expense, and an increase in other general expenditures due to inflation. The City continued strong expenditure control and continued to meet its required actuarial contribution for the defined benefit pension system during fiscal year 2025. As of June 30, 2025, the City's net pension liability was approximately $85.5 million for its general employees and police and fire employees plans combined. In addition to paying all retiree health care benefits as they came due during fiscal 2025, the City was also able to contribute approximately $0.4 million to the retiree health care plan. As of June 30, 2025, the City's net OPEB liability was approximately $60.0 million.

Business-type Activities

The City's business-type activities are recorded in the Water and Sewer Fund and the Storm Water Fund. Water and sewer operations, as well as storm water operations, are funded directly by user fees or charges for services. Program revenue generated from these funds totaled $27.8 million in fiscal 2025, and expenses were $18.8 million, resulting in a $9.0 million increase in net position from the prior year. For fiscal year 2025, a 7.7 percent rate increase in the City's overall water and sewer rate was passed to customers, reflective of significant increases in operation costs. The Great Lakes Water Authority (GLWA) was created in 2015, replacing the City of Detroit, Michigan to manage water and sewer operations for Wayne, Oakland, and Macomb counties. The City is currently in its 17th year of a 30-year working agreement with the GLWA and formerly the City of Detroit, Michigan to monitor maximum day peaking costs and usage to minimize future rate increases from its supplier. Effective July 1, 2009, city management revised the water and sewer billing structure to include a ready-to-serve base charge on all accounts, regardless of usage. The City's water and sewer rates reflect the estimated cost for water units purchased or sewer treatment costs incurred by the City, as well as needed future infrastructure improvements. Storm water rates are based on a formula that calculates storm water runoff per parcel into the combined sewer and/or storm water system from their property and were implemented during fiscal year ended June 30, 2019.

During fiscal year 2025, the City's water and sewer system incurred a 1.5 percent increase in the volume of water purchased and a 0.1 percent increase in the cost of sewage sent for treatment. During the same period, the City recognized a 2.4 percent decrease in the total volume of water units sold and a 5.0 percent increase in sewage treatment sales. This relationship is supported by the City's inferred water loss percentage, which increased from 15.1 percent to 17.1 percent during fiscal year 2025. For fiscal year 2026, the City Council has approved a 5.2 percent water and sewer rate increase to address the need for significant infrastructure and capital improvements.

Storm water utility fees became effective January 2019 and generated approximately $2.9 million in revenue during fiscal 2025 to be used to maintain the City's storm water treatment facility and for maintenance of the City's combined sewer and/or storm water infrastructure.

The City's Funds

The analysis of the City's major funds follows the government-wide financial statements. The fund financial statements provide detailed information about the most significant funds, not the City as a whole. The City Council creates funds to help manage money for specific purposes, as well as to show accountability for certain activities. The City's major funds for 2024 and 2025 include the General Fund, the Major and Local Streets funds, and the Capital Projects Fund.

The General Fund receives all city revenue not designated for specific use by state statutes or City Charter and accounts for most of the City's governmental services. The most significant of these relate to the police and fire safety departments, which incurred expenditures of approximately $18.9 million in 2025, an increase of approximately $0.9 million primarily attributed to increases in personnel costs. The fund balance in the General Fund increased by approximately $5.3 million during fiscal year 2025, primarily attributed to an increase in property taxes levied for the fiscal year and strong cost control efforts. Revenue from property taxes recorded in the General Fund increased by approximately $2.3 million during fiscal year 2025. Federal grant revenue decreased by $7.6 million due to revenue earned from the American Rescue Plan Act in the prior year. State-shared revenue and grants increased by $0.3 million during 2025 primarily due to increases in state revenue-sharing and Local Community Stabilization Authority disbursements from the prior year. Investment income and other revenue remained relatively consistent in fiscal 2025 compared to fiscal 2024. Despite efforts to manage expenditures, funding for retiree health care and pension benefits continues to adversely impact the fund balance in the General Fund. City management will continue to evaluate options to further reduce retiree health care costs and will present alternative options to the City Council for consideration. These options may include new programs and plans and other innovative measures to provide reduction in legacy costs. An increase in the City's general operating millage or an override millage proposal for the accumulation of millage rollback as a result of the Headlee Amendment provides options for City Council to consider.

The Major and Local Streets funds are the two funds used by the City to account for capital outlay expenditures related to road construction and maintenance. State revenue sources and transfers from other funds support the activities recorded in these funds. During fiscal year 2025, fund balance in the Major Streets Fund decreased by approximately $1.0 million due to $3.9 million of transfers to the Local Streets Fund during the fiscal year to support local road construction projects. The fund balance in the Local Streets Fund increased by approximately $0.7 million during fiscal year 2025. Historically, future road projects have been supported by funding from the Community Development Block Grant (CDBG) for streets in low- to moderate-income level areas and transfers from the General Fund. Due to the decline of low- to moderate-income level areas within the City, the amount of funding from CDBG is also anticipated to decline.

The Capital Projects Fund includes the City's portion of the Lake St. Clair Clean Water Initiative project being administered on behalf of the City by Macomb County, Michigan. The City maintains certain intangible rights to a county drain asset equal to the City's share of the debt associated with the Clean Water Initiative project. In March 2012, the City Council recommitted/reassigned approximately $2.8 million of the fund's financial reserves for future road construction projects. Of this committed amount, approximately $1.8 million has been expended for neighborhood road improvements through the end of fiscal year 2025.

Toward the end of fiscal 2024, the City issued general obligation unlimited tax bonds in the amount of $12 million to pay the cost of acquiring land and buildings for use by the City, and acquiring, constructing, renovating, furnishing and equipping various municipal facilities in the City. These bonds will be paid over a 30-year period. Approximately, $4.7 million of the bond proceeds have been spent through June 30, 2025.

During fiscal year 2021 and 2022, the City received approximately $14.4 million from a federal grant that resulted from the passage of the American Rescue Plan Act (ARPA) and has recorded the deposit in a separate major fund. Revenue from this grant is recognized when eligible grant expenditures are incurred. The City used the proceeds from this grant for projects that comply with the provisions of the Act. The City Council approved an ARPA spending plan in accordance with interim U.S. Department of Treasury Rules and Guidelines.

During fiscal year 2016, the City Council passed a resolution authorizing an additional 0.5 mills to be added to the existing 1-mill tax levy originally passed in 2012 dedicated to finance operations of the Roseville Public Library under Public Act 164. This millage was originally a 10-year millage and was renewed in November 2025 at the Headlee rolled back amount of 0.4622 mills for an additional 10 years. There is no expiration date related to the original 1-mill tax levy. Historically, activity related to the Roseville Public Library had been reflected as a department of the City's general operating budget. Subsequent to August 2011, activity related to the Roseville Public Library is presented as a separate fund and reflected in the City's government-wide financial statements.

General Fund Budgetary Highlights

City administration and the City Council monitor and amend the budget to take into account unanticipated events that occur during the year. The budget was formally amended twice during fiscal year 2025. The amended budget included a $0.5 million increase in revenue in the General Fund. This was primarily due to increases in state-shared revenue and grants as well as investment income. In total, the General Fund amended budget for expenditures increased by approximately $0.7 million primarily due to increases in general costs related to inflation and increases in anticipated health care costs. For fiscal year 2025, the City's original operating budget reflected a $1.7 million surplus and the amended budget reflected a $1.4 million surplus. For fiscal year 2025 and beyond, management has developed a comprehensive five-year financial forecast that is updated annually and is reflected as part of the City's annual operating budget.

Capital Assets and Long-term Debt Administration

At year end, the City had approximately $168.9 million invested in a wide range of net capital assets, including land, buildings, police and fire equipment, computer equipment, infrastructure assets (roads, bridges, sidewalks, and storm drains in which it has invested since 1980), and water and sewer lines. Due to limited growth within the City, no water and sewer lines were contributed by developers in the current year. During fiscal year 2025, the total value of the City's governmental infrastructure assets, net of depreciation, increased by $4.8 million, or 6.0 percent, from $79.4 million in fiscal 2024 to $84.2 million in fiscal 2025. Included in the City's infrastructure assets are certain intangible rights to a county drain asset equal to the City's share of the debt associated with the Clean Water Initiative project.

During 2012, the City transferred approximately $1.6 million in net assets to the Recreation Authority of Roseville and Eastpointe (the "Recreation Authority"). The Recreation Authority was created under Public Act 32 to provide recreation programs and senior activities to the citizenship of these communities. At inception, the city councils of Roseville and Eastpointe committed to contribute real and personal property to the Recreation Authority limited to the City of Roseville Recreation Center, 18185 Sycamore, Roseville, Michigan and the City of Eastpointe Community Center, 16435 Eight Mile Road, Eastpointe, Michigan. The articles permit any participating municipality, including the City of Roseville, Michigan, to withdraw upon giving one full year's budgetary notice. The articles also address dissolution of the Recreation Authority, which requires council resolution from the governing board of the participating communities, at which time all outstanding debt of the authority is required to be paid in full. Any remaining assets of the Recreation Authority would be evenly distributed to the member communities at the time of dissolution.

Debt reported in the financial statements typically relates to the purchase or construction of capital assets and is reported as a liability on the statement of net position. Debt service payments during fiscal year 2025 consisted of approximately $1.0 million in principal payments and $0.5 million in interest on all outstanding bonds and debt obligations. See the notes to the financial statements section of the report for additional information.

Economic Factors and Next Year's Budgets and Rates

In 2006, city management designed and implemented a comprehensive "multiprong" turnaround plan to address the City's financial challenges. This plan cured the financial structural imbalance by implementing various expenditure controls, including attrition of city personnel and wage and benefit concessions, as well as a voter-approved 5.0-mill tax increase in the City's operating levy. Prior to the adoption of the City's turnaround approach, the City was bracing for its third consecutive year of budget deficits. In 2010, 2012, and 2014, the plan was significantly revised and has subsequently become part of the annual budgeting process.

Unfortunately, from 2008 to 2014, property assessments continually declined. During the last decade, the City's property values have moderately increased; however, personal property assessments declined due to a phase out by the State of Michigan on property used for industrial processing and direct integrated support equipment for industrial processing. These personal property taxes have been completely phased out through 2023, raising concern for future tax stability. The State of Michigan has appropriated funding to reimburse communities 100 percent of lost revenue from the personal property tax phase out. The City's reimbursement for fiscal year 2025 was approximately $1.7 million. For fiscal year 2025, the City's total taxable value increased from $1.217 billion to $1.290 billion, or 6.0 percent. The City's assessor projects a 2.7 percent increase in total property values for fiscal year 2025 based on the inflation rate multiplier bulletin from the State of Michigan Department of Treasury. Personal property values are expected to remain relatively consistent due to minimal increases expected and personal property tax phase outs for industrial-related property. Reimbursement for lost revenue continues to be expected from the State of Michigan going forward, however. The sharp decline in property tax revenue after 2008 has resulted in a significant cumulative loss of revenue for the City. If property tax revenue had increased each year since 2008 by an inflationary rate of 3 percent per year, the City would have collected approximately $245 million cumulative of additional property tax revenue through June 30, 2025. In addition, the City's revenue-raising capacity is limited as a result of levying at the Headlee limit. Due to limitations imposed by Proposal A, the gap between assessed value and taxable value has been eliminated, and property owners' tax bills have been reduced by the full assessment decline. Proposal A has limited any future increases in property value to the rate of inflation. This suppression of future increases in property values has hampered the City's financial recovery as the real estate market has improved. To counter this trend, the City passed a ballot initiative during fiscal year 2019 to create a separate defined benefit pension plan for police and fire under Public Act 345. The public act allows for police and fire pension costs to be funded through a property tax millage. The City has also initiated a strategic neighborhood revitalization project. Although there has been a recent decline in available surplus properties, the City hopes to place property back onto the tax rolls by redeveloping current vacant and nontaxable properties through partnerships with other governmental agencies, including Roseville Community Schools, and through the sale of future available surplus property. This strategy will not only revitalize neighborhoods but also will add new families into the City, an effort that will benefit both the City and the school district. The City also plans to continue to sell nontaxed/nonbuildable parcels to adjacent property owners, again placing them back onto the active tax rolls and eliminating city-borne maintenance costs. During fiscal year 2020, the City became involved in a class action lawsuit that challenged the legality of fees charged to users of the City's stormwater system for the operation and maintenance of that system. The City negotiated a settlement offer of $2.4 million. Going forward, the City will be faced with finding an alternate source of revenue to operate and maintain its stormwater system. During fiscal year 2017, a group of municipal leaders, educators, and lawyers united to bring litigation against the State of Michigan for violating provisions of the Headlee Amendment and Proposal A. This challenge potentially could correct the ongoing issue of property tax revenue deficiencies that many local government units within the State of Michigan face.

The City's second largest revenue source, state revenue sharing, increased in 2025 by approximately $0.1 million from 2024. The City has received reductions in state revenue-sharing in each year from 2002 to 2013. In 2000, the City received $6.3 million in revenue-sharing payments from the State of Michigan. State-shared revenue payments in 2025 were just over $6.3 million, close to the level received 25 years ago. Revenue sharing typically represents approximately 15 percent or more of the General Fund operating budget. The true effects of declining state-shared revenue are further intensified once inflationary increases are factored into the equation. For example, if the City had received state-shared revenue payments, adjusted for the effects of inflation, the City would have received over $109 million more in state funding from 2000 through 2025. Due to the State's financial restructuring, the City anticipates future revenue-sharing payments to be reduced, however additional street construction revenue will become available.

Expenses, on the other hand, continue to rise faster than inflation in many areas, many of which are contractual in nature and are beyond the immediate control of city management. Although city departments continue to make concerted efforts to keep departmental expenditures at a minimum, contractual obligations continue to adversely influence the City’s bottom line. In recent years, city management eliminated some prior year contractual concessions to remain competitive when filling open positions. Many other contractual concessions continue in order for the City to contain costs related to contractual obligations. Unfortunately, expenses, such as pension contributions and health care benefits for both active employees and retirees, have increased at rates in excess of inflation. While the City continues to make its required annual contribution, the City’s pension system for general employees remains 72.1 percent funded and the pension system for police and fire employees remains 58.9 percent funded due to volatile financial markets and changes in actuarial assumptions. The City’s retiree health care plan remains just 22.7 percent funded. For 2025 and beyond, city management anticipates overall expenses to increase at least 3 percent annually. The City remains self-insured for medical and workers’ compensation claims, which the City has found is the most cost-effective structure. Costs per medical claim are estimated to increase substantially each year, even after extensive plan restructurings (due to the hard cap) and other related insurance changes. The City continues to negotiate labor contracts to maintain fringe benefits for both current employees and future retirees. Staff restructuring and utilizing alternative methods to provide essential city services, where economically feasible, are avenues under consideration by city management to control costs and improve efficiency.

As a result of increases in property taxable value over the past year, recognized federal grant revenue, and budgetary control efforts, the City was able to add approximately $5.3 million to its general fund financial reserves during fiscal year 2025. In 2025, the City’s General Fund fund balance increased from $14.5 million to $19.7 million with $16.0 million in unassigned fund balance remaining at June 30, 2025. For fiscal year 2026, the City’s operating budget is a balanced document and reflects no utilization of fund balance. The fiscal 2026 operating budget was predicated on utilizing savings generated from property tax increases as well as comprehensive contract restructuring with city unions. The City recently has begun the budgetary process for fiscal year 2027, at which time the financial status of fiscal year 2026 will be reevaluated. The City has not adopted a formal fund balance policy but does intend to maintain at least 30 to 40 percent of operating expenditures in fund balance in the General Fund. It is imperative that the City maintain adequate financial levels to ensure positive cash flow and to preserve its favorable A+ rating from Standard & Poor’s.

It is anticipated that the City will begin development of a long-term strategic plan in FY 2026-27 which will likely include several financial and economic related components including revisions to many current policies and the development of a fund balance policy.

The City of Roseville, Michigan, like most communities, is faced with the financial challenge of reinventing the way it operates and provides essential core services to its residents. Due to heavy dependance on property tax revenue and state revenue sharing and experiencing higher pension and OPEB contribution requirements, the City continues to face unprecedented and permanent structural financial challenges. Increasing the City's operating millage may be a viable option for the City. The city government is a service to city residents, and, therefore, its primary costs are personnel related. The City continues to negotiate immediate and long-term savings from all its collective bargaining units in order to eliminate the use of fund balance reserves, maintain core services, and avoid future layoffs. Even if the State's financial position improves and economic recovery continues, limitations under Proposal A will hamper the City's economic recovery even under the most optimistic assumption, which is, at best, that the City's revenue stream will increase proportionally with expenditures. The elimination of industrial-related personal property taxes for businesses by the State of Michigan may eventually result in approximately $2.2 million in lost General Fund revenue each year due to the significant amount of industry within the City. Although the City has been assured replacement of such lost property tax revenue, structural changes being implemented at the city level must continue to be permanent in nature to offset this lost revenue.

City management continues to aggressively investigate new potential revenue opportunities, including service-sharing agreements with surrounding communities, while it monitors and adjusts expenditures to ensure adequate fund balance reserves are maintained. In July 2010, the cities of Roseville, St. Clair Shores, and Eastpointe, Michigan created a legal entity known as the South East Regional Emergency Services Authority (SERESA), which is responsible for the dispatching of emergency police, fire, and ambulance services throughout the member communities. The articles of incorporation allow funding to be from a dedicated millage or telephone operational surcharge. However, in the near term, dispatched calls for service are going to serve as the methodology for allocating SERESA's budget among the General Fund of each city. The articles also permit any participating municipality, including the City of Roseville, Michigan, to withdraw upon giving one full year's budgetary notice; although, as a disincentive, any withdrawing municipality forfeits the asset previously transferred. SERESA is housed in a building wholly owned by the City of Roseville, Michigan. SERESA contracts with the City to provide certain fiscal and technology assistance for an annual fee. Beginning in 2012, the City entered into an agreement with the City of St. Clair Shores to perform building inspection services. A similar agreement was entered into with the City of Eastpointe during fiscal year 2025.

In late 2012, city administration also established an internal redevelopment team that was assigned the task to create a new redevelopment strategy for the community. The new strategy received certification on behalf of the City as a Michigan Redevelopment Ready Community in 2014. This designation has opened the door for new potential redevelopment opportunities, as well as potential financial and technical assistance from the Michigan Economic Development Corporation. This action has been fully supported by the City Council. The City has received recertification in 2018, 2021, and most recently in 2024. Additional economic development projects and programs continue to be implemented that address underutilized or vacant properties and encourage new development and redevelopment. Primary focus areas include 8 established Commercial Rehabilitation Districts throughout the City, a Federally designated Opportunity Zone along Gratiot Avenue and focus corridors along Groesbeck Highway and Little Mack Avenue. In late 2015, the City Council also adopted an ordinance to create a Downtown Development Authority along Gratiot Avenue between Twelve Mile Road and Martin Road and along Utica Road from Gratiot Avenue to just north of Twelve Mile Road. The Downtown Development Authority, Planning Commission and the City Council have been fully supportive of these economic development initiatives and continue to take proactive steps to bring these projects to fruition. Through the course of the past fiscal year, management has continued to work aggressively on many economic development projects. A large majority of these projects are likely to be completed during the course of the next few years and are planned to bring increased tax base to the City as well as be catalysts for additional projects.

Contacting the City's Financial Management

This financial report is intended to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have any questions about this report or need additional financial information, we invite you to contact Ryan Monroe, the city manager, at the City of Roseville, Michigan, 29777 Gratiot Avenue, Roseville, MI 48066.

Government-wide Financial Statements

For the period ending June 30, 2025

Statement of Net Position

June 30, 2025

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Downtown Development Authority
Assets				
Cash and investments (Note 3)	$ 60,194,884	$ 17,111,566	$ 77,306,450	$ 234,915
Receivables:				
Property taxes receivable	386,295	-	386,295	-
Receivables from sales to customers on account	-	7,801,235	7,801,235	-
Accrued interest receivable	474,827	-	474,827	-
Other receivables	4,514,690	69,684	4,584,374	-
Leases receivable (Note 12)	349,299	-	349,299	-
Due from other governmental units	2,110,310	-	2,110,310	-
Special assessments receivable	210,804	-	210,804	-
Inventory	469,713	243,807	713,520	-
Prepaid expenses	1,085,939	47,584	1,133,523	-
Investment in joint venture	1,298,103	8,391,980	9,690,083	-
Restricted assets	8,587,009	-	8,587,009	-
Capital assets: (Note 4)				
Assets not subject to depreciation	36,807,268	3,689,051	40,496,319	-
Assets subject to depreciation	98,971,273	29,477,712	128,448,985	-
Total assets	215,460,414	66,832,619	282,293,033	234,915
Deferred Outflows of Resources - Deferred pension costs (Note 9)	10,177,154	318,077	10,495,231	-
Liabilities				
Accounts payable	3,528,669	2,672,411	6,201,080	-
Due to other governmental units	-	30,926	30,926	-
Refundable deposits, bonds, etc.	81,743	184,345	266,088	-
Accrued liabilities and other current liabilities	1,525,915	52,345	1,578,260	-
Payable to joint ventures (Note 8)	4,578,152	-	4,578,152	-
Unearned revenue	336,018	-	336,018	-
Noncurrent liabilities: (Note 6)				
Due within one year: (Note 6)				
Compensated absences	1,568,959	74,298	1,643,257	-
Current portion of long-term debt	684,482	469,057	1,153,539	-
Due in more than one year: (Note 6)				
Compensated absences	3,385,186	167,698	3,552,884	-
Long-term debt	12,158,855	2,100,893	14,259,748	-
Net pension liability (Note 9)	78,533,329	6,949,150	85,482,479	-
Net OPEB liability (Note 10)	53,019,247	7,022,318	60,041,565	-
Total liabilities	159,400,555	19,723,441	179,123,996	-
Deferred Inflows of Resources				
Deferred pension cost reductions (Note 9)	145,270	28,864	174,134	-
Deferred OPEB cost reductions (Note 10)	429,840	56,932	486,772	-
Deferred inflows from leases (Note 12)	329,232	-	329,232	-
Total deferred inflows of resources	904,342	85,796	990,138	-
Net Position				
Net investment in capital assets	130,205,641	29,055,565	159,261,206	-
Restricted:				
Streets and highways	6,308,974	-	6,308,974	-
Debt service	2,521,610	-	2,521,610	-
Drug law enforcement	2,339,136	-	2,339,136	-
Library Authority	1,629,424	-	1,629,424	-
Grants	4,903	-	4,903	-
Capital improvements	10,000	-	10,000	-
Opioid settlement	1,377,127	-	1,377,127	-
Unrestricted	(79,064,144)	18,285,894	(60,778,250)	234,915
Total net position	**$ 65,332,671**	**$ 47,341,459**	**$ 112,674,130**	**$ 234,915**

See notes to financial statements.

Statement of Activities

Year Ended June 30, 2025

	Expenses	Program Revenue: Charges for Services	Program Revenue: Operating Grants and Contributions	Program Revenue: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities	Primary Government: Business-type Activities	Primary Government: Total	Component Unit: Downtown Development Authority
Functions/Programs								
Primary government:								
Governmental activities:								
General government	$ 17,582,518	$ 2,397,649	$ 493,479	$ -	$ (14,691,390)	$ -	$ (14,691,390)	$ -
Police and fire safety	30,745,182	3,960,341	558,221	-	(26,226,620)	-	(26,226,620)	-
Public works	9,402,800	284,573	6,526,821	2,129,370	(462,036)	-	(462,036)	-
Community and economic development	1,013,994	180,000	-	-	(833,994)	-	(833,994)	-
Recreation and culture	1,629,429	14,591	1,361,447	-	(253,391)	-	(253,391)	-
Interest and other costs on long-term debt	591,011	-	-	-	(591,011)	-	(591,011)	-
Total governmental activities	60,964,934	6,837,154	8,939,968	2,129,370	(43,058,442)	-	(43,058,442)	-
Business-type activities:								
Water and Sewer Fund	16,494,160	24,200,950	-	-	-	7,706,790	7,706,790	-
Storm Water Fund	2,267,808	2,867,154	-	-	-	599,346	599,346	-
Total business-type activities	18,761,968	27,068,104	-	-	-	8,306,136	8,306,136	-
Total primary government	**$ 79,726,902**	**$ 33,905,258**	**$ 8,939,968**	**$ 2,129,370**	(43,058,442)	8,306,136	(34,752,306)	-
Component unit - Downtown Development Authority	**$ 12,381**	**$ -**	**$ -**	**$ -**	-	-	-	(12,381)
General revenue:								
Taxes					35,416,967	-	35,416,967	86,322
Unrestricted state-shared revenue					8,561,798	-	8,561,798	-
Unrestricted investment income					3,052,617	698,090	3,750,707	9,944
Cable franchise fees					473,860	-	473,860	-
Gain on sale of capital assets					1,700	9,000	10,700	-
Other miscellaneous income					1,448,428	-	1,448,428	5,999
Total general revenue					48,955,370	707,090	49,662,460	102,265
Change in Net Position					5,896,928	9,013,226	14,910,154	89,884
Net Position - Beginning of year					59,435,743	38,328,233	97,763,976	145,031
Net Position - End of year					**$ 65,332,671**	**$ 47,341,459**	**$ 112,674,130**	**$ 234,915**

See notes to financial statements.

Fund Financial Statements

For the period ending June 30, 2025

Governmental Funds Balance Sheet

June 30, 2025

	General Fund	Major Streets Fund	Local Streets Fund	Capital Projects Fund	Nonmajor Funds	Total Governmental Funds
Assets						
Cash and investments (Note 3)	$ 17,910,345	$ 5,117,933	$ -	$ 10,459,951	$ 9,855,908	$ 43,344,137
Receivables:						
Property taxes receivable	308,257	-	-	-	87,038	395,295
Special assessments receivable	-	-	210,804	-	-	210,804
Accrued interest receivable	465,900	-	-	-	8,927	474,827
Leases receivable (Note 12)	349,299	-	-	-	-	349,299
Other receivables	3,980,465	-	-	1,730	338,511	4,320,706
Due from other governmental units	1,082,072	777,182	251,056	-	-	2,110,310
Due from other funds (Note 5)	173,799	-	3,744,194	-	-	3,917,993
Prepaid expenditures	580,130	462,853	-	29,543	13,413	1,085,939
Restricted assets	-	-	-	8,587,009	-	8,587,009
Total assets	**$ 24,850,267**	**$ 6,357,968**	**$ 4,206,054**	**$ 19,078,233**	**$ 10,303,797**	**$ 64,796,319**
Liabilities						
Accounts payable	$ 796,542	$ 202,323	$ 308,531	$ 861,490	$ 309,305	$ 2,478,191
Due to other funds (Note 5)	2,702	3,744,194	-	-	173,799	3,920,695
Refundable deposits, bonds, etc.	79,678	-	-	2,065	-	81,743
Accrued liabilities and other	1,303,480	-	-	-	89,433	1,392,913
Unearned revenue	-	-	-	-	336,018	336,018
Total liabilities	2,182,402	3,946,517	308,531	863,555	908,555	8,209,560
Deferred Inflows of Resources						
Unavailable revenue	2,613,385	-	191,434	1,630	139,327	2,945,776
Deferred inflows from leases	329,232	-	-	-	-	329,232
Total deferred inflows of resources	2,942,617	-	191,434	1,630	139,327	3,275,008
Fund Balances						
Nonspendable	580,130	462,853	-	29,543	13,413	1,085,939
Restricted:						
Streets and highways	-	1,948,598	3,706,089	-	-	5,654,687
Debt service	-	-	-	-	2,521,269	2,521,269
Grants	-	-	-	-	1,543	1,543
Capital projects	10,000	-	-	-	-	10,000
Capital improvements	-	-	-	7,814,917	-	7,814,917
Library Authority	-	-	-	-	1,603,125	1,603,125
Drug law enforcement	-	-	-	-	2,313,221	2,313,221
Opioid settlement	545,379	-	-	-	-	545,379
Police and fire retirement	-	-	-	-	575,084	575,084
Committed - Capital projects	-	-	-	1,060,659	-	1,060,659
Assigned:						
Compensated absences	1,568,958	-	-	-	-	1,568,958
Capital projects	1,000,000	-	-	9,307,929	2,254,634	12,562,563
Unassigned	16,020,781	-	-	-	(26,374)	15,994,407
Total fund balances	19,725,248	2,411,451	3,706,089	18,213,048	9,255,915	53,311,751
Total liabilities, deferred inflows of resources, and fund balances	**$ 24,850,267**	**$ 6,357,968**	**$ 4,206,054**	**$ 19,078,233**	**$ 10,303,797**	**$ 64,796,319**

See notes to financial statements.

Governmental Funds
Reconciliation of the Balance Sheet to the Statement of Net Position

	June 30, 2025
Fund Balances Reported in Governmental Funds	$ 53,311,751
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and are not reported in the funds	135,778,541
Receivables that are not collected soon after year end are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds	2,945,776
Bonds payable and lease obligations are not due and payable in the current period and are not reported in the funds	(12,843,337)
Accrued interest is not due and payable in the current period and is not reported in the funds	(133,002)
Some employee fringe benefits are payable over a long period of years and do not represent a claim on current financial resources; therefore, they are not reported as fund liabilities:	
Employee compensated absences	(4,954,145)
Net pension liability	(78,533,329)
Net OPEB liability	(53,019,247)
Net equity interests in joint ventures are not reported in the funds	(3,280,049)
Other long-term liabilities do not present a claim on current financial resources are not reported as fund liabilities	(633,030)
Certain pension contributions and changes in pension plan net position are reported as deferred outflows of resources and deferred inflows of resources in the statement of net position but are reported as expenditures in the governmental funds	10,031,884
Certain other postemployment benefit contributions and changes in postemployment benefit plan net position are reported as deferred outflows of resources and deferred inflows of resources in the statement of net position but are reported as expenditures in the governmental funds	(429,840)
Inventory is not available to pay for current period expenditures	469,713
Internal service funds are included as part of governmental activities	16,620,985
Net Position of Governmental Activities	**$ 65,332,671**

See notes to financial statements.

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

Year Ended June 30, 2025

	General Fund	Major Streets Fund	Local Streets Fund	Capital Projects Fund	Nonmajor Funds	Total Governmental Funds
Revenue						
Property taxes	$ 24,971,275	$ -	$ -	$ -	$ 10,414,294	$ 35,385,569
Special assessments	-	-	23,917	-	-	23,917
Intergovernmental:						
Federal grants	69,954	-	-	-	871,078	941,032
State-shared revenue and grants	8,102,424	5,023,589	1,575,032	-	1,893,406	16,594,451
Charges for services	3,183,987	-	-	-	-	3,183,987
Fines and forfeitures	1,448,309	-	-	-	425	1,448,734
Licenses and permits	2,991,625	-	-	-	-	2,991,625
Investment income	1,330,697	271,345	-	1,050,923	350,367	3,003,332
Other revenue	3,027,301	-	12,960	1,307	72,769	3,114,337
Total revenue	45,125,572	5,294,934	1,611,909	1,052,230	13,602,339	66,686,984
Expenditures						
Current services:						
General government	13,590,128	-	-	4,437,746	1,383,410	19,411,284
Police and fire safety	18,861,412	-	-	-	9,209,692	28,071,104
Public works	5,181,275	2,326,338	4,812,755	530,231	-	12,850,599
Community and economic development	605,537	-	-	-	408,457	1,013,994
Recreation and culture	273,829	-	-	-	2,070,607	2,344,436
Other charges	-	-	-	-	32,128	32,128
Debt service:						
Principal	-	-	-	-	724,184	724,184
Interest and other costs on long-term debt	-	-	-	-	470,577	470,577
Total expenditures	38,512,181	2,326,338	4,812,755	4,967,977	14,299,055	64,918,306
Excess of Revenue Over (Under) Expenditures	6,613,391	2,968,596	(3,200,846)	(3,915,747)	(696,716)	1,768,678
Other Financing Sources (Uses)						
Transfers in	-	-	3,918,821	500,000	1,350,956	5,769,777
Transfers out	(1,350,956)	(3,918,821)	-	(500,000)	-	(5,769,777)
Proceeds from sale of properties	500	-	-	1,200	-	1,700
Total other financing (uses) sources	(1,350,456)	(3,918,821)	3,918,821	1,200	1,350,956	1,700
Net Change in Fund Balances	5,262,935	(950,225)	717,975	(3,914,547)	654,240	1,770,378
Fund Balances - Beginning of year	14,462,313	3,361,676	2,988,114	22,127,595	8,601,675	51,541,373
Fund Balances - End of year	**$ 19,725,248**	**$ 2,411,451**	**$ 3,706,089**	**$ 18,213,048**	**$ 9,255,915**	**$ 53,311,751**

See notes to financial statements.

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

Year Ended June 30, 2025

Net Change in Fund Balances Reported in Governmental Funds	$ 1,770,378
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures; however, in the statement of activities, these costs are allocated over their estimated useful lives as depreciation:	
Capital outlay	13,251,808
Depreciation expense	(4,381,748)
Net book value of assets disposed of	(27,166)
Revenue is recorded in the statement of activities when earned; it is not reported in the funds until collected or collectible within 60 days of year end	943,039
Debt repayment of bond principal and bond premiums and discounts are expenditures in the governmental funds but not in the statement of activities (where it decreases long-term debt)	714,748
Changes in accrued interest payable and other	(120,437)
Change in investment in joint ventures	157,739
Change in accumulated employee sick and vacation pay and other similar expenses reported in the statement of activities do not require the use of current resources and, therefore, are not reported in the fund statements until they come due for payment	(1,169,242)
Pension expense is recognized in the statement of activities when incurred but in the governmental funds when paid	(1,415,648)
OPEB expense is recognized in the statement of activities when incurred but in the governmental funds when paid	(5,495,777)
Usage of inventory is an expense in the governmental funds but not in the statement of activities, where it decreases inventory asset balance	7,372
Changes in liabilities that do not present a claim on current financial resources	(333,440)
Internal service funds are included as part of governmental activities	1,995,302
Change in Net Position of Governmental Activities	**$ 5,896,928**

Proprietary Funds
Statement of Net Position

June 30, 2025

	Enterprise Funds			Governmental Activities
	Water and Sewer Fund	Storm Water Fund	Total Enterprise Funds	Proprietary Internal Service Funds
Assets				
Current assets:				
Cash and investments (Note 3)	$ 17,075,941	$ 35,625	$ 17,111,566	$ 17,024,074
Receivables:				
Receivables from sales to customers on account	6,801,564	999,671	7,801,235	-
Other receivables	69,684	-	69,684	-
Due from other funds (Note 5)	-	-	-	2,702
Inventory	243,807	-	243,807	-
Prepaid expenses	47,584	-	47,584	20,658
Investment in joint venture	8,391,980	-	8,391,980	-
Total current assets	32,630,560	1,035,296	33,665,856	17,047,434
Noncurrent assets - Capital assets: (Note 4)				
Assets not subject to depreciation	3,689,051	-	3,689,051	-
Assets subject to depreciation	23,359,938	6,117,774	29,477,712	-
Total noncurrent assets	27,048,989	6,117,774	33,166,763	-
Total assets	59,679,549	7,153,070	66,832,619	17,047,434
Deferred Outflows of Resources - Deferred pension costs (Note 9)	318,077	-	318,077	-
Liabilities				
Current liabilities:				
Accounts payable	2,462,801	209,610	2,672,411	-
Due to other governmental units	30,926	-	30,926	-
Refundable deposits, bonds, etc.	184,325	20	184,345	-
Accrued liabilities and other	52,345	-	52,345	-
Compensated absences (Note 6)	74,298	-	74,298	-
Provision for claims (Note 7)	-	-	-	426,449
Current portion of long-term debt (Note 6)	469,057	-	469,057	-
Total current liabilities	3,273,752	209,630	3,483,382	426,449
Noncurrent liabilities:				
Compensated absences (Note 6)	167,698	-	167,698	-
Net pension liability (Note 9)	6,949,150	-	6,949,150	-
Net OPEB liability (Note 10)	7,022,318	-	7,022,318	-
Long-term debt (Note 6)	2,100,893	-	2,100,893	-
Total noncurrent liabilities	16,240,059	-	16,240,059	-
Deferred Inflows of Resources (Note 9)				
Deferred pension cost reductions (Note 9)	28,864	-	28,864	-
Deferred OPEB cost reductions (Note 10)	56,932	-	56,932	-
Total deferred inflows of resources	85,796	-	85,796	-
Net Position				
Net investment in capital assets	24,479,039	6,117,774	30,596,813	-
Unrestricted	15,918,980	825,666	16,744,646	16,620,985
Total net position	**$ 40,398,019**	**$ 6,943,440**	**$ 47,341,459**	**$ 16,620,985**

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

Year Ended June 30, 2025

	Enterprise Funds			Governmental Activities
	Water and Sewer Fund	Storm Water Fund	Total Enterprise Funds	Proprietary Internal Service Funds
Operating Revenue				
Sale of water	$ 4,192,969	$ -	$ 4,192,969	$ -
Sewage disposal charges	8,679,159	-	8,679,159	-
Maintenance charges	5,854,505	2,803,909	8,658,414	-
Interest and penalty charges	475,669	60,545	536,214	-
Other miscellaneous revenue	4,998,648	2,700	5,001,348	-
Charges to other funds	-	-	-	10,444,901
Total operating revenue	24,200,950	2,867,154	27,068,104	10,444,901
Operating Expenses				
Cost of water	3,041,195	-	3,041,195	-
Cost of sewage treatment	7,596,691	-	7,596,691	-
Other operating and maintenance costs	5,052	808,118	813,170	-
Billing and administrative costs	1,930,975	-	1,930,975	306,761
Benefit payments and other costs	2,714,624	1,269,387	3,984,011	8,818,820
Depreciation	1,154,032	190,303	1,344,335	-
Total operating expenses	16,442,569	2,267,808	18,710,377	9,125,581
Operating Income	7,758,381	599,346	8,357,727	1,319,320
Nonoperating Income (Expense)				
Investment income	698,090	-	698,090	675,982
Interest expense	(51,591)	-	(51,591)	-
Gain on sale of assets	9,000	-	9,000	-
Total nonoperating income	655,499	-	655,499	675,982
Transfers In	-	988,983	988,983	-
Transfers Out	(988,983)	-	(988,983)	-
Change in Net Position	7,424,897	1,588,329	9,013,226	1,995,302
Net Position - Beginning of year	32,973,122	5,355,111	38,328,233	14,625,683
Net Position - End of year	**$ 40,398,019**	**$ 6,943,440**	**$ 47,341,459**	**$ 16,620,985**

Proprietary Funds
Statement of Cash Flows

Year Ended June 30, 2025

	Enterprise Funds			Governmental Activities
	Water and Sewer Fund	Storm Water Fund	Total Enterprise Funds	Proprietary Internal Service Funds
Cash Flows from Operating Activities				
Receipts from customers	$ 23,570,211	$ 2,791,512	$ 26,361,723	$ -
Receipts from interfund services and reimbursements	-	-	-	10,752,913
Payments to suppliers	(12,442,567)	(1,963,228)	(14,405,795)	-
Payments to employees	(2,350,047)	-	(2,350,047)	-
Claims paid	-	-	-	(9,202,804)
Other receipts	631,276	-	631,276	-
Net cash and cash equivalents provided by operating activities	9,408,873	828,284	10,237,157	1,550,109
Cash Flows (Used in) Provided by Noncapital Financing Activities - Transfers (to) from other funds	(988,983)	988,983	-	-
Cash Flows from Capital and Related Financing Activities				
Proceeds from sale of capital assets	9,000	-	9,000	-
Purchase of capital assets	(4,098,193)	(1,781,643)	(5,879,836)	-
Principal and interest paid on capital debt	(332,035)	-	(332,035)	-
Net cash and cash equivalents used in capital and related financing activities	(4,421,228)	(1,781,643)	(6,202,871)	-
Cash Flows from Investing Activities				
Interest received on investments	698,090	-	698,090	675,982
Net sales and purchases of investments	(1,230,093)	-	(1,230,093)	(302,319)
Net cash and cash equivalents (used in) provided by investing activities	(532,003)	-	(532,003)	373,663
Net Increase in Cash and Cash Equivalents	3,466,659	35,624	3,502,283	1,923,772
Cash and Cash Equivalents - Beginning of year	7,704,360	1	7,704,361	9,213,316
Cash and Cash Equivalents - End of year	**$ 11,171,019**	**$ 35,625**	**$ 11,206,644**	**$ 11,137,088**
Classification of Cash and Investments				
Cash and investments	$ 17,075,941	$ 35,625	$ 17,111,566	$ 17,024,074
Less amounts classified as investments	(5,904,922)	-	(5,904,922)	(5,886,986)
Total cash and cash equivalents	**$ 11,171,019**	**$ 35,625**	**$ 11,206,644**	**$ 11,137,088**

Proprietary Funds
Statement of Cash Flows (Continued)

Year Ended June 30, 2025

	Enterprise Funds			Governmental Activities
	Water and Sewer Fund	Storm Water Fund	Total Enterprise Funds	Proprietary Internal Service Funds
Reconciliation of Operating Income to Net Cash and Cash Equivalents from Operating Activities				
Operating income	$ 7,758,381	$ 599,346	$ 8,357,727	$ 1,319,320
Adjustments to reconcile operating income to net cash and net equivalents from operating activities:				
Depreciation	1,154,032	190,303	1,344,335	-
Changes in assets and liabilities:				
Receivables	537	(75,642)	(75,105)	-
Due to and from other funds	-	-	-	308,012
Inventories	(73,744)	-	(73,744)	-
Prepaid and other assets	(1,315,032)	-	(1,315,032)	-
Employee costs	284,904	-	284,904	-
Accounts payable - Due to others and returnable deposits	1,599,795	114,277	1,714,072	-
Estimated claims liability	-	-	-	(77,223)
Total adjustments	1,650,492	228,938	1,879,430	230,789
Net cash and cash equivalents provided by operating activities	**$ 9,408,873**	**$ 828,284**	**$ 10,237,157**	**$ 1,550,109**

See notes to financial statements.

Fiduciary Funds
Statement of Fiduciary Net Position

June 30, 2025

	Pension and Other Employee Benefit Trust Funds	Custodial Funds
Assets		
Cash and cash equivalents	$ 623,845	$ 252,754
Investments:		
Limited partnerships/Private equity funds	39,616,559	-
Mutual funds	44,276,118	-
U.S. and foreign stocks	63,329,868	-
Asset-backed securities	393,773	-
Common collective trusts	18,266,409	-
Receivables:		
Accrued interest receivable	34,434	-
Other receivables	27,663	4,387
Total assets	166,568,669	257,141
Liabilities		
Accounts payable	37,544	42,349
Due to primary government	173,326	-
Refundable deposits, bonds, etc.	-	106,730
Accrued liabilities and other current liabilities	-	108,054
Total liabilities	210,870	257,133
Net Position - Restricted		
Pension	148,762,522	-
Postemployment benefits other than pension	17,595,277	-
Individuals, organizations, and other governments	-	8
Total net position	**$ 166,357,799**	**$ 8**

See notes to financial statements.

Fiduciary Funds
Statement of Changes in Fiduciary Net Position

Year Ended June 30, 2025

	Pension and Other Employee Benefit Trust Funds	Custodial Funds
Additions		
Investment income (loss):		
Interest and dividends	$ 2,432,046	$ -
Net increase in fair value of investments	11,733,290	-
Investment-related expenses	(1,155,584)	-
Net investment income	13,009,752	-
Contributions:		
Employer contributions	11,463,389	-
Employee contributions	1,903,760	-
Total contributions	13,367,149	-
Property tax collections	-	43,566,420
Other income	-	417,762
Fines and forfeitures	-	226,514
Total additions	26,376,901	44,210,696
Deductions		
Pension benefit payments	17,281,304	-
Health benefits	4,249,715	-
Administrative expenses	270,694	-
Property tax disbursements	-	43,566,420
Fines	-	417,762
Bonds and garnishments	-	226,514
Total deductions	21,801,713	44,210,696
Net Increase in Fiduciary Net Position	4,575,188	-
Net Position - Beginning of year	161,782,611	8
Net Position - End of year	**$ 166,357,799**	**$ 8**

Notes to Financial Statements

For the period ending June 30, 2025

Note 1 - Significant Accounting Policies

Reporting Entity

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

Blended Component Units

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

Fiduciary Component Units

The City of Roseville Employees' Retirement System (the "System") is governed by a five-member appointed board that includes the City's mayor, a member of the City Council, a citizen appointed by the mayor, and representatives elected by the City's general employees. Although it is legally separate from the City, it is reported as a fiduciary component unit because the City appoints a voting majority to the pension board and the plan imposes a financial burden on the City.

The City of Roseville Police and Fire Retirement System (the "Police and Fire System") is governed by a five-member board that includes the City's mayor, an individual appointed by the City Council, the treasurer, and representatives elected by the City's police and fire employees. Although it is legally separate from the City, it is reported as a fiduciary component unit because the City appoints a voting majority to the pension board and the plan imposes a financial burden on the City.

The Roseville Retiree Health Care Benefits Trust board (the "Board") is governed by a five-member appointed board that includes the City's mayor, one council person, two members with interest in the plan appointed by the mayor, and a citizen of the City appointed by the mayor. Although it is legally separate from the City, it is reported as a fiduciary component unit because the City appoints a voting majority to the board and the plan imposes a financial burden on the City.

The City of Roseville, Michigan's Funds of the 39th District Court's (the "Funds") financial activities are limited to collections of amounts that are subsequently returned or paid to third parties. The Funds are custodial in nature and do not involve the measurement of results of operations. The City of Roseville, Michigan's Funds of the 39th District Court is reported as if it were part of the primary government because of the fiduciary responsibility that the City retains relative to the operations of the City of Roseville, Michigan's Funds of the 39th District Court.

The City of Roseville, Michigan has excluded the Housing Commission from this report because the City is not able to impose its will on the Housing Commission. The Housing Commission's financial statements have been issued under a separate cover.

Discretely Presented Component Unit - Downtown Development Authority

The Downtown Development Authority (the "Authority") was created to correct and prevent deterioration in the downtown district, encourage historical preservation, and promote economic growth within the downtown district. The Authority's governing body, which consists of five individuals, is selected by the City Council. In addition, the Authority's budget is subject to approval by the City Council. Complete financial reports can be obtained at its administrative offices at 29777 Gratiot, Roseville, Michigan.

Note 1 - Significant Accounting Policies (Continued)

Accounting and Reporting Principles

The City follows accounting principles generally accepted in the United States of America (GAAP), as applicable to governmental units. Accounting and financial reporting pronouncements are promulgated by the Governmental Accounting Standards Board (GASB). The following is a summary of the significant accounting policies used by the City:

Report Presentation

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

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

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

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

Basis of Accounting

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

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

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

Note 1 - Significant Accounting Policies (Continued)

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

Fund Accounting

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

Governmental Funds

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

- The General Fund is the primary operating fund because it accounts for all financial resources used to provide government services other than those specifically assigned to another fund.
- The Major Streets Fund accounts for the resources of state gas and weight tax revenue that is restricted for use on major streets.
- The Local Streets Fund accounts for the resources of state gas and weight tax revenue that is restricted for use on local streets.
- The Capital Projects Fund accounts for the proceeds of bond issuances and all other resources used for the purpose of constructing all major capital improvement projects of the City.

Proprietary Funds

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

- The Water and Sewer Fund provides water to customers and disposes of sanitary sewage in exchange for quarterly user charges.
- The Storm Water Fund provides stormwater utilities to all customers in exchange for quarterly user charges.

Internal Service Funds

The internal service funds account for the financing of goods or services provided by one department or agency to other departments or agencies of the City. These include the self-insurance Employee Benefits Fund and the self-insurance Workers' Compensation Fund. The self-insurance Employee Benefits Fund is used to account for current health care coverage provided for city employees and their dependents and to provide a reserve for future catastrophic health care claims. The self-insurance Workers' Compensation Fund is used to account for workers' compensation claims and to provide a reserve for future catastrophic workers' compensation claims.

Note 1 - Significant Accounting Policies (Continued)

Fiduciary Funds

Fiduciary funds include amounts held in a fiduciary capacity for others. These amounts are not used to operate the City's programs. Activities that are reported as fiduciary include the following:

- The Employees' Pension Trust Fund and the Police and Fire Retirement Trust Fund accumulate resources for pension benefit payments to retirees and are accounted for in the same manner as proprietary funds. The Retiree Healthcare Benefits Trust Fund accumulates resources for health care payments to retirees and is accounted for in the same manner as proprietary funds.
- The Miscellaneous Custodial Fund, the Tax Collection Fund, the County & School Tax Fund, and the District Court Fund are custodial in nature and do not involve the measurement of results of operations. The custodial funds account for assets held by the City in a trustee capacity or as a custodian for individuals, organizations, and other governments.

Interfund Activity

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

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

Specific Balances and Transactions

Cash and Investments

Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Pooled investment income generally is allocated to each fund using a weighted average.

Inventories and Prepaid Items

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

Note 1 - Significant Accounting Policies (Continued)

Restricted Assets

Unspent bond proceeds of the Capital Projects Fund are required to be set aside for construction. These amounts have been classified as restricted assets.

Capital Assets

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

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

Asset Class	Depreciable Life - Years
Infrastructure - Roads and sidewalks	30-50
Water and sewer distribution systems	50-70
Stormwater drains	30
Buildings and building improvements	20-50
Machinery and equipment	3-15
Other tools and equipment	3-20

Unearned Revenue

Unearned revenue represents money received that does not yet meet the criteria for revenue recognition.

Long-term Obligations

In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund-type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bond using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed at the time they are incurred. In the fund financial statements, governmental fund types recognize bond issuances and premiums as other financing sources and bond discounts as other financing uses. The General Fund and debt service funds are generally used to liquidate governmental long-term debt. The Employees' Pension Trust Fund and the Police and Fire Retirement Trust Fund will generally be used to liquidate pension liabilities. The Retiree Healthcare Benefits Trust Fund generally will be used to liquidate retiree health care obligations.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future periods and will not be recognized as an outflow of resources (expense/expenditure) until then. The City reports deferred outflows of resources related to the defined benefit pension plans. The deferred outflows of resources related to the defined benefit pension plans are reported in the government-wide financial statements and the Water and Sewer Fund.

Note 1 - Significant Accounting Policies (Continued)

In addition to liabilities, the statement of net position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time. The government has three items that qualify for reporting in this category: (1) deferred inflows related to the defined benefit pension plans and other postemployment benefit plan reported in the government-wide statement of net position, (2) unavailable revenue in the governmental funds balance sheet, and (3) deferred inflows from leases. The governmental funds report unavailable revenue from two main sources: grants and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Net Position Flow Assumption

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

Fund Balance Flow Assumptions

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

Fund Balance Policies

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

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

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The City has, by resolution, authorized the controller to assign fund balance. The City Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally exist only temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential either to remove or revise a commitment.

Note 1 - Significant Accounting Policies (Continued)

Property Tax Revenue

Properties are assessed as of December 31 of each year. If unpaid, the related taxes become a lien on December 1 of the following year. Property taxes are levied on each July 1 on the taxable valuation of property as of the preceding December 31. Taxes are due by September 1, with the final collection date of February 28. Taxes are considered delinquent on March 1 of the following year, at which time penalties and interest are assessed.

The City's 2025 tax is levied and collectible on July 1, 2024 and December 31, 2024 and is recognized as revenue in the year ended June 30, 2025, when the proceeds of the levy are budgeted and available for the financing of operations.

The current year taxable valuation of the City totaled $1.2 billion, on which taxes levied consisted of 17.1099 mills for operating purposes, 0.3279 mills for ambulance services, 2.4538 mills for refuse collections, 6.4530 mills for the Police & Fire Retirement Fund, 1.4068 mills for the library, and 0.7600 mills for debt. This resulted in approximately $20,574,000 for operating, $394,000 for ambulance services, $2,951,000 for refuse collections, $7,797,000 for the Police & Fire Retirement Fund, $1,698,000 for the library, and $915,000 for debt. These amounts are recognized in the respective general, debt service, and special revenue funds financial statements as property tax revenue.

Pension

The City offers two defined benefit pension plans to its employees. The City records a net pension liability for the difference between the total pension liability calculated by the actuary and the pension plans' fiduciary net position. For the purpose of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the pension plans and additions to/deductions from the pension plans' fiduciary net position have been determined on the same basis as they are reported by the pension plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

Other Postemployment Benefit Costs

The City offers retiree health care benefits to retirees. The City records a net OPEB liability for the difference between the total OPEB liability calculated by the actuary and the OPEB plan's fiduciary net position. For the purpose of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the plan and additions to/deductions from the OPEB plan's fiduciary net position have been determined on the same basis as they are reported by the OPEB plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

Compensated Absences (Vacation and Sick Leave)

It is the City's policy to permit employees to accumulate earned but unused sick and vacation pay benefits. The compensated absence liabilities are reported in the government-wide and proprietary fund financial statements. A leave liability is recognized due to the leave attributable to services already rendered, leave that accumulates, and leave that is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.

Note 1 - Significant Accounting Policies (Continued)

Proprietary Funds Operating Classification

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

Use of Estimates

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

Leases

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

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

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

- The City uses an estimated incremental borrowing rate for leases.
- The lease term includes the noncancelable period of the lease. Lease receipts included in the measurement of the lease receivable are composed of fixed payments from the lessee.

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

Upcoming Accounting Pronouncements

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

Note 1 - Significant Accounting Policies (Continued)

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

Accounting Changes and Error Corrections

Adoption of New Accounting Pronouncement

During the current year, the City adopted GASB Statement No. 101, *Compensated Absences*. As a result, the liability for compensated absences in the statements of net position of the governmental and business- type activities have been calculated to comply with this new pronouncement.

Note 2 - Construction Code Fees

Construction Code Fees

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

Cumulative shortfall at July 1, 2024		$ (10,055,533)
Current year permit revenue		1,673,475
Related expenses:		
Direct costs	$ 1,723,715	
Estimated indirect costs	172,372	1,896,087
Current year shortfall		(222,612)
Cumulative shortfall at June 30, 2025		$ (10,278,145)

Note 3 - Deposits and Investments

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

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

Note 3 - Deposits and Investments (Continued)

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

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

Custodial Credit Risk of Bank Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk. At year end, the City had bank deposits of $3,887,436 (certificates of deposit and checking and savings accounts) that were uninsured and uncollateralized. The City believes that, due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits.

Custodial Credit Risk of Investments

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City does not have a policy for custodial credit risk. At year end, none of the City's investments were subject to custodial credit risk due to one of the following:

- Investments were part of an insured pool.
- Investments were book-entry only in the name of the City and were fully insured.
- Investments were part of a mutual fund.
- Investments were held by an agent in the City’s name.

Interest Rate Risk

Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. The City's investment policy does not restrict investment maturities other than commercial paper, which can only be purchased with a 270-day maturity.

At year end, the City had the following investments subject to interest rate risk:

Investment	Fair Value	Weighted-average Maturity (Years)
Primary Government		
U.S. government agency securities	$ 26,259,011	2.70
Municipal bonds	3,447,132	0.92
Debt mutual funds	11,157,653	7.98
Debt mutual funds	1,175,767	5.71
Total	$ 42,039,563	

Note 3 - Deposits and Investments (Continued)

Credit Risk

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

Investment	Fair Value	Rating	Rating Organization
Municipal bonds	$ 71,987	AAA	S&P
Municipal bonds	3,375,145	AA+ to AA-	S&P
U.S. government agency securities	26,259,011	AA+	S&P
Debt mutual funds	2,782,035	AAA	S&P
Debt mutual funds	729,345	AA	S&P
Debt mutual funds	3,235,667	A	S&P
Debt mutual funds	4,579,801	BBB	S&P
Debt mutual funds	534,313	BAA	S&P
Debt mutual funds	331,724	Below BBB	S&P
Debt mutual funds	140,535	Not rated	S&P
Total	$ 42,039,563		

Retirement Investments Securities Lending Transactions

As permitted by some state statutes and under the provisions of a securities lending authorization agreement, the System lends securities to broker-dealers and banks for collateral that will be returned for the same securities in the future. The System's custodial bank manages the securities lending program and receives cash, government securities, or irrevocable bank letters of credit as collateral. Borrowers are required to deliver collateral for each loan equal to no less than 102 percent of the market value of the loaned securities. During the year ended June 30, 2025, only United States currency was received as collateral. Moreover, there were no losses during the fiscal year resulting from a default of the borrowers or custodial bank. The System had limited credit risk exposure to the borrowers because the amounts the System owes the borrowers were less than the amount the borrowers owe the System.

The System did not impose any restrictions during the fiscal year on the amount of loans made on its behalf by the custodial bank. There were no failures by any borrowers to return loaned securities or pay distributions thereon during the fiscal year. Moreover, there were no losses during the fiscal year resulting from a default of the borrowers or custodial bank. Contracts with the lending agents require them to indemnify the pension system if the borrowers fail to return the securities (and if the collateral is inadequate to replace the securities lent) or fail to pay the System for income distributions by the securities' issuers while the securities are on loan.

The System and the borrower maintain the right to terminate all securities lending transactions on demand. The cash collateral received on each loan was invested, together with the cash collateral of other lenders, in an investment pool. The average duration of such investment pool as of June 30, 2025 was one day. Because the loans are terminable on demand, their duration did not generally match the duration of the investments made with cash collateral. On June 30, 2025, the System had no credit risk exposure to borrowers. The collateral held and the fair market value of the underlying securities on loan for the System as of June 30, 2025 were both $0.

Note 3 - Deposits and Investments (Continued)

Fair Value

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

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

The City has the following recurring fair value measurements as of June 30, 2025:

	Assets Measured at Fair Value on a Recurring Basis			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at June 30, 2025
U.S. and foreign stocks	$ 63,329,868	$ -	$ -	$ 63,329,868
Mutual funds - Fixed-income securities	23,841,448	-	-	23,841,448
Mutual funds - Equity securities	20,434,670	-	-	20,434,670
Debt mutual funds	12,333,420	-	-	12,333,420
Governmental mortgage securities	-	26,259,011	-	26,259,011
Municipal bonds	-	3,447,132	-	3,447,132
Limited partnerships	413,704	-	-	413,704
Asset-backed securities	-	-	393,773	393,773
Total investments by fair value level	$ 120,353,110	$ 29,706,143	$ 393,773	150,453,026
Investments measured at NAV:				
Common collective trusts				18,266,409
Limited partnerships/Private equity funds				39,202,855
Total investments measured at NAV				57,469,264
Total assets				$ 207,922,290

Bank pools in the fiduciary funds totaling $5,058,408 are recorded at amortized cost in accordance with GASB Statement No. 79 and are not included in the fair value tables above. These investments are not subject to any limitations or restrictions on withdrawals.

U.S. and foreign stocks, mutual funds, and certain limited partnerships classified in Level 1 are valued using prices quoted in active markets for those securities.

The fair value of certain bonds, governmental mortgage securities, and certificates of deposits at June 30, 2025 was determined primarily based on Level 2 inputs. The City estimates the fair value of these investments using other inputs, such as interest rates and yield curves, that are observable at commonly quoted intervals.

Note 3 - Deposits and Investments (Continued)

The fair value of asset-backed securities at June 30, 2025 was determined primarily based on Level 3 inputs. The City estimates the fair value of these investments using its own estimates using pricing models, discounted cash flow methodologies, or similar techniques taking into account the characteristics of the asset.

The valuation method for common collective trust investments, private equity funds, and certain limited partnerships measured at net asset value per share (or its equivalent) is calculated by taking assets less liabilities. The City uses investment statements and the investment's audited financial statements to determine fair value.

Investments in Entities that Calculate Net Asset Value per Share

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

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

	Fair Value	Unfunded Commitments	Redemption Frequency, if Eligible	Redemption Notice Period
HGK Trinity Street International Equity, LP	$ 12,268,338	$ -	Monthly	30 days
Loomis Core Plus Full Discretion Fund	13,190,495	-	Daily	3 days
Short-term common collective trust funds	5,075,914	-	Daily	N/A
Entrust Capital Diversified Fund, LP	27,840	-	Quarterly	90 days
Entrust Special Opportunities Fund III LTD	684,910	-	N/A	N/A
Entrust Special Opportunities Fund IV LTD	2,530,037	341,928	N/A	N/A
Alidade Capital Fund IV, LP	1,521,997	-	N/A	N/A
Bloomfield Capital Income Fund V	4,836,715	-	N/A	N/A
ABS Emerging Markets Strategic Portfolio LP	4,858,813	-	N/A	N/A
McMorgan Infrastructure Fund I, LP	5,193,260	-	N/A	N/A
TerraCap Partners III	863,242	-	N/A	N/A
TerraCap Partners IV, LP	216,682	-	N/A	N/A
TerraCap Partners V	1,911,008	-	N/A	N/A
TerraCap Partners VI	991,275	-	N/A	N/A
Valstone Opportunity Fund VI	2,579,606	146,344	N/A	N/A
Alidade Capital Fund V	719,132	441,604	N/A	N/A
Total	$ 57,469,264	$ 929,876		

HGK Trinity Street International Equity, LP is a limited partnership that invests in companies that are undergoing significant strategic transformation or in companies whose operational capabilities are undervalued by the market. The fair value has been estimated using net asset value of the City's ownership interest in partners' capital.

Loomis Core Plus Full Discretion Fund is a common collective trust that invests in emerging-market debt, convertibles, securitized debt, and bank loans with an average maturity of 6.15 years.

Short-term common collective trust funds are investments in fixed-income securities with short-term maturities.

Entrust Capital Diversified Fund, LP is a limited partnership that invests in a diversified portfolio of private investment entities that seek above-average rates of return on long-term capital growth.

Note 3 - Deposits and Investments (Continued)

Entrust Special Opportunities Fund III LTD is a limited partnership that invests in global distressed corporate securities, activist equities, post-reorganization equities, municipal bonds, high-yield bonds, leveraged loans, unsecured debt, collateralized debt obligations, mortgage-backed securities, commercial mortgage-backed securities, direct lending, and sovereign debt.

Entrust Special Opportunities Fund IV LTD is a limited partnership that invests in a diversified portfolio of private investment entities that seek above-average rates of return on long-term capital growth.

Alidade Capital Fund IV, LP is a limited partnership that invests primarily in U.S. commercial real estate. The fair value has been estimated using net asset value of the City's ownership interest in partners' capital.

Bloomfield Capital Income Fund V is a limited partnership that invests primarily in commercial mortgage loans, deeds of trusts, and other real estate and debt-related investments. The fair value has been estimated using net asset value of the City's ownership interest in partners' capital.

ABS Emerging Markets Strategic Portfolio LP is a limited partnership that invests primarily in domestic private investment funds, offshore funds, and other entities that invest and trade in securities in emerging markets. The fair value has been estimated using net asset value of the City's ownership interest in partners' capital.

McMorgan Infrastructure Fund I, LP is a limited partnership that invests primarily in portfolio investments and forward foreign currency. The fair value has been estimated using net asset value of the City's ownership interest in partners' capital.

TerraCap Partners III is a limited partnership that invests primarily in real estate and real estate-backed assets. The fair value has been estimated using net asset value of the City's ownership interest in partners' capital.

TerraCap Partners IV, LP is a limited partnership that invests primarily in real estate and real estate-backed assets. The fair value has been estimated using net asset value of the City's ownership interest in partners' capital.

TerraCap Partners V is a limited partnership that invests primarily in real estate and real estate-backed assets. The fair value has been estimated using net asset value of the City's ownership interest in partners' capital.

Valstone Opportunity Fund VI is a limited partnership that invests primarily in real estate, distressed debt obligations, and other related assets. The fair value has been estimated using net asset value of the City's ownership interest in partners' capital.

Alidade Capital Fund V is a limited partnership that invests primarily in U.S commercial real estate. The fair value has been estimated using net asset value of the City's ownership interest in partners' capital.

TerraCap Partners VI is a limited partnership that invests primarily in real estate and real estate-backed assets. The fair value has been estimated using net asset value of the City's ownership interest in partners' capital.

Note 4 - Capital Assets

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

Governmental Activities

	Balance July 1, 2024	Reclassifications	Additions	Disposals and Adjustments	Balance June 30, 2025
Capital assets not being depreciated:					
Land	$ 32,585,810	$ -	$ 17,000	$ -	$ 32,602,810
Construction in progress	292,199	(137,496)	4,049,755	-	4,204,458
Subtotal	32,878,009	(137,496)	4,066,755	-	36,807,268
Capital assets being depreciated:					
Infrastructure	136,969,323	116,153	7,464,692	-	144,550,168
Buildings and improvements	24,467,620	-	785,558	-	25,253,178
Machinery and equipment	21,394,384	21,343	934,803	(396,694)	21,953,836
Subtotal	182,831,327	137,496	9,185,053	(396,694)	191,757,182
Accumulated depreciation:					
Infrastructure	57,609,494	-	2,782,184	-	60,391,678
Buildings and improvements	14,170,470	-	665,825	-	14,836,295
Machinery and equipment	16,993,725	-	933,739	(369,528)	17,557,936
Subtotal	88,773,689	-	4,381,748	(369,528)	92,785,909
Net capital assets being depreciated	94,057,638	137,496	4,803,305	(27,166)	98,971,273
Net governmental activities capital assets	$ 126,935,647	$ -	$ 8,870,060	$ (27,166)	$ 135,778,541

Note 4 - Capital Assets (Continued)

Business-type Activities

	Balance July 1, 2024	Additions	Disposals and Adjustments	Balance June 30, 2025
Capital assets not being depreciated - Construction in progress	$ 295,072	$ 3,393,979	$ -	$ 3,689,051
Capital assets being depreciated:				
Water and sewer distribution systems	35,978,697	262,375	-	36,241,072
Stormwater drains	4,790,898	1,781,641	-	6,572,539
Buildings and improvements	632,057	-	-	632,057
Other tools and equipment	12,682,727	441,841	-	13,124,568
Subtotal	54,084,379	2,485,857	-	56,570,236
Accumulated depreciation:				
Water and sewer distribution systems	18,568,561	549,442	-	19,118,003
Stormwater drains	270,394	189,390	-	459,784
Buildings and improvements	367,627	25,772	-	393,399
Other tools and equipment	6,541,607	579,731	-	7,121,338
Subtotal	25,748,189	1,344,335	-	27,092,524
Net capital assets being depreciated	28,336,190	1,141,522	-	29,477,712
Net business-type activities capital assets	$ 28,631,262	$ 4,535,501	$ -	$ 33,166,763

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

Governmental activities:	
General government	$ 401,162
Police and fire safety	778,109
Public works	2,900,363
Recreation and culture	302,114
Total governmental activities	$ 4,381,748
Business-type activities:	
Water and sewer	$ 1,154,032
Stormwater	190,303
Total business-type activities	$ 1,344,335

Note 4 - Capital Assets (Continued)

Construction Commitments

The City has active construction projects at year end. The projects include various major and local street projects administered by the Michigan Department of Transportation and the Macomb County Department of Roads. The City's participation of costs to date for projects not yet closed out is $7,289,135. The remaining commitments for these projects are $197,342 and $494,624, respectively.

Note 5 - Interfund Receivables, Payables, and Transfers

The composition of interfund balances is as follows:

	Fund Due From				
Fund Due To	General Fund	Major Streets Fund	CDBG	Library Fund	Total
Local Streets Fund	$ -	$ 3,744,194	$ -	$ -	$ 3,744,194
General Fund	-	-	173,754	45	173,799
Internal service fund - Workers' Compensation Fund	2,702	-	-	-	2,702
Total	$ 2,702	$ 3,744,194	$ 173,754	$ 45	$ 3,920,695

These balances result from the time lag between the dates that goods and services are provided or reimbursable expenditures occur, transactions are recorded in the accounting system, and payments between funds are made.

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

Paying Fund (Transfer Out)	Receiving Fund (Transfer In)	Amount
General Fund	Nonmajor governmental funds	$ 850,956
	Capital Projects Fund	500,000
	Total General Fund	1,350,956
Major Streets Fund	Local Streets Fund	3,918,821
Capital Projects Fund	Nonmajor governmental funds	500,000
Water and Sewer Fund	Storm Water Fund	988,983
	Total	$ 6,758,760

The transfer from the Major Streets Fund to the Local Streets Fund represents the sharing of gas and weight tax revenue in accordance with Act 51. The transfer from the General Fund to the nonmajor governmental funds represents capital purchases and amounts related to debt service costs. The transfer from the General Fund to the Capital Projects Fund represents funding of future capital projects planned at the City. The transfer from the Water and Sewer Fund to the Storm Water Fund represents certain unanticipated costs of the Storm Water Fund.

Note 6 - Long-term Debt

The City issues bonds to provide for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the City. County contractual agreements and installment purchase agreements are also general obligations of the City. Revenue bonds involve a pledge of specific income derived from the acquired or constructed assets to pay debt service.

The City has the following long-term debt outstanding at June 30, 2025:

Governmental Activities

	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Direct borrowings and direct placements:							
County drain contract obligations:							
Lake St. Clair Water Initiative Drainage District - 2001 Series A Amount of issue: $2,859,309 Maturing through 2029	4.00% - 4.255%	$147,512 - $149,335	$ 794,000	$ -	$ (125,225)	$ 668,775	$ 126,448
Lake St. Clair Water Initiative Drainage District - 2002 Series A Amount of issue: $616,184 Maturing through 2029	4.25% - 5.00%	$32,035 - $32,523	172,369	-	(26,984)	145,385	27,483
Lake St. Clair Water Initiative Drainage District - 2004 Series A Amount of issue: $13,725,000 Refunded in 2021	0.375% - 1.81%	$89,513 - $98,984	568,930	-	(91,975)	476,955	94,250
Republic Bank - Sweeper Truck Amount of issue: $241,388 Maturing through 2027	2.748%	$37,555 - $43,006	125,600	-	-	125,600	40,737
City Facility Renovation Bonds - Series 1 Amount of issue: $12,000,000 Maturing through 2054	4.00% - 5.00%	$85,000 - $695,000	12,000,000	-	(480,000)	11,520,000	405,000
Total direct borrowings and direct placements principal outstanding			13,660,899	-	(724,184)	12,936,715	693,918
Compensated absences			3,784,903	1,169,242	-	4,954,145	1,568,959
Bond (discount) premium			(102,814)	-	9,436	(93,378)	(9,436)
Total governmental activities long-term debt			$ 17,342,988	$ 1,169,242	$ (714,748)	$ 17,797,482	$ 2,253,441

Business-type Activities

	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Direct borrowings and direct placements:							
SRF Loan - Clean Water Program (5373-01) Amount of issue: $4,445,000 Maturing through 2033	2.50%	$205,000 - $280,000	$ 1,844,213	$ -	$ (185,000)	$ 1,659,213	$ 190,000
SRF Loan - Clean Water Program (5605-01) Amount of issue: $3,145,000 Maturing through 2036	2.50%	$44,415 - $64,155	728,735	-	(47,705)	681,030	49,350
NCL Loan - 2020 Vactor Amount of issue: $410,865 Maturing through 2025	14.00% - 20.00%	$42,897 - $180,235	277,446	-	(47,739)	229,707	229,707
Total direct borrowings and direct placements			2,850,394	-	(280,444)	2,569,950	469,057
Compensated absences			230,135	11,861	-	241,996	74,298

Note 6 - Long-term Debt (Continued)

	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Total business-type activities long-term debt			$ 3,080,529	$ 11,861	$ (280,444)	$ 2,811,946	$ 543,355

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

County Contractual Obligations

The above contractual obligations to Macomb County, Michigan (the "County") are the result of the county issuance of bonds on the City's behalf and other communities involved in the Lake St. Clair Clean Water Initiative project. The City has pledged to raise property taxes, to the extent permitted by law, if necessary, to fund the obligation to repay the County. Proceeds from the county bonds provided financing for the construction of the Lake St. Clair Clean Water Initiative Drainage Districts. The remaining principal and interest to be paid on the bonds total $1,636,419. During the current year, net income, before debt service, of the system was $189,355 compared to the annual debt requirements of $273,395.

Debt Service Requirements to Maturity

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

	Governmental Activities		
	Direct Borrowings and Direct Placements		
Years Ending June 30	Principal	Interest	Total
2026	$ 693,918	$ 520,475	$ 1,214,393
2027	378,101	494,383	872,484
2028	390,439	483,738	874,177
2029	464,858	472,473	937,331
2030	469,399	456,368	925,767
2031-2035	1,090,000	2,113,063	3,203,063
2036-2040	1,520,000	1,808,313	3,328,313
Thereafter	7,930,000	2,728,563	10,658,563
Total	$ 12,936,715	$ 9,077,376	$ 22,014,091

	Business-type Activities		
	Direct Borrowings and Direct Placements		
Years Ending June 30	Principal	Interest	Total
2026	$ 469,057	$ 66,771	$ 535,828
2027	245,995	51,885	297,880
2028	252,640	45,714	298,354
2029	257,640	39,398	297,038
2030	264,285	32,937	297,222
2031-2035	953,668	67,757	1,021,425
2036-2040	126,665	3,187	129,852
Thereafter	-	-	-
Total	$ 2,569,950	$ 307,649	$ 2,877,599

Note 7 - Risk Management

The City is exposed to various risks of loss related to property loss, torts, errors and omissions, and employee injuries (workers' compensation), as well as medical benefits provided to employees. The City has purchased commercial insurance for property loss, torts, errors and omissions, and workers' compensation claims. The City is partially insured for employee medical benefit claims and workers' compensation claims. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years except for a settlement out of the water fund for $2.4 million.

Under the employee medical benefit plan, the City is liable for claims up to a maximum amount of $200,000 on an individual level annually. Under the workers' compensation plan, the City is liable for claims up to a maximum amount of $750,000 on an individual level and $5,000,000 in the aggregate. All claims incurred prior to June 30, 2006 are covered under the City's previous workers' compensation insurance provider.

The City estimates the liability for employee medical benefit claims and workers' compensation claims that have been incurred through the end of the fiscal year, including claims that have been reported and those that have not yet been reported. Changes in the estimated liability for the past two fiscal years were as follows:

	2025	2024
Estimated liability - Beginning of year	$ 503,014	$ 319,912
Estimated claims incurred, including changes in estimates	8,742,255	8,710,549
Claim payments	(8,818,820)	(8,527,447)
Estimated liability - End of year	$ 426,449	$ 503,014

Note 8 - Joint Ventures

The City is a member of the Southeast Macomb Sanitary District (SEMSD), which provides sewage disposal to participating municipalities in Macomb County, Michigan. Other members include the cities of St. Clair Shores and Eastpointe, Michigan. The City appoints one member to the joint venture's governing board, which then approves the annual budgets. The City's equity interest at June 30, 2025 in the Southeast Macomb Sanitary District of $8,391,980 is recorded within the Water and Sewer Fund and the business-type activities column of the statement of net position.

The City is a member of the South Macomb Disposal Authority (the "Disposal Authority"), which provides refuse disposal services to participating municipalities in Macomb County, Michigan. Other members include the cities of Centerline, Eastpointe, and Warren, Michigan. The City appoints one member to the joint venture's governing board, which then approves the annual budgets. The City's equity loss at June 30, 2025 in the Disposal Authority of $4,578,152 is recorded within the governmental activities column of the statement of net position.

Each participating community's equity interest in the insurance reserve is not determinable. Complete financial statements for the Southeast Macomb Sanitary District and the South Macomb Disposal Authority can be obtained from their administrative offices at 20001 Pleasant Avenue, St. Clair Shores, MI 48080. The City is not aware of any circumstances that would cause an additional benefit or burden to the participating governments in the near future.

Note 8 - Joint Ventures (Continued)

The City is a member of the South East Regional Emergency Services Authority (SERESA), which is responsible for the dispatch of emergency police, fire, and ambulance services throughout the geographical area subject to the political control of the participating municipalities effective December 29, 2010. Other members include the cities of St. Clair Shores and Eastpointe, Michigan. Each participating municipality is entitled to one board member appointment, and then a fire chief and police chief are selected by the board. Each appointee is given a three-year term except for the police and fire chiefs, who receive a one-year term. The articles of incorporation allow funding to be from a dedicated millage or telephone operational surcharge. However, in the near term, dispatched calls for service are going to serve as the methodology for allocating SERESA's budget among the General Fund of each city. The articles also permit any participating municipality, including the City of Roseville, Michigan, to withdraw upon giving one full year's budgetary notice, although, as a disincentive, any withdrawing municipality forfeits the assets previously transferred. SERESA's dispatch center is housed in a building wholly owned by the City of Roseville, Michigan. SERESA's contracts with the City of Roseville, Michigan to provide certain fiscal and information technology assistance for an annual fee. The City's equity interest at June 30, 2025 in SERESA of $1,298,103 is recorded within the governmental activities column of the statement of net position. Complete financial statements for the South East Regional Emergency Services Authority can be obtained from its administrative offices at 18961 Common Road, Roseville, MI 48066. The City is not aware of any circumstances that would cause an additional benefit or burden to the participating governments in the near future.

The City is a member of the Recreation Authority of Roseville and Eastpointe (RARE), which is responsible for administrating recreation programs and senior activities in its respective communities. The other member is the City of Eastpointe, Michigan. RARE is governed by an administrative policy board. Each participating municipality is entitled to two board member appointments. In addition, the board selects one additional representative from either the community of Roseville or Eastpointe for a two-year term position. RARE will contract with the City of Roseville, Michigan to provide certain administrative assistance for an annual fee. The articles of incorporation allow funding for RARE to be from a dedicated millage. In November 2011, voters of each community authorized a 1-mill tax levy to finance operations of RARE, which expires in 2031. RARE is authorized to borrow and issue debt, not to exceed 2 mills of the total taxable property within RARE's geographical area. During fiscal year 2015, both the City of Roseville, Michigan and the City of Eastpointe, Michigan made a loan of $800,000 to RARE in order to fund building remodeling. At June 30, 2025, the remaining outstanding balance is $0. Each participating municipality has committed to contribute real and personal property to RARE limited to the City of Roseville Recreation Center, 18185 Sycamore, Roseville, Michigan, and the City of Eastpointe Community Center, 16435 Eight Mile Road, Eastpointe, Michigan. The articles permit any participating municipality, including the City of Roseville, Michigan, to withdraw upon giving one full year's budgetary notice. The articles also address dissolution of RARE, which requires council resolution from the governing board of the participating communities, at which time all outstanding debt of RARE is required to be paid in full. Any remaining assets of RARE would be evenly distributed to the member communities at the time of dissolution. However, if either member withdraws from RARE, the member is not entitled to the return of any credit for property or money that was transferred to or paid to RARE. As a result, the City has not recorded an equity interest. Complete financial statements for RARE can be obtained from its administrative offices at 18185 Sycamore, Roseville, MI 48066. The City is not aware of any circumstances that would cause an additional benefit or burden to the participating governments in the near future.

Note 9 - Pension Plans

Plan Description

The City of Roseville Employees' Retirement System and Police and Fire Retirement System are single-employer defined benefit pension plans that provide pensions for all permanent full-time general and police and fire employees of the City, respectively. Benefit terms have been established by contractual agreements between the City and the various employee union representation; amendments are subject to the same process.

Note 9 - Pension Plans (Continued)

Management of the System is vested in the pension board, which consists of five members: the mayor, one council person, a citizen of the City appointed by the mayor, and representatives of both general and police and fire employees.

Management of the Police and Fire System is vested in the pension board, which consists of five members: the mayor, an individual appointed by the City Council, the treasurer, and representatives elected by the City's police and fire employees.

Benefits Provided

The systems provide retirement, disability, and death benefits. Retirement benefits are established by the City's contracts with the City's collective bargaining units and may be amended through negotiation with the City's collective bargaining units. A plan member who leaves the City's service may withdraw his or her contributions, plus any accumulated interest.

Employees Covered by Benefit Terms

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

	City of Roseville Employees' Retirement System	City of Roseville Police and Fire Retirement System
Inactive plan members or beneficiaries currently receiving benefits	190	196
Inactive plan members entitled to but not yet receiving benefits	3	11
Active plan members	139	101
Total employees covered by the plan	332	308

Contributions

Article 9 Section 24 of the State of Michigan Constitution requires public employers to make pension contributions in accordance with an actuarial valuation. The City hires an independent actuary for this purpose and annually contributes the amount determined to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Employees are required to make pension contributions based on the contracts with the applicable collective bargaining units. The City's required contribution is determined after consideration of the required contribution rate of employees. For the year ended June 30, 2025, the average active employee contribution rate for the System was 8.48 percent of annual pay, and the City's average contribution rate was 22.68 percent of annual payroll. The average active employee contribution rate for the Police and Fire System was 11.31 percent of annual pay, and the City's average contribution rate was 46.82 percent of annual payroll.

Note 9 - Pension Plans (Continued)

Net Pension Liability

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

	City of Roseville Employees' Retirement System	City of Roseville Police and Fire Retirement System
Measurement date used for the City's net pension liability	June 30, 2025	June 30, 2025
Based on a comprehensive actuarial valuation as of	June 30, 2024	June 30, 2024

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

City of Roseville Employees' Retirement System

	Increase (Decrease)		
Changes in Net Pension Liability	Total Pension Liability	Plan Net Position	Net Pension Liability
Balance at July 1, 2024	$ 80,604,633	$ 57,892,851	$ 22,711,782
Changes for the year:			
Service cost	798,465	-	798,465
Interest	5,482,247	-	5,482,247
Differences between expected and actual experience	747,362	-	747,362
Contributions - Employer	-	1,884,467	(1,884,467)
Contributions - Employee	-	701,459	(701,459)
Net investment income	-	4,570,650	(4,570,650)
Benefit payments, including refunds	(6,170,534)	(6,170,534)	-
Administrative expenses	-	(122,434)	122,434
Net changes	857,540	863,608	(6,068)
Balance at June 30, 2025	$ 81,462,173	$ 58,756,459	$ 22,705,714

The plan's fiduciary net position represents 72.13 percent of the total pension liability.

Note 9 - Pension Plans (Continued)

City of Roseville Police and Fire Retirement System

Changes in Net Pension Liability	Increase (Decrease) Total Pension Liability	Plan Net Position	Net Pension Liability
Balance at July 1, 2024	$ 146,185,772	$ 88,185,220	$ 58,000,552
Changes for the year:			
Service cost	1,960,128	-	1,960,128
Interest	9,981,337	-	9,981,337
Differences between expected and actual experience	5,766,361	-	5,766,361
Contributions - Employer	-	4,979,207	(4,979,207)
Contributions - Employee	-	1,202,301	(1,202,301)
Net investment income	-	6,889,021	(6,889,021)
Benefit payments, including refunds	(11,110,770)	(11,110,770)	-
Administrative expenses	-	(138,916)	138,916
Net changes	6,597,056	1,820,843	4,776,213
Balance at June 30, 2025	$ 152,782,828	$ 90,006,063	$ 62,776,765

The plan's fiduciary net position represents 58.91 percent of the total pension liability.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - Employees' Retirement System

For the year ended June 30, 2025, the City recognized pension expense of $916,155 for the System.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 498,242	$ (94,314)
Net difference between projected and actual earnings on pension plan investments	540,801	-
Total	$ 1,039,043	$ (94,314)

Note 9 - Pension Plans (Continued)

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

Years Ending June 30	Amount
2026	$ 1,969,937
2027	(483,092)
2028	(412,537)
2029	(129,579)
Total	$ 944,729

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - Police and Fire Retirement System

For the year ended June 30, 2025, the City recognized pension expense of $7,028,179 for the Police and Fire System.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 8,363,051	$ (79,820)
Net difference between projected and actual earnings on pension plan investments	1,093,137	-
Total	$ 9,456,188	$ (79,820)

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

Years Ending June 30	Amount
2026	$ 6,213,919
2027	2,439,729
2028	901,409
2029	(178,689)
Total	$ 9,376,368

Actuarial Assumptions

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

	City of Roseville Employees' Retirement System	City of Roseville Police and Fire Retirement System
Inflation	2.5 percent	2.5 percent
Salary increases (including inflation)	1.00 - 5.50 percent	1.00 - 21.00 percent
Investment rate of return (net of investment expenses)	7.00 percent	7.00 percent
Mortality rates	PubG-2010 Mortality Table with Scale MP-2021	PubS-2010 Mortality Table with Scale MP-2021

Note 9 - Pension Plans (Continued)

Discount Rate

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

	City of Roseville Employees' Retirement System	City of Roseville Police and Fire Retirement System
Discount rate used to measure total pension liability	7.0 percent	7.0 percent

City of Roseville Employees' Retirement System

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic equity	42.00 %	7.50 %
International equity	14.00	8.50
Domestic bonds	28.00	2.50
International bonds	-	3.50
Real estate	8.00	4.50
Alternative assets	8.00	5.87

City of Roseville Police and Fire Retirement System

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic equity	42.00 %	7.50 %
International equity	14.00	8.50
Domestic bonds	28.00	2.50
International bonds	-	3.50
Real estate	8.00	4.50
Alternative assets	8.00	5.87

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

The following presents the net pension liability of the City, calculated using the discount rate of 7.0 percent, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.00 percent) or 1 percentage point higher (8.00 percent) than the current rate:

	1 Percentage Point Decrease (6.00%)	Current Discount Rate (7.00%)	1 Percentage Point Increase (8.00%)
Net pension liability - City of Roseville Employees' Retirement System	$ 30,720,873	$ 22,705,714	$ 15,826,668
Net pension liability - City of Roseville Police and Fire Retirement System	74,269,174	62,776,765	44,316,468

Note 9 - Pension Plans (Continued)

Rate of Return

For the year ended June 30, 2025, the annual money-weighted rate of return on system investments, net of the System's investment expense, was 7.96 percent. The annual money-weighted rate of return on system investments, net of the Police and Fire System's investment expense, was 7.76. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Pension Plan Reserves

In accordance with plan documents, the following reserves are required to be set aside within the Employees' Retirement System and Police and Fire Retirement System:

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

The annuity savings reserve is credited as employee contributions are received throughout the year; the plans maintain a record of the amount contributed by each employee and credits interest annually at a rate of 7.0 percent. For any employee who terminates before vesting in the pension plan, the employee's balance is returned to him or her; for those who stay until retirement, the balance is transferred into the retiree reserve.

The pension reserve account is used to account for the residual net position balance in the System after funding the above two reserves.

	City of Roseville Employees' Retirement System - Amount Funded	City of Roseville Police and Fire Retirement System - Amount Funded
Retirement reserve	$ 28,878,432	$ 53,386,782
Annuity savings reserve	11,757,894	16,715,175
Pension reserve	18,120,133	19,904,106
Total	$ 58,756,459	$ 90,006,063

Note 10 - Other Postemployment Benefit Plan

Plan Description

The City provides health care benefits to eligible employees and their spouses for police and fire safety, as well as general employees of the City. The benefits are provided through the City of Roseville Retiree Health Care Benefits Plan, a single-employer plan administered by the City of Roseville Retiree Health Care Benefits Plan board. The benefits are provided under collective bargaining agreements. The plan does not issue a separate stand-alone financial statement. Administrative costs are paid by the plan through employer contributions.

The net position of the OPEB plan are included in these financial statements as an other employment benefit trust fund (a fiduciary fund).

Management of the plan is vested with the Roseville Retiree Health Care Benefits Trust board, which consists of five members: the mayor, one council person, two members with interest in the plan appointed by the mayor, and a citizen of the City appointed by the mayor.

Note 10 - Other Postemployment Benefit Plan (Continued)

Benefits Provided

The City of Roseville Retiree Health Care Benefits Plan provides health care for retirees and their dependents. Benefits are provided through a third-party insurer, and the full cost of the benefits is covered by the plan.

Employees Covered by Benefit Terms

At the June 30, 2025 actuarial valuation date, the following members were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	294
Active plan members	77
Total plan members	371

Contributions

Retiree health care costs are paid by the City on a pay-as-you-go basis. The City has no obligation to make contributions in advance of when the insurance premiums are due for payment. For the fiscal year ended June 30, 2025, the City made payments for postemployment health benefit premiums of $4,249,715, with an additional $350,000 contribution made in advance of premiums due. Under Public Act 202, for the fiscal year ended June 30, 2025, the actuarially determined contribution was determined to be $4,249,715.

Net OPEB Liability

The City has chosen to use the June 30 measurement date as its measurement date for the net OPEB liability. The June 30, 2025 fiscal year end reported net OPEB liability was determined using a measure of the total OPEB liability and the OPEB net position as of the June 30, 2025 measurement date. The June 30, 2025 measurement date total OPEB liability was determined by an actuarial valuation performed as of June 30, 2024.

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

	Increase (Decrease)		
Changes in Net OPEB Liability	Total OPEB Liability	Plan Net Position	Net OPEB Liability
Balance at July 1, 2024	$ 69,835,657	$ 15,704,540	$ 54,131,117
Changes for the year:			
Service cost	284,272	-	-
Interest	4,762,171	-	-
Differences between expected and actual experience	5,014,485	-	-
Changes in assumptions	1,989,972	-	1,989,972
Contributions - Employer	-	4,599,715	(4,599,715)
Net investment income	-	1,550,081	(1,550,081)
Benefit payments, including refunds	(4,249,715)	(4,249,715)	-
Administrative expenses	-	(9,344)	9,344
Net changes	7,801,185	1,890,737	5,910,448
Balance at June 30, 2025	$ 77,636,842	$ 17,595,277	$ 60,041,565

The plan's fiduciary net position represents 22.7 percent of the total OPEB liability.

Note 10 - Other Postemployment Benefit Plan (Continued)

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

For the year ended June 30, 2025, the City recognized OPEB expense of $10,782,362.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on OPEB plan investments	$ -	$ (486,772)

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

Years Ending June 30	Amount
2026	$ 317,530
2027	(408,727)
2028	(299,675)
2029	(95,900)
Total	$ (486,772)

Actuarial Assumptions

The total OPEB liability in the June 30, 2024 actuarial valuation was determined using an inflation assumption of 2.50 percent; assumed salary increases (including inflation) of 5.00 percent; an investment rate of return (net of investment expenses) of 7.00 percent; a health care cost trend rate of 8.00 percent, decreasing 0.25 percent per year to an ultimate rate of 4.50 percent for pre-65 and 6.50 percent decreasing by 0.25 percent to an ultimate rate of 4.50 percent for post-65; and the SOA Pub-2010 Weighted Mortality Table fully generational using Scale MP-2021. These assumptions were applied to all periods included in the measurement.

Changes in Actuarial Assumptions

Health care cost trend rate of 8.0 percent, decreasing 0.5 percent per year to an ultimate rate of 4.5 percent for pre-65 changed to a health care cost trend rate of 8.00 percent, decreasing 0.25 percent per year to an ultimate rate of 4.50 percent for pre-65.

Discount Rate

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

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

Note 10 - Other Postemployment Benefit Plan (Continued)

Investment Rate of Return

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

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

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

	1 Percentage Point Decrease (6.0%)	Current Discount Rate (7.0%)	1 Percentage Point Increase (8.0%)
Net OPEB liability of the City	$ 69,662,687	$ 60,041,565	$ 52,088,570

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

The following presents the net OPEB liability of the City, calculated using the health care cost trend rate of 4.5 percent, as well as what the City's net OPEB liability would be if it were calculated using a health care cost trend rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1 Percentage Point Decrease (7.0% - 3.5%)	Current Health Care Cost Trend Rate (8.0% - 4.5%)	1 Percentage Point Increase (9.0% - 5.5%)
Net OPEB liability of the City	$ 51,602,227	$ 60,041,565	$ 70,172,250

Investment Policy

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

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic equity	60.00 %	7.50 %
International equity	10.00	8.50
Domestic bonds	30.00	2.50

Rate of Return

For the year ended June 30, 2025, the annual money-weighted rate of return on OPEB plan investments, net of OPEB plan investment expense, was 9.76 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Note 11 - Tax Abatements

The City receives reduced property tax revenue as a result of industrial facilities tax exemptions (PA 198 of 1974) and brownfield redevelopment agreements granted by cities, villages, and townships within the boundaries of the City. Industrial facility exemptions are intended to promote construction of new industrial facilities or to rehabilitate historical facilities and brownfield redevelopment agreements are intended to reimburse taxpayers that remediate environmental contamination on their properties.

For the fiscal year ended June 30, 2025, the City's property tax revenue was reduced by $46,281 under these programs; however, the abatement may be eliminated if taxes are not paid timely. There are no significant abatements made by other governments that reduce the City's tax revenue.

Note 12 - Leases

The City leases certain assets to various third parties. The assets leased include land and a cell tower. Payments are generally fixed monthly payments with the leases ending in July 1, 2027 and November 30, 2038. The City recognized lease revenue of $71,506 and interest income related to the lease of $21,127 for the year ended June 30, 2025.

Required Supplemental Information

For the period ending June 30, 2025

Required Supplementary Information

Required Supplementary Information
Budgetary Comparison Schedule
General Fund

Year Ended June 30, 2025

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Property taxes	$ 25,009,775	$ 24,889,775	$ 24,971,275	$ 81,500
Intergovernmental:				
Federal grants	250,560	50,000	69,954	19,954
State-shared revenue and grants	7,155,639	7,699,509	8,102,424	402,915
Charges for services	3,064,227	3,064,227	3,183,987	119,760
Fines and forfeitures	1,269,000	1,402,050	1,448,309	46,259
Licenses and permits	2,700,244	2,697,800	2,991,625	293,825
Investment income	300,000	800,000	1,330,697	530,697
Other revenue:				
Other fees and miscellaneous income	2,023,677	1,973,677	3,027,301	1,053,624
Reimbursements	4,055,086	3,715,525	3,422,089	(293,436)
Total revenue	45,828,208	46,292,563	48,547,661	2,255,098
Expenditures				
Current services:				
General government:				
Governing body	1,089,000	4,618,132	4,992,445	(374,313)
City manager	638,668	621,280	595,425	25,855
Finance/Accounting/Budget department	547,010	536,438	510,221	26,217
Purchasing	265,579	263,625	228,405	35,220
District Court	3,696,262	3,193,897	3,048,323	145,574
Information technology/Data processing	795,892	784,225	781,556	2,669
Treasurer	543,458	498,459	481,645	16,814
Assessing	511,335	490,263	462,225	28,038
Clerk	757,285	853,319	785,841	67,478
Buildings and grounds	1,067,019	985,900	929,200	56,700
Attorney	315,000	391,000	393,602	(2,602)
Human resources/Personnel	211,092	210,467	153,132	57,335
Retirement	183,639	180,470	173,374	7,096
Other	2,214,030	2,050,782	1,758,696	292,086
Police and fire safety:				
Police	12,783,663	11,240,805	10,886,595	354,210
Fire and EMS	6,909,742	6,452,283	6,363,418	88,865
Building inspections and related	1,707,883	1,700,970	1,611,399	89,571
Public works:				
Streets	2,931,961	2,836,134	2,652,849	183,285
Rubbish disposal	3,077,188	3,146,787	3,132,696	14,091
Street lighting	927,000	1,100,000	1,113,857	(13,857)
Community and economic development	842,864	677,247	605,537	71,710
Recreation and culture	406,923	312,055	273,829	38,226
Total expenditures	42,422,493	43,144,538	41,934,270	1,210,268
Excess of Revenue Over Expenditures	3,405,715	3,148,025	6,613,391	3,465,366
Other Financing (Uses) Sources				
Transfers out	(1,690,956)	(1,700,956)	(1,350,956)	350,000
Proceeds from sale of properties	-	-	500	500
Total other financing uses	(1,690,956)	(1,700,956)	(1,350,456)	350,500
Net Change in Fund Balance	1,714,759	1,447,069	5,262,935	3,815,866
Fund Balance - Beginning of year	14,462,313	14,462,313	14,462,313	-
Fund Balance - End of year	**$ 16,177,072**	**$ 15,909,382**	**$ 19,725,248**	**$ 3,815,866**

See notes to required supplementary information.

Required Supplementary Information
Budgetary Comparison Schedule - Major Special Revenue Funds
Major Streets Fund

Year Ended June 30, 2025

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
State-shared revenue and grants	$ 4,800,061	$ 4,695,061	$ 5,023,589	$ 328,528
Investment income	50,000	50,000	271,345	221,345
Total revenue	4,850,061	4,745,061	5,294,934	549,873
Expenditures - Current - Public works	3,070,725	2,822,725	2,326,338	496,387
Excess of Revenue Over Expenditures	1,779,336	1,922,336	2,968,596	1,046,260
Other Financing Uses - Transfers out	(2,925,000)	(2,925,000)	(3,918,821)	(993,821)
Net Change in Fund Balance	(1,145,664)	(1,002,664)	(950,225)	52,439
Fund Balance - Beginning of year	3,361,676	3,361,676	3,361,676	-
Fund Balance - End of year	**$ 2,216,012**	**$ 2,359,012**	**$ 2,411,451**	**$ 52,439**

Required Supplementary Information
Budgetary Comparison Schedule - Major Special Revenue Funds (Continued)
Local Streets Fund

Year Ended June 30, 2025

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Special assessments	$ -	$ -	$ 23,917	$ 23,917
State-shared revenue and grants	1,475,020	1,475,020	1,575,032	100,012
Investment income	500	500	-	(500)
Other revenue	-	-	12,960	12,960
Total revenue	1,475,520	1,475,520	1,611,909	136,389
Expenditures - Current - Public works	4,077,502	4,400,520	4,812,755	(412,235)
Excess of Expenditures Over Revenue	(2,601,982)	(2,925,000)	(3,200,846)	(275,846)
Other Financing Sources - Transfer in	2,925,000	2,925,000	3,918,821	993,821
Net Change in Fund Balance	323,018	-	717,975	717,975
Fund Balance - Beginning of year	2,988,114	2,988,114	2,988,114	-
Fund Balance - End of year	**$ 3,311,132**	**$ 2,988,114**	**$ 3,706,089**	**$ 717,975**

Required Supplementary Information
Schedule of Changes in the Net Pension Liability and Related Ratios - City of Roseville Employees' Retirement System

Last Ten Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total Pension Liability										
Service cost	$ 798,465	$ 746,420	$ 717,143	$ 640,494	$ 992,356	$ 3,171,748	$ 3,251,897	$ 3,176,602	$ 3,204,212	$ 3,155,314
Interest	5,482,247	5,486,919	5,452,186	5,436,711	5,446,804	15,298,600	14,881,810	14,145,106	14,013,342	13,876,840
Transfer of liabilities to Police and Fire Retirement System	-	-	-	-	(134,951,333)	-	-	-	-	-
Differences between expected and actual experience	747,362	(282,942)	334,085	392,069	2,515,737	(387,056)	3,834,925	(721,084)	(850,977)	(1,063,151)
Changes in assumptions	-	-	-	133,710	2,950,443	(496,271)	(1,438,836)	8,373,924	-	-
Benefit payments, including refunds	(6,170,534)	(5,967,816)	(6,105,189)	(6,811,921)	(6,208,535)	(17,418,629)	(15,029,671)	(15,191,849)	(14,745,915)	(13,600,968)
Net Change in Total Pension Liability	857,540	(17,419)	398,225	(208,937)	(129,254,528)	168,392	5,500,125	9,782,699	1,620,662	2,368,035
Total Pension Liability - Beginning of year	80,604,633	80,622,052	80,223,827	80,432,764	209,687,292	209,518,900	204,018,775	194,236,076	192,615,414	190,247,379
Total Pension Liability - End of year	**$ 81,462,173**	**$ 80,604,633**	**$ 80,622,052**	**$ 80,223,827**	**$ 80,432,764**	**$ 209,687,292**	**$ 209,518,900**	**$ 204,018,775**	**$ 194,236,076**	**$ 192,615,414**
Plan Fiduciary Net Position										
Contributions - Employer	$ 1,884,467	$ 1,904,444	$ 1,781,384	$ 2,222,235	$ 2,260,051	$ 5,913,711	$ 5,460,962	$ 5,245,221	$ 5,106,579	$ 4,872,123
Contributions - Member	701,459	641,122	598,387	550,603	501,568	1,447,652	1,501,449	1,465,348	1,390,333	1,397,309
Net investment income (loss)	4,570,650	5,225,642	5,297,024	(8,185,417)	18,498,612	6,348,984	6,872,165	10,772,002	17,697,356	(2,649,371)
Administrative expenses	(122,434)	(124,889)	(115,427)	(110,849)	(115,854)	(218,130)	(198,141)	(208,218)	(183,721)	(170,929)
Benefit payments, including refunds	(6,170,534)	(5,967,816)	(6,105,189)	(6,811,921)	(6,208,535)	(17,418,629)	(15,029,671)	(15,191,849)	(14,745,915)	(13,600,968)
Transfer of assets to Police and Fire Retirement System	-	-	-	-	(81,923,755)	-	-	-	754,841	-
Net Change in Plan Fiduciary Net Position	863,608	1,678,503	1,456,179	(12,335,349)	(66,987,913)	(3,926,412)	(1,393,236)	2,082,504	10,019,473	(10,151,836)
Plan Fiduciary Net Position - Beginning of year	57,892,851	56,214,348	54,758,169	67,093,518	134,081,431	138,007,843	139,401,079	137,318,575	127,299,102	137,450,938
Plan Fiduciary Net Position - End of year	**$ 58,756,459**	**$ 57,892,851**	**$ 56,214,348**	**$ 54,758,169**	**$ 67,093,518**	**$ 134,081,431**	**$ 138,007,843**	**$ 139,401,079**	**$ 137,318,575**	**$ 127,299,102**
City's Net Pension Liability - Ending	**$ 22,705,714**	**$ 22,711,782**	**$ 24,407,704**	**$ 25,465,658**	**$ 13,339,246**	**$ 75,605,861**	**$ 71,511,057**	**$ 64,617,696**	**$ 56,917,501**	**$ 65,316,312**
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	72.13 %	71.82 %	69.73 %	68.26 %	83.42 %	63.94 %	65.87 %	68.33 %	70.70 %	66.09 %
Covered Payroll	$ 8,308,901	$ 7,673,867	$ 7,219,072	$ 6,500,416	$ 6,438,349	$ 16,398,988	$ 16,565,887	$ 15,613,938	$ 14,736,321	$ 14,814,074
City's Net Pension Liability as a Percentage of Covered Payroll	273.27 %	295.96 %	338.10 %	391.75 %	207.18 %	461.04 %	431.68 %	413.85 %	386.24 %	440.91 %

See notes to required supplementary information.

Required Supplementary Information
Schedule of Changes in the Net Pension Liability and Related Ratios - City of Roseville Police and Fire Retirement System

Last Five Fiscal Years

	2025	2024	2023	2022	2021
Total Pension Liability					
Service cost	$ 1,960,128	$ 1,921,855	$ 1,667,694	$ 1,763,092	$ 2,019,230
Interest	9,981,337	9,380,014	9,426,181	9,528,047	9,905,024
Changes of benefit terms/Plan transfers	-	211,782	-	41,544	134,951,333
Differences between expected and actual experience	5,766,361	8,076,561	(319,278)	(994,821)	(1,864,660)
Changes in assumptions	-	-	-	170,110	4,810,304
Benefit payments, including refunds	(11,110,770)	(10,965,558)	(12,411,095)	(11,324,446)	(9,807,141)
Net Change in Total Pension Liability	6,597,056	8,624,654	(1,636,498)	(816,474)	140,014,090
Total Pension Liability - Beginning of year	146,185,772	137,561,118	139,197,616	140,014,090	-
Total Pension Liability - End of year	**$ 152,782,828**	**$ 146,185,772**	**$ 137,561,118**	**$ 139,197,616**	**$ 140,014,090**
Plan Fiduciary Net Position					
Contributions - Employer	$ 4,979,207	$ 5,019,554	$ 4,145,121	$ 4,719,470	$ 4,400,637
Contributions - Member	1,202,301	1,137,283	1,100,726	1,056,751	1,000,364
Net investment income (loss)	6,889,021	7,619,945	8,079,356	(12,281,327)	25,284,508
Administrative expenses	(11,110,770)	(10,965,558)	(132,377)	(119,215)	(129,509)
Benefit payments, including refunds	(138,916)	(131,582)	(12,411,095)	(11,324,446)	(9,807,141)
Transfer of assets from Employees' Retirement System	-	-	-	-	81,923,755
Net Change in Plan Fiduciary Net Position	1,820,843	2,679,642	781,731	(17,948,767)	102,672,614
Plan Fiduciary Net Position - Beginning of year	88,185,220	85,505,578	84,723,847	102,672,614	-
Plan Fiduciary Net Position - End of year	**$ 90,006,063**	**$ 88,185,220**	**$ 85,505,578**	**$ 84,723,847**	**$ 102,672,614**
City's Net Pension Liability - Ending	**$ 62,776,765**	**$ 58,000,552**	**$ 52,055,540**	**$ 54,473,769**	**$ 37,341,476**
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	58.91 %	60.32 %	62.16 %	60.87 %	73.33 %
Covered Payroll	$ 10,634,310	$ 10,624,837	$ 9,150,284	$ 9,525,285	$ 9,575,300
City's Net Pension Liability as a Percentage of Covered Payroll	590.32 %	545.90 %	568.90 %	571.89 %	389.98 %

*Historical information prior to 2021 is not available. Additional years will be added until 10 years of information is achieved.

Required Supplementary Information
Schedule of Pension Investment Returns - City of Roseville Employees' Retirement System

Last Ten Fiscal Years
Years Ended June 30

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Annual money-weighted rate of return - Net of investment expense	7.96 %	9.37 %	9.78 %	(12.50)%	33.20 %	4.90 %	4.83 %	8.05 %	14.90 %	(2.30)%

See notes to required supplementary information.

Required Supplementary Information
Schedule of Pension Investment Returns - City of Roseville Police and Fire Retirement System

Last Five Fiscal Years
Years Ended June 30

	2025	2024	2023	2022	2021
Annual money-weighted rate of return, net of investment expense	7.76 %	9.16 %	9.77 %	(12.36)%	33.47 %

*Historical information prior to 2021 is not available. Additional years will be added until 10 years of information is achieved.

Required Supplementary Information
Schedule of Pension Contributions - City of Roseville Employees' Retirement System

Last Ten Fiscal Years
Years Ended June 30
(In Thousands)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially determined contribution	$ 1,884	$ 1,904	$ 1,781	$ 2,222	$ 2,260	$ 5,914	$ 5,333	$ 5,245	$ 5,107	$ 4,872
Contributions in relation to the actuarially determined contribution	1,884	1,904	1,781	2,222	2,260	5,914	5,461	5,245	5,107	4,872
Contribution Excess	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 128**	**$ -**	**$ -**	**$ -**
Covered Payroll	$ 8,309	$ 7,674	$ 7,219	$ 6,500	$ 6,438	$ 16,399	$ 16,566	$ 15,614	$ 14,736	$ 14,814
Contributions as a Percentage of Covered Payroll	22.67 %	24.81 %	24.67 %	39.05 %	35.10 %	34.91 %	33.45 %	33.59 %	34.66 %	32.89 %

Notes to Schedule of Pension Contributions - City of Roseville Employees' Retirement System

Actuarial valuation information relative to the determination of contributions:

Valuation date	Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which the contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level percent of payroll
Remaining amortization period	20 years
Asset valuation method	4-year adjusted market
Inflation	2.50 percent
Salary increase	3.00 percent
Investment rate of return	7.00 percent
Mortality	PubG-2010 Mortality Table with Scale MP-2021

See notes to required supplementary information.

Required Supplementary Information
Schedule of Pension Contributions - City of Roseville Police and Fire Retirement System

Last Five Fiscal Years
Years Ended June 30
(In Thousands)

	2025	2024	2023	2022	2021
Actuarially determined contribution	$ 4,979	$ 4,220	$ 4,131	$ 4,719	$ 4,293
Contributions in relation to the actuarially determined contribution	4,979	5,020	4,145	4,719	4,401
Contribution Excess	**$ -**	**$ 800**	**$ 14**	**$ -**	**$ 108**
Covered Payroll	$ 10,634	$ 10,625	$ 9,150	$ 9,525	$ 9,575
Contributions as a Percentage of Covered Payroll	46.82 %	47.25 %	45.30 %	49.54 %	45.96 %

*Historical information prior to 2021 is not available. Additional years will be added until 10 years of information is achieved.

Notes to Schedule of Pension Contributions - City of Roseville Police and Fire Retirement System

Actuarial valuation information relative to the determination of contributions:

Valuation date	Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which the contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level percent of payroll
Remaining amortization period	20 years
Asset valuation method	4-year adjusted market
Inflation	2.50 percent
Salary increase	3.00 percent
Investment rate of return	7.00 percent
Mortality	PubG-2010 Mortality Table with Scale MP-2021

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

Last Nine Fiscal Years*

	2025	2024	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability									
Service cost	$ 284,272	$ 371,036	$ 340,176	$ 448,181	$ 490,406	$ 833,450	$ 849,793	$ 794,575	$ 1,120,107
Interest	4,762,171	4,729,983	4,445,807	5,334,930	4,761,339	5,591,476	5,758,216	5,529,718	5,587,493
Differences between expected and actual experience	5,014,485	(1,100,223)	3,407,620	(15,651,004)	7,221,540	(22,979,697)	(965,461)	(7,979,990)	(8,569,593)
Changes in assumptions	1,989,972	892,721	-	1,221,755	4,053,714	9,893,289	-	4,348,473	5,095,254
Benefit payments, including refunds	(4,249,715)	(4,440,897)	(3,897,918)	(3,995,654)	(3,520,294)	(4,578,667)	(3,754,820)	(3,900,404)	(3,781,190)
Net Change in Total OPEB Liability	7,801,185	452,620	4,295,685	(12,641,792)	13,006,705	(11,240,149)	1,887,728	(1,207,628)	(547,929)
Total OPEB Liability - Beginning of year	69,835,657	69,383,037	65,087,352	77,729,144	64,722,439	75,962,588	74,074,860	75,282,488	75,830,417
Total OPEB Liability - End of year	**$ 77,636,842**	**$ 69,835,657**	**$ 69,383,037**	**$ 65,087,352**	**$ 77,729,144**	**$ 64,722,439**	**$ 75,962,588**	**$ 74,074,860**	**$ 75,282,488**
Plan Fiduciary Net Position									
Contributions - Employer	$ 4,599,715	$ 4,790,897	$ 4,247,918	$ 4,345,654	$ 3,770,294	$ 4,828,667	$ 4,004,820	$ 4,150,404	$ 4,031,190
Net investment income (loss)	1,550,081	1,969,012	1,376,673	(2,637,736)	3,411,469	415,812	460,175	677,130	838,240
Administrative expenses	(9,344)	(31,037)	(30,372)	(26,620)	(26,602)	(13,157)	(29,236)	(900)	(794)
Benefit payments, including refunds	(4,249,715)	(4,440,897)	(3,897,918)	(3,995,654)	(3,520,294)	(4,578,667)	(3,754,820)	(3,900,404)	(3,781,190)
Other	-	-	-	-	-	-	-	121,904	66,047
Net Change in Plan Fiduciary Net Position	1,890,737	2,287,975	1,696,301	(2,314,356)	3,634,867	652,655	680,939	1,048,134	1,153,493
Plan Fiduciary Net Position - Beginning of year	15,704,540	13,416,565	11,720,264	14,034,620	10,399,753	9,747,098	9,066,159	8,018,025	6,864,532
Plan Fiduciary Net Position - End of year	**$ 17,595,277**	**$ 15,704,540**	**$ 13,416,565**	**$ 11,720,264**	**$ 14,034,620**	**$ 10,399,753**	**$ 9,747,098**	**$ 9,066,159**	**$ 8,018,025**
Net OPEB Liability - Ending	**$ 60,041,565**	**$ 54,131,117**	**$ 55,966,472**	**$ 53,367,088**	**$ 63,694,524**	**$ 54,322,686**	**$ 66,215,490**	**$ 65,008,701**	**$ 67,264,463**
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	22.66 %	22.49 %	19.34 %	18.01 %	18.06 %	16.07 %	12.83 %	12.24 %	10.65 %
Covered-employee Payroll	$ 6,902,405	$ 6,668,990	$ 6,385,637	$ 7,510,085	$ 7,916,711	$ 7,648,996	$ 10,624,354	$ 10,118,432	$ 11,491,840
Net OPEB Liability as a Percentage of Covered-employee Payroll	869.86 %	811.68 %	876.44 %	710.61 %	804.56 %	710.19 %	623.24 %	642.48 %	585.32 %

*Historical information prior to 2017 is not available. Additional years will be added until 10 years of information is achieved.

Required Supplementary Information
Schedule of OPEB Investment Returns

Last Nine Fiscal Years*
Years Ended June 30

	2025	2024	2023	2022	2021	2020	2019	2018	2017
Annual money-weighted rate of return - Net of investment expense	9.76 %	14.52 %	11.73 %	(18.96)%	32.64 %	4.11 %	4.66 %	8.05 %	13.40 %

*Historical information prior to 2017 is not available. Additional years will be added until 10 years of information is achieved.

Required Supplementary Information
Schedule of OPEB Contributions

Last Ten Fiscal Years
Years Ended June 30
(In Thousands)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially determined contribution	$ 4,250	$ 4,441	$ 3,898	$ 3,996	$ 3,576	$ 4,579	$ 4,383	$ 4,477	$ 4,263	$ 4,731
Contributions in relation to the actuarially determined contribution	4,600	4,791	4,248	4,346	3,770	4,829	4,005	4,150	4,031	4,346
Contribution Excess (Deficiency)	**$ 350**	**$ 350**	**$ 350**	**$ 350**	**$ 194**	**$ 250**	**$ (378)**	**$ (327)**	**$ (232)**	**$ (385)**
Covered-employee Payroll	$ 6,902	$ 6,669	$ 6,386	$ 7,510	$ 7,917	$ 7,649	$ 10,624	$ 10,118	$ 11,492	$ 11,039
Contributions as a Percentage of Covered-employee Payroll	66.65 %	71.84 %	66.52 %	57.87 %	47.62 %	63.13 %	37.70 %	41.02 %	35.08 %	39.37 %

Notes to Schedule of Contributions

Actuarial valuation information relative to the determination of contributions:

Valuation date	Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which the contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll
Remaining amortization period	21 years
Asset valuation method	Market
Health care cost trend rates	7.0 percent decreasing 0.5 percent to an ultimate rate of 4.5 percent
Salary increase	5.00 percent
Investment rate of return	7.00 percent
Mortality	Pub-2010 Mortality Table using Scale MP-2021

See notes to required supplementary information.

Budgetary Information

The City is legally subject to the budgetary control requirements of State of Michigan PA 621 of 1978 (the "Uniform Budgeting Act"). The following is a summary of the requirements of this act according to the State Treasurer's Bulletin for Audits of Local Units of Government in Michigan, dated April 1982, as amended by PA 493 of 2000:

a. Budgets must be adopted for the General Fund and special revenue funds.
b. Budgeted expenditures cannot exceed budgeted revenue and fund balance.
c. The budgets must be amended when necessary.
d. Public hearings must be held before budget adoptions.
e. Expenditures cannot exceed budget appropriations.
f. Expenditures must be authorized by a budget before being incurred.

The City adopts its budget by activity, which is in accordance with the State's legal requirements. An activity is the level that aggregates budgetary line items by departmental responsibility. This then represents the level of classification detail at which expenditures may not legally exceed appropriations. The level of detail presented in the required supplementary information budgetary comparison schedules for the major governmental funds is a summarization of the activity-basis budget. Copies of the activity-basis budgets for all budgeted funds are available at the office of the city clerk.

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

- Prior to February 1, all departments and entities within the City submit to the city manager their proposed operating budgets for the fiscal year commencing the following July 1.
- On the second Tuesday in April, the city manager submits to the City Council a proposed balanced operating budget for the next fiscal year. The operating budget includes proposed expenditures and the means of financing them.
- A public hearing is conducted to obtain taxpayer comments.
- Prior to the first Monday in May, the budget is legally adopted by the City Council through adoption of the appropriation ordinance.
- The city manager is authorized to transfer budgeted amounts within budgetary activities; however, any revisions that alter the total expenditures of any budgetary activity must be approved by the City Council.

Budgeted amounts of the revenue and expenditures are presented for the General Fund and special revenue funds. Individual amendments were not material in relation to the original appropriations that were adopted. Unexpended appropriations lapse at year end; encumbrances are not included as expenditures. During the current year, the budget was amended in a legally permissible manner.

A reconciliation of the General Fund budgetary comparison schedule to the fund-based statement of revenue, expenditures, and changes in fund balances is as follows:

	Total Revenue	Total Expenditures
Amounts per operating statement	$ 45,125,572	$ 38,512,181
Reimbursements budgeted as revenue/expenditures in the General Fund	3,422,089	3,422,089
Amounts per budget statement	$ 48,547,661	$ 41,934,270

Excess of Expenditures Over Appropriations in Budgeted Funds

During the year, the City of Roseville, Michigan incurred expenditures that were in excess of the amounts budgeted as a result of unanticipated expenditures that became necessary during the year, as follows:

	Budget	Actual	Variance
General Fund:			
Governing body	$ 4,618,132	$ 4,992,445	$ (374,313)
Attorney	391,000	393,602	(2,602)
Street lighting	1,100,000	1,113,857	(13,857)
Local Streets Fund - Public works	4,400,520	4,812,755	(412,235)
Major Streets Fund - Transfers out	2,925,000	3,918,821	(993,821)

Pension Information

Changes in Assumptions

Changes in assumptions in 2015 reflect the effect of changes in the mortality assumptions used. In 2015, the valuation changed from using the 1984 Group Annuity Mortality Table to the RP-2014 Mortality Table.

Changes in assumptions in 2018 reflect the effects of the following changes in assumptions from fiscal year 2017 to fiscal year 2018: (a) the inflation rate decreased from 5.0 percent to 2.5 percent, and (b) the investment rate of return decreased from 7.5 percent to 7.45 percent.

Changes in assumptions in 2019 reflect the effects of the following changes in assumptions from fiscal year 2018 to fiscal year 2019: (a) the investment rate of return went up from 7.45 percent to 7.5 percent, and (b) the valuation changed from using the RP-2014 Mortality Table with MP-2017 to the RP-2014 Mortality Table with MP-2018.

Changes in assumptions in 2020 reflect the effect of changes in the mortality assumptions used. In 2020, the valuation changed from using the RP-2014 Mortality Table with MP-2018 to using the RP-2006 Mortality Table with MP-2019.

Changes in assumptions in 2021 reflect the effects of the following changes in assumptions from fiscal year 2020 to fiscal year 2021: (a) the investment rate of return decreased from 7.5 percent to 7.0 percent for both the Employees' Retirement System and the Police and Fire System, and (b) the Employees' Retirement System valuation changed from using the RP-2006 Mortality Table with MP-2019 to the PubG-2010 Mortality Table with MP-2020, and the Police and Fire System changed from using the RP-2006 Mortality Table with MP-2019 to the PubS-2010 Mortality Table with MP-2020. For the Police and Fire System, assumed salary increases changed from 3.5 to 7.3 percent to 1.0 to 21.0 percent. For the Employees' Retirement System, assumed salary increases changed from 3.5 to 7.3 percent to 1.0 to 5.5 percent.

Changes in assumptions in 2022 reflect the effects of the following changes in assumptions from fiscal year 2021 to fiscal year 2022: the Employees' Retirement System valuation changed from using the PubG-2010 Mortality Table with MP-2019 to the PubG-2010 Mortality Table with MP-2021 and the Police and Fire System changed from using the PubS-2010 Mortality Table with MP-2020 to the PubS-2010 Mortality Table with MP-2021.

Change in Benefit Provisions

Effective July 1, 2020, assets of $81,923,755 and total pension liability of $134,951,333 from the City of Roseville Employees' Retirement System were transferred into a separate system, the City of Roseville Police and Fire Retirement System.

As of June 30, 2024, changes in benefit terms for the City of Roseville Police and Fire Retirement System included DROP balances receiving a return of 3 percent per year.

OPEB Information

Changes in Assumptions

Changes in assumptions in 2017 reflect the effects of the following change in assumptions from fiscal year 2016 to fiscal year 2017: the inflation rate increased from 4.0 percent to 5.0 percent.

Changes in assumptions in 2018 reflect the effects of the following changes in assumptions from fiscal year 2017 to fiscal year 2018: (a) the investment rate of return went down from 7.5 percent to 7.45 percent, and (b) the inflation rate went down from 5.0 percent to 2.5 percent.

Changes in assumptions in 2020 reflect the effect of change in the mortality assumptions used. In 2020, the valuation changed from using the RP-2014 Mortality Table with MP-2018 to using the RP-2006 Mortality Table with MP-2019.

Changes in assumptions in 2021 reflect the effects of the following changes in assumptions from fiscal year 2020 to fiscal year 2021: (a) the investment rate of return used decreased from 7.5 percent to 7.0 percent, and (b) the health care cost trend rates have been updated from 8.0 percent, decreasing 0.5 percent annually to an ultimate rate of 4.5 percent, to an initial rate of 7.5 percent, decreasing 0.5 percent annually to an ultimate rate of 4.5 percent.

Changes in assumptions in 2022 reflect the effects of the following change in assumptions from fiscal year 2021 to fiscal year 2022: The valuation changed from using the SOA Pub-2010 Weighted Mortality Table fully generational using Scale MP-2019 to the SOA Pub-2010 Weighted Mortality Table fully generational using Scale MP-2021.

Changes in assumptions in 2023 reflect the effects of the following change in assumptions from fiscal year 2022 to fiscal year 2023: the health care cost trend rates have been updated from 7.5 percent, decreasing 0.5 percent annually to an ultimate rate of 4.5 percent, to an initial rate of 7.0 percent, decreasing 0.5 percent annually to an ultimate rate of 4.5 percent.

Changes in assumptions in 2024 reflect the effects of the following change in assumptions from fiscal year 2023 to fiscal year 2024: the health care cost trend rates have been updated from 7.0 percent, decreasing 0.5 percent annually to an ultimate rate of 4.5 percent, to an initial rate of 8.0 percent, decreasing 0.5 percent annually to an ultimate rate of 4.5 percent.

Changes in assumptions in 2025 reflect the effects of the following change in assumptions from fiscal year 2024 to fiscal year 2025: the health care cost trend rates for pre-65 have been updated from 8.0 percent, decreasing 0.5 percent annually to an ultimate rate of 4.5 percent, to an initial rate of 8.0 percent, decreasing 0.25 percent annually to an ultimate rate of 4.5 percent.

Supplementary Information

Supplementary Information
Combining Balance Sheet
Nonmajor Governmental Funds

June 30, 2025

	Special Revenue Funds						Debt Service Funds		Capital Project Fund	
	Community Development Block Grant	HOME	Drug Law Enforcement	Library	MIDC	Police & Fire Retirement	Chapter 20 Drain	General Debt	Equipment Replacement	Total Nonmajor Governmental Funds
Assets										
Cash and investments	$ -	$ 1,543	$ 2,288,485	$ 1,632,709	$ 539,678	$ 601,382	$ 2,518,215	$ 3,897	$ 2,269,999	$ 9,855,908
Receivables:										
Property taxes receivable	-	-	-	16,246	-	65,670	341	4,781	-	87,038
Accrued interest receivable	-	-	8,927	-	-	-	-	-	-	8,927
Other receivables	234,615	-	54,498	49,398	-	-	-	-	-	338,511
Prepaid expenses	3,360	-	-	10,053	-	-	-	-	-	13,413
Total assets	**$ 237,975**	**$ 1,543**	**$ 2,351,910**	**$ 1,708,406**	**$ 539,678**	**$ 667,052**	**$ 2,518,556**	**$ 8,678**	**$ 2,269,999**	**$ 10,303,797**
Liabilities										
Accounts payable	$ 56,412	$ -	$ -	$ 36,210	$ 198,860	$ 2,199	$ 259	$ -	$ 15,365	$ 309,305
Due to other funds	173,754	-	-	45	-	-	-	-	-	173,799
Accrued liabilities and other current liabilities	4,449	-	12,774	42,727	4,800	24,099	(10)	594	-	89,433
Unearned revenue	-	-	-	-	336,018	-	-	-	-	336,018
Total liabilities	234,615	-	12,774	78,982	539,678	26,298	249	594	15,365	908,555
Deferred Inflows of Resources - Unavailable revenue	26,374	-	25,915	16,246	-	65,670	341	4,781	-	139,327
Fund Balances (Deficit)										
Nonspendable	3,360	-	-	10,053	-	-	-	-	-	13,413
Restricted:										
Debt service	-	-	-	-	-	-	2,517,966	3,303	-	2,521,269
Grants	-	1,543	-	-	-	-	-	-	-	1,543
Library Authority	-	-	-	1,603,125	-	-	-	-	-	1,603,125
Drug law enforcement	-	-	2,313,221	-	-	-	-	-	-	2,313,221
Police and fire retirement	-	-	-	-	-	575,084	-	-	-	575,084
Assigned - Capital projects	-	-	-	-	-	-	-	-	2,254,634	2,254,634
Unassigned	(26,374)	-	-	-	-	-	-	-	-	(26,374)
Total fund balances (deficit)	(23,014)	1,543	2,313,221	1,613,178	-	575,084	2,517,966	3,303	2,254,634	9,255,915
Total liabilities, deferred inflows of resources, and fund balances (deficit)	**$ 237,975**	**$ 1,543**	**$ 2,351,910**	**$ 1,708,406**	**$ 539,678**	**$ 667,052**	**$ 2,518,556**	**$ 8,678**	**$ 2,269,999**	**$ 10,303,797**

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

Year Ended June 30, 2025

	Special Revenue Funds						Debt Service Funds		Capital Project Fund	
	Community Development Block Grant	HOME	Drug Law Enforcement	Library	MIDC	Police & Fire Retirement	Chapter 20 Drain	General Debt	Equipment Replacement	Total Nonmajor Governmental Funds
Revenue										
Property taxes	$ -	$ -	$ -	$ 1,698,278	$ -	$ 7,797,085	$ 4,262	$ 914,669	$ -	$ 10,414,294
Intergovernmental:										
Federal grants	382,286	-	488,267	525	-	-	-	-	-	871,078
State-shared revenue and grants	-	-	-	212,929	1,279,105	300,400	100,972	-	-	1,893,406
Fines and forfeitures	-	-	-	425	-	-	-	-	-	425
Investment income	-	-	77,883	72,528	13,349	-	116,249	-	70,358	350,367
Other revenue:										
Local donations	-	-	-	7,419	-	-	-	-	-	7,419
Other fees and miscellaneous income	-	-	48,013	17,337	-	-	-	-	-	65,350
Total revenue	382,286	-	614,163	2,009,441	1,292,454	8,097,485	221,483	914,669	70,358	13,602,339
Expenditures										
Current services:										
General government	-	-	-	-	1,383,410	-	-	-	-	1,383,410
Police and fire safety	-	-	135,450	-	-	8,093,949	-	-	980,293	9,209,692
Community and economic development	408,457	-	-	-	-	-	-	-	-	408,457
Recreation and culture	-	-	-	2,070,607	-	-	-	-	-	2,070,607
Other charges	-	-	-	-	-	-	32,128	-	-	32,128
Debt service:										
Principal	-	-	-	-	-	-	244,184	480,000	-	724,184
Interest and other costs on long-term debt	-	-	-	-	-	-	29,211	441,366	-	470,577
Total expenditures	408,457	-	135,450	2,070,607	1,383,410	8,093,949	305,523	921,366	980,293	14,299,055
Excess of Revenue (Under) Over Expenditures	(26,171)	-	478,713	(61,166)	(90,956)	3,536	(84,040)	(6,697)	(909,935)	(696,716)
Other Financing Sources - Transfers in	-	-	-	-	90,956	-	-	10,000	1,250,000	1,350,956
Net Change in Fund Balances	(26,171)	-	478,713	(61,166)	-	3,536	(84,040)	3,303	340,065	654,240
Fund Balances - Beginning of year	3,157	1,543	1,834,508	1,674,344	-	571,548	2,602,006	-	1,914,569	8,601,675
Fund Balances (Deficit) - End of year	**$ (23,014)**	**$ 1,543**	**$ 2,313,221**	**$ 1,613,178**	**$ -**	**$ 575,084**	**$ 2,517,966**	**$ 3,303**	**$ 2,254,634**	**$ 9,255,915**

Supplementary Information
Combining Statement of Net Position
Internal Service Funds

June 30, 2025

	Employee Benefits Fund	Workers' Compensation Fund	Total Internal Service Funds
Assets			
Current assets:			
Cash and investments	$ 16,811,428	$ 212,646	$ 17,024,074
Due from other funds	-	2,702	2,702
Prepaid expenses	-	20,658	20,658
Total assets	16,811,428	236,006	17,047,434
Liabilities - Current - Provision for claims	412,710	13,739	426,449
Net Position - Unrestricted	**$ 16,398,718**	**$ 222,267**	**$ 16,620,985**

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

Year Ended June 30, 2025

	Employee Benefits Fund	Workers' Compensation Fund	Total Internal Service Funds
Operating Revenue - Charges to other funds	$ 10,397,760	$ 47,141	$ 10,444,901
Operating Expenses			
Billing and administrative costs	306,761	-	306,761
Benefit payments and other costs	8,797,185	21,635	8,818,820
Total operating expenses	9,103,946	21,635	9,125,581
Operating Income	1,293,814	25,506	1,319,320
Nonoperating Revenue - Investment income	665,776	10,206	675,982
Change in Net Position	1,959,590	35,712	1,995,302
Net Position - Beginning of year	14,439,128	186,555	14,625,683
Net Position - End of year	**$ 16,398,718**	**$ 222,267**	**$ 16,620,985**

Supplementary Information
Combining Statement of Cash Flows
Internal Service Funds

Year Ended June 30, 2025

	Employee Benefits Fund	Workers' Compensation Fund	Total Internal Service Funds
Cash Flows from Operating Activities			
Receipts from interfund services and reimbursements	$ 10,697,751	$ 55,162	$ 10,752,913
Claims paid	(9,143,943)	(58,861)	(9,202,804)
Net cash and cash equivalents provided by (used in) operating activities	1,553,808	(3,699)	1,550,109
Cash Flows from Investing Activities			
Interest received on investments	665,776	10,206	675,982
Proceeds from sale and maturities of investment securities	(306,580)	4,262	(302,318)
Net cash and cash equivalents provided by investing activities	359,196	14,468	373,664
Net Increase in Cash and Cash Equivalents	1,913,004	10,769	1,923,773
Cash and Cash Equivalents - Beginning of year	9,084,973	128,343	9,213,316
Cash and Cash Equivalents - End of year	**$ 10,997,977**	**$ 139,112**	**$ 11,137,089**
Classification of Cash and Investments			
Cash and investments	$ 16,811,428	$ 212,646	$ 17,024,074
Less amounts classified as investments	(5,813,451)	(73,534)	(5,886,985)
Total cash and cash equivalents	**$ 10,997,977**	**$ 139,112**	**$ 11,137,089**
Reconciliation of Operating Income to Net Cash and Cash Equivalents from Operating Activities			
Operating income	$ 1,293,814	$ 25,506	$ 1,319,320
Adjustments to reconcile operating income to net cash and cash equivalents from operating activities - Changes in assets and liabilities:			
Due to and from other funds	299,991	8,021	308,012
Estimated claims liability	(39,997)	(37,226)	(77,223)
Total adjustments	259,994	(29,205)	230,789
Net cash and cash equivalents provided by (used in) operating activities	**$ 1,553,808**	**$ (3,699)**	**$ 1,550,109**

Supplementary Information
Combining Statement of Fiduciary Net Position
Fiduciary Funds

June 30, 2025

	Pension and Other Employee Benefit Trust Funds				Custodial Funds				
	Employees' Pension Trust	Police and Fire Retirement Trust	Retiree Healthcare Benefits Trust	Total	Miscellaneous Custodial	Tax Collection	County & School Tax	District Court	Total
Assets									
Cash and cash equivalents	$ -	$ -	$ 623,845	$ 623,845	$ 37,962	$ -	$ -	$ 214,792	$ 252,754
Investments:									
Limited partnerships/Private equity funds	16,017,317	23,599,242	-	39,616,559	-	-	-	-	-
Mutual funds	11,449,625	19,328,272	13,498,221	44,276,118	-	-	-	-	-
U.S. and foreign stocks	24,395,913	35,841,941	3,092,014	63,329,868	-	-	-	-	-
Asset-backed securities	73	112	393,588	393,773	-	-	-	-	-
Common collective trusts	6,985,896	11,280,513	-	18,266,409	-	-	-	-	-
Receivables:									
Accrued interest receivable	11,907	19,945	2,582	34,434	-	-	-	-	-
Other receivables	-	27,663	-	27,663	4,387	-	-	-	4,387
Total assets	58,860,731	90,097,688	17,610,250	166,568,669	42,349	-	-	214,792	257,141
Liabilities									
Accounts payable	17,609	4,962	14,973	37,544	42,349	-	-	-	42,349
Due to primary government	86,663	86,663	-	173,326	-	-	-	-	-
Refundable deposits, bonds, etc.	-	-	-	-	-	-	-	106,730	106,730
Accrued liabilities and other current liabilities	-	-	-	-	-	-	-	108,054	108,054
Total liabilities	104,272	91,625	14,973	210,870	42,349	-	-	214,784	257,133
Net Position - Restricted									
Pension	58,756,459	90,006,063	-	148,762,522	-	-	-	-	-
Postemployment benefits other than pension	-	-	17,595,277	17,595,277	-	-	-	-	-
Individuals, organizations, and other governments	-	-	-	-	-	-	-	8	8
Total net position	**$ 58,756,459**	**$ 90,006,063**	**$ 17,595,277**	**$ 166,357,799**	**$ -**	**$ -**	**$ -**	**$ 8**	**$ 8**

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

Year Ended June 30, 2025

	Pension and Other Employee Benefit Trust Funds				Custodial Funds				
	Employees' Pension Trust	Police and Fire Retirement Trust	Retiree Healthcare Benefits Trust	Total	Miscellaneous Custodial	Tax Collection	County & School Tax	District Court	Total
Additions									
Investment income (loss):									
Interest and dividends	$ 810,084	$ 1,279,268	$ 342,694	$ 2,432,046	$ -	$ -	$ -	$ -	$ -
Net increase in fair value of investments	4,201,893	6,287,558	1,243,839	11,733,290	-	-	-	-	-
Investment-related expenses	(441,327)	(677,805)	(36,452)	(1,155,584)	-	-	-	-	-
Net investment income	4,570,650	6,889,021	1,550,081	13,009,752	-	-	-	-	-
Contributions:									
Employer contributions	1,884,467	4,979,207	4,599,715	11,463,389	-	-	-	-	-
Employee contributions	701,459	1,202,301	-	1,903,760	-	-	-	-	-
Total contributions	2,585,926	6,181,508	4,599,715	13,367,149	-	-	-	-	-
Property tax collections	-	-	-	-	-	1,027,819	42,538,601	-	43,566,420
Other income	-	-	-	-	417,762	-	-	-	417,762
Fines and forfeitures	-	-	-	-	-	-	-	226,514	226,514
Total additions	7,156,576	13,070,529	6,149,796	26,376,901	417,762	1,027,819	42,538,601	226,514	44,210,696
Deductions									
Pension benefit payments	6,170,534	11,110,770	-	17,281,304	-	-	-	-	-
Health benefits	-	-	4,249,715	4,249,715	-	-	-	-	-
Administrative expenses	122,434	138,916	9,344	270,694	-	-	-	-	-
Property tax disbursements	-	-	-	-	-	1,027,819	42,538,601	-	43,566,420
Fines	-	-	-	-	417,762	-	-	-	417,762
Bonds and garnishments	-	-	-	-	-	-	-	226,514	226,514
Total deductions	6,292,968	11,249,686	4,259,059	21,801,713	417,762	1,027,819	42,538,601	226,514	44,210,696
Net Increase in Fiduciary Net Position	863,608	1,820,843	1,890,737	4,575,188	-	-	-	-	-
Net Position - Beginning of year	57,892,851	88,185,220	15,704,540	161,782,611	-	-	-	8	8
Net Position - End of year	**$ 58,756,459**	**$ 90,006,063**	**$ 17,595,277**	**$ 166,357,799**	**$ -**	**$ -**	**$ -**	**$ 8**	**$ 8**

Plante & Moran, PLLC
Suite 300
19176 Hall Road
Clinton Township, MI 48038
Tel: 586.416.4900
Fax: 586.416.4901
plantemoran.com

December 17, 2025

To the Honorable Mayor, Members of the City
Council, and Management
City of Roseville, Michigan

We have audited the financial statements of the City of Roseville, Michigan (the "City") as of and for the year ended June 30, 2025 and have issued our report thereon dated December 17, 2025. Professional standards require that we provide you with the following information related to our audit, which is divided into the following sections:

Section I - Required Communications with Those Charged with Governance

Section II - Legislative and Informational Items

Section I includes information that current auditing standards require independent auditors to communicate to those individuals charged with governance. Section I communicates significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process.

We will report this information annually to the honorable mayor, the members of the City Council, and management of the City of Roseville, Michigan.

Section II presents updates relative to current legislation or events affecting municipal finance that we believe will be of interest to you.

We would like to take this opportunity to thank the City’s staff for the cooperation and courtesy extended to us during our audit. Their assistance and professionalism are invaluable.

This report is intended solely for the use of the honorable mayor, the members of the City Council, and management of the City and is not intended to be and should not be used by anyone other than these specified parties.

We welcome any questions you may have regarding the following communications, and we would be willing to discuss these or any other questions that you might have at your convenience.

Very truly yours,

Plante & Moran, PLLC

Ali Hijazi

Ali H. Hijazi, CPA
Partner

PRAXITY™
Empowering Business Globally

Section I - Required Communications with Those Charged with Governance

Our Responsibility Under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated July 16, 2025, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities. Our responsibility is to plan and perform the audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement.

As part of our audit, we considered the internal control of the City. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures specifically to identify such matters.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our letter about planning matters dated September 24, 2025.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the City are described in Note 1 to the financial statements.

As described in Note 1, the City changed accounting policies related to GASB Statement No. 101, *Compensated Absences*.

We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus.

There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The most sensitive estimates affecting the financial statements were the measurements of the net pension liability and net other postemployment benefit (OPEB) liability, including the note disclosures and required supplementary information disclosures, which are based on the work of an actuary utilizing assumptions included but not limited to investment rates of return, future health care costs, and mortality of the population of covered members.

We evaluated the key factors and assumptions used to develop the estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

The disclosures in the financial statements are neutral, consistent, and clear.

Section I - Required Communications with Those Charged with Governance (Continued)

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in performing and completing our audit.

Disagreements with Management

For the purpose of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report.

We are pleased to report that no such disagreements arose during the course of our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management.

The attached schedule summarizes uncorrected misstatements of the financial statements that were requested to be recorded. Management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. However, uncorrected misstatements or matters underlying those uncorrected misstatements could potentially cause future period financial statements to be materially misstated.

Significant Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, business conditions affecting the City, and business plans and strategies that may affect the risks of material misstatement, with management each year prior to our retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship, and our responses were not a condition of our retention.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 17, 2025.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a second opinion on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Section II - Legislative and Informational Items

Energy Tax Credits

Significant legislation was enacted in 2022 that has dramatically expanded the available tax credits, tax incentives, and other funding opportunities related to the green energy sector. The One Big Beautiful Bill (OBBB), enacted on July 4, 2025, introduced sweeping changes to those credits. However, the OBBB delayed the implementation of certain provisions - meaning that, with careful planning, the City can still take advantage of available credits. Additionally, the new monetization options from the original legislation that expanded the benefits of tax credits for qualifying activities to public sector organizations like the City remain unchanged from the OBBB. The breadth of qualifying activities is significant, including, in most cases, the production of electricity; production of solar, wind, and energy equipment; installation of energy-efficient upgrades to businesses and homes; and the acquisition of electric vehicles (EVs) and charging equipment. We are happy to discuss any questions or potential tax credit opportunities with you, and please also feel free to visit our IRA tax credits articles and webinars at https://www.plantemoran.com/explore-our-thinking/areas-of-focus/inflation-reduction-act-tax-credits.

Monitoring Lease, SBITA, and PPP Activity

GASB Statements No. 87, *Leases*; No. 96, *Subscription-Based Information Technology Arrangements* (SBITAs); and No. 94, *Public-Private and Public-Public Partnerships (PPP) and Availability Payment Arrangements*, were effective in fiscal years 2022 and 2023. Although significant analyses were performed to determine the applicability of the new standards and record any necessary adjustments, we want to stress the importance of implementing ongoing monitoring procedures over lease, SBITA, and PPP activity. When the City enters into new leases, SBITAs, or PPPs; existing agreements are modified; or other facts and circumstances change, consideration must be given to the impact those changes will have on lease, SBITA, and PPP accounting. In order to do so, the City must ensure there is a process in place to identify and appropriately account for new leases, SBITAs, or PPPs or changes to existing agreements on an ongoing basis or at least at the end of each year.

Cybersecurity and Information Technology Controls

Cyberattacks are on the rise across the globe, and the cost of these attacks is ever increasing. Because of these attacks, municipalities stand to lose their reputation, the ability to operate efficiently, and proprietary information or assets. Communities potentially can also be subject to financial and legal liabilities. Managing this issue is especially challenging because even a municipality with a highly mature cybersecurity risk management program still has a residual risk that a material cybersecurity breach could occur and not be detected in a timely manner. We understand that the technology department continues to monitor and evaluate this risk, which are critical best practices. Additionally, periodic assessment of the system in order to verify that the control environment is working as intended is a key part of measuring associated business risk. We encourage administration and those charged with governance to work with the technology team on this very important topic. If we can be of assistance in the process, we would be happy to do so.

Revenue Sharing

The fiscal year 2025 budget includes $1.79 billion for revenue sharing. Further details of the breakdown of this amount are available at https://www.michigan.gov/treasury/0,,7-121-1751_2197---,00.html.

The fiscal year 2025 City, Village, and Township Revenue Sharing (CVTRS) program includes the following types of payments:

- CVTRS-Standard payment based on fiscal year 2024 CVTRS total eligible payment amount
- 3-Factor Formula Payments:
  - Taxable Value Payment - Based on taxable values and populations for local units
  - Weighted Population Payment - Based on unit type population weight factors and populations for local units
  - Yield Equalization Payment - Based on an amount that is sufficient to provide the guaranteed tax base for a local tax effort, not to exceed 0.02

As provided in the September 2024 Department of Treasury letter on City, Village, and Township Revenue Sharing (CVTRS) Fiscal Year 2025 Detailed Guidance, there are no submission requirements to receive any of the 2025 CVTRS payments.

- The CVTRS-Standard payments are paid in one-sixth increments, paid on the last business day of October, December, February, April, June, and August.

The 3-Factor Formula Payments are paid on February 28, 2025 in an amount of half of the estimated 2025 payment, and the remaining 2025 payment is paid on June 30, 2025.

OMB Revisions to the Uniform Guidance

In April 2024, the Office of Management and Budget (OMB) released revisions for the Uniform Guidance for federal grants and agreements, which are effective for fiscal year ends beginning on October 1, 2024 and after. The guidance clarifies the applicability of requirements and terminology and includes some relaxation and clarification of certain requirements that required prior approval from federal regulators. A few key changes include the following:

- Increase the single audit threshold to $1 million from $750,000

- Require the schedule of expenditures of federal awards (SEFA) to identify recipient of federal award for audits that cover multiple recipients

- Increase the *de minimis* indirect cost rate from 10 percent to 15 percent, effective for grants received on October 1, 2024 and after

The changes are included in more detail within the federal register at https://www.federalregister.gov/ documents/2024/04/22/2024-07496/guidance-for-federal-financial-assistance, and we are happy to discuss these changes with you.

Capitalization Thresholds

The April 2024 Uniform Grants Guidance 2024 Revision described above resulted in the equipment threshold increasing from $5,000 to $10,000. This threshold applies to the value of equipment that at the end of the grant period may be retained, sold, or otherwise disposed of with no further responsibility to the federal agency. In addition to considering this Uniform Guidance threshold related to federal grants compliance, it may be a good time for the City to reevaluate the capitalization thresholds. We are happy to assist you in thinking through considerations in evaluating these thresholds.

Other New Legislation

Upcoming Accounting Standards Requiring Preparation

We actively monitor new Governmental Accounting Standards Board (GASB) standards and due process documents and provide periodic updates to help you understand how the latest financial reporting developments will impact the City. In addition to the summaries below and to stay up to date, we issue a biannual GASB accounting standard update. The most recent update and a link to previous fall and spring updates are available here.

GASB Statement No. 103 - Financial Reporting Model Improvements

This new accounting pronouncement will be effective for fiscal years ending June 30, 2026 and after. This statement establishes new accounting and financial reporting requirements, or modifies existing requirements, related to the following: management's discussion and analysis (MD&A); unusual or infrequent items; presentation of the proprietary fund statement of revenue, expenses, and changes in fund net position; information about major component units in basic financial statements; budgetary comparison information; and financial trends information in the statistical section. This statement requires that the MD&A be limited to the five topics noted in the standard and provides further guidance on how the MD&A should be written. For proprietary fund financial reporting, the statement defines nonoperating revenue and expense and introduces the concept of subsidies. It also requires new subtotals to present total noncapital subsidies and income or loss, including both operating activities and noncapital subsidies. The statement prescribes that the required budgetary comparison schedules be reported only in the required supplementary information section of the statements and dictates what variance information should be included. Next, the statement removes the option to present discretely presented component unit information as condensed information in the notes rather than in the statements. Lastly, the statement outlines how unusual or infrequent items should be presented separately on the financial statements.

GASB Statement No. 104 - Disclosure of Certain Capital Assets

This new accounting pronouncement requires certain types of capital assets, such as lease assets, intangible right-of-use assets, subscription assets, and other intangible assets, to be disclosed separately by major class of underlying asset in the capital assets note. The statement also requires additional disclosures for capital assets held for sale.

Significant GASB Proposal Worth Watching

The Revenue and Expense Recognition project aims to develop a comprehensive accounting and financial reporting model for transactions that result in revenue and expenses. The GASB has issued a preliminary views document that proposes a new categorization framework that replaces the exchange/nonexchange transaction notion with a four-step categorization process for classifying a transaction. In addition to this new framework, the proposal also addresses recognition and measurement of revenue and expense transactions. The exposure draft for this project is expected sometime in 2026.

We have spent significant time digesting this new proposed standard and recently testified to the GASB about our feedback. We strongly encourage the City to monitor developments with this standard, as the potential impact is quite broad.

Attachment

Client: **City of Roseville, Michigan**
Opinion Unit: **Governmental Activities**
Y/E: **6/30/2025**

SUMMARY OF UNRECORDED POSSIBLE ADJUSTMENTS

The effect of misstatements and classification errors identified would be to increase (decrease) the reported amounts in the financial statement categories identified below:

Ref. #	Description of Misstatement	Current Assets	Long-term Assets	Deferred Outflows of Resources	Current Liabilities	Long-term Liabilities	Deferred Inflows of Resources	Equity	Revenue	Expenses	Net income statement impact
FACTUAL MISSTATEMENTS:											
A1	To restate net position for implementation of GASB Statement No. 101.							$ (1,022,261)		$ (1,022,261)	$ 1,022,261
JUDGMENTAL ADJUSTMENTS:											
B1	None										-
PROJECTED ADJUSTMENTS:											
C1	None										-
		$ -	$ -	$ -	$ -	$ -	$ -	-	$ -	-	-
	Total	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ (1,022,261)**	**$ -**	**$ (1,022,261)**	**$ 1,022,261**

PASSED DISCLOSURES AND FINANCIAL STATEMENT PRESENTATION ISSUES:

D1

APPENDIX D

GENERAL FUND FINANCIAL STATEMENTS
OF CITY OF ROSEVILLE
FOR THE FISCAL YEARS ENDED
JUNE 30, 2025, 2024 AND 2023

FINANCIAL INFORMATION

The following financial information has been compiled from information provided in the City of Roseville audited Annual Financial Statements for the fiscal years ended June 30, 2025, 2024 and 2023. These audited Annual Financial Statements were prepared in accordance with the Generally Accepted Accounting Principles. The City's auditors have not been asked to consent to the use of information from such audited Annual Financial Statements in the Preliminary Official Statement nor the final Official Statement and have not conducted any subsequent review of such audited Annual Financial Statements or the information presented in this Appendix.

Copies of audited Annual Financial Statements may be obtained from the State of Michigan – Department of Treasury.

Michigan Department of Treasury

Local Audit and Finance Division

Lansing, MI 48922

Telephone: (517) 373-3227

Website: www.michigan.gov/treasury

CITY OF ROSEVILLE
GENERAL FUND
STATEMENT OF REVENUES AND EXPENDITURES AND CHANGES IN FUND BALANCE
AS OF JUNE 30

	2025	2024	2023
REVENUES			
Property taxes	$24,971,275	$22,624,805	$20,779,362
Federal grants	69,954	7,712,749	68,987
State-shared revenue and grants	8,102,424	7,821,533	7,461,514
Charges for services	3,183,987.00	2,993,704	2,655,491
Fines and forfeitures	1,448,309	1,496,653	1,438,228
Licenses and permits	2,991,625	2,700,338	2,454,668
Investment income	1,330,697	1,324,591	432,440
Other revenue	3,027,301	3,161,570	2,404,047
TOTAL REVENUES	45,125,572	49,835,943	37,694,737
EXPENDITURES			
Current:			
General government	13,590,128	12,118,149	9,844,745
Police and fire safety	18,861,412	18,015,657	16,710,391
Public works	5,181,275	4,588,980	4,046,114
Community and economic development	$605,537	$602,510	688,768
Recreation and culture	273,829	297,889	274,537
TOTAL EXPENDITURES	38,512,181	35,623,185	31,564,555
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	6,613,391	14,212,758	6,130,182
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	(1,350,956)	(8,960,956)	(3,735,956)
Proceeds from sale of properties	500	-	11,750
TOTAL OTHER FINANCING SOURCES (USES)	(1,350,456)	(8,960,956)	(3,724,206)
NET CHANGE IN FUND BALANCES	5,262,935	5,251,802	2,405,976
FUND BALANCE AT BEGINNING OF THE YEAR	14,462,313	9,210,511	6,804,535
FUND BALANCE AT END OF YEAR	$19,725,248	$14,462,313	$9,210,511

Source: City of Roseville, Michigan Annual Financial Report

CITY OF ROSEVILLE
GENERAL FUND - BALANCE SHEET
FOR YEARS ENDED JUNE 30

ASSETS	2025	2024	2023
Cash and investments	$17,910,345	$13,948,737	$8,418,197
Receivables - Net:			
Property taxes receivable	308,257	315,127	342,425
Other receivables	4,795,664	3,428,431	2,724,838
Due from other governmental units	1,082,072	1,080,247	992,199
Due from other funds	173,799	24,525	237,584
Prepaid expenditures	580,130	507,150	447,602
TOTAL ASSETS	$24,850,267	$19,304,217	$13,162,845
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Accounts payable	796,542	1,204,526	744,982
Due to other funds	2,702	274,185	654
Accrued liabilities and other	1,303,480	1,128,795	928,281
Refundable deposits and bonds	79,678	164,553	179,848.00
TOTAL LIABILITIES	2,182,402	2,772,059	1,853,765
DEFERRED INFLOW OF RESOURCES			
Unavailable revenue and deferred lease inflows	2,942,617	2,069,845	2,098,569
FUND BALANCES			
Nonspendable	580,130	507,150	443,590
Restricted and assigned	3,124,337	1,705,680	1,367,477
Unassigned	16,020,781	12,249,483	7,399,444
TOTAL FUND EQUITY AND OTHER CREDITS	19,725,248	14,462,313	9,210,511
TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS	$24,850,267	$19,304,217	$13,162,845

Source: City of Roseville, Michigan Annual Financial Report

APPENDIX E

FORM OF APPROVING OPINION

Founded in 1852
by Sidney Davy Miller

MILLER CANFIELD

Miller, Canfield, Paddock and Stone, P.L.C.
150 West Jefferson, Suite 2500
Detroit, Michigan 48226
TEL (313) 963-6420
FAX (313) 496-7500
millercanfield.com

MICHIGAN
ILLINOIS
NEW YORK
OHIO
WASHINGTON, D.C.
CALIFORNIA
CANADA
MEXICO
POLAND
UKRAINE
QATAR

Form of Approving Opinion

City of Roseville
County of Macomb
State of Michigan

We have acted as bond counsel to the City of Roseville, County of Macomb, State of Michigan (the "Issuer"), in connection with the issuance by the Issuer of bonds in the aggregate principal sum of $______ designated 2026 Unlimited Tax General Obligation Bonds (the "Bonds"). In such capacity, we have examined such law and the transcript of proceedings relating to the issuance of the Bonds and such other proceedings, certifications and documents as we have deemed necessary to render this opinion.

The Bonds are in fully-registered form in the denomination of $5,000 each or multiples thereof, numbered in order of registration, bearing original issue date of __________, 2026, payable as to principal and interest as provided in the Bonds, subject to redemption prior to maturity in the manner, at the times and at the prices specified in the Bonds. The Bonds have been designated as "qualified tax-exempt obligations" for purposes of deduction of interest expense by financial institutions.

As to questions of fact material to our opinion, we have relied on the certified proceedings and other certifications of public officials and others furnished to us.

Based upon the foregoing, we are of the opinion that, under existing law:

1. The Bonds have been duly authorized and executed by the Issuer and are valid and binding obligations of the Issuer.

2. All taxable property within the boundaries of the Issuer is subject to taxation for payment of the Bonds, without limitation as to rate or amount.

3. The interest on the Bonds (a) is excludable from gross income for federal income tax purposes and (b) is not an item of tax preference for purposes of the federal alternative minimum tax. Further, the Bonds and the interest thereon are exempt from all taxation by the State of Michigan or by any taxing authority within the State of Michigan except estate taxes and taxes on gains realized from the sale, payment or other disposition thereof. The opinions set forth in this paragraph are subject to the condition that the Issuer comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Bonds

in order that interest thereon be (or continue to be) excludable from gross income for federal and State of Michigan income tax purposes. The Issuer has covenanted to comply with all such requirements. Failure to comply with certain of such requirements could cause the interest on the Bonds to be included in gross income retroactively to the date of issuance of the Bonds.

Except as stated in paragraph 3 above, we express no opinion regarding other federal or state tax consequences arising with respect to the Bonds and the interest thereon.

The rights or remedies of bondholders may be affected by bankruptcy, insolvency, fraudulent conveyance or other laws affecting creditors' rights generally, now existing or hereafter enacted, and by the application of general principles of equity, including those relating to equitable subordination.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur.

Very truly yours,

APPENDIX F

FORM OF CONTINUING DISCLOSURE UNDERTAKING

CONTINUING DISCLOSURE UNDERTAKING

This Continuing Disclosure Undertaking (the "Undertaking") is executed and delivered by the City of Roseville, County of Macomb, State of Michigan (the "Issuer") in connection with the issuance of its $_______ 2026 Unlimited Tax General Obligation Bonds (the "Bonds"). The Issuer covenants and agrees for the benefit of the Bondholders, as hereinafter defined, as follows:

(a) *Definitions*. The following terms used herein shall have the following meanings:

"Audited Financial Statements" means the annual audited financial statements pertaining to the Issuer prepared by an individual or firm of independent certified public accountants as required by Act 2, Public Acts of Michigan, 1968, as amended, which presently requires preparation in accordance with generally accepted accounting principles.

"Bondholders" shall mean the registered owner of any Bond or any person (a) with the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bond (including any person holding a Bond through a nominee, depository or other intermediary) or (b) treated as the owner of any Bond for federal income tax purposes.

"EMMA" shall mean the MSRB's Electronic Municipal Market Access system or such other system, Internet Web Site, or repository hereafter prescribed by the MSRB for the submission of electronic filings pursuant to the Rule.

"Financial Obligation" means "financial obligation" as such term is defined in the Rule.

"MSRB" means the Municipal Securities Rulemaking Board.

"Rule" means Rule 15c2-12 promulgated by the SEC pursuant to the Securities Exchange Act of 1934, as amended, as in effect on the date of this Undertaking, including any official interpretations thereof issued either before or after the date of this Undertaking which are applicable to this Undertaking.

"SEC" means the United States Securities and Exchange Commission.

(b) *Continuing Disclosure.* The Issuer hereby agrees, in accordance with the provisions of the Rule, to provide or cause to be provided to the MSRB through EMMA on or before the last day of the sixth month after the end of its fiscal year the following annual financial information and operating data, commencing with the fiscal year ending June 30, 2026, in an electronic format as prescribed by the MSRB:

(1) Updates of the numerical financial information and operating data included in the official statement of the Issuer relating to the Bonds (the "Official Statement") appearing in the Tables or under the headings in the Official Statement as described below:

a. History of Property Valuations;
b. State Equalized Valuation by Class and by Use;
c. Taxable Value by Class and by Use;
d. Major Taxpayers;
e. Tax Rates;
f. Tax Rate Limitations;
g. Tax Levies and Collections;
h. Revenues from the State of Michigan;
i. Labor Agreements;
j. Retirement Plans;
k. Other Post Employment Benefits;
l. General Fund – Fund Balance;
m. Debt Statement; and
n. Statement of Legal Debt Margin.

(2) Audited Financial Statements, or in the event audited financial statements are not available, the Issuer agrees to provide unaudited financial statements and to provide audited financial statements immediately after they become available.

(3) Such additional financial information or operating data as may be determined by the Issuer and its advisors as desirable or necessary to comply with the Rule.

Such annual financial information and operating data described above are expected to be provided directly by the Issuer by specific reference to documents available to the public through EMMA or filed with the SEC.

If the fiscal year of the Issuer is changed, the Issuer shall send a notice of such change to the MSRB through EMMA, prior to the earlier of the ending date of the fiscal year prior to such change or the ending date of the fiscal year as changed.

(c) *Notice of Failure to Disclose*. The Issuer agrees to provide or cause to be provided, in a timely manner, to the MSRB through EMMA, in an electronic format as prescribed by the MSRB, notice of a failure by the Issuer to provide the annual financial information with respect to the Issuer described in subsection (b) above on or prior to the dates set forth in subsection (b) above.

(d) *Occurrence of Events*. The Issuer agrees to provide or cause to be provided to the MSRB through EMMA, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of ten business days after the occurrence of the event, notice of the occurrence of any of the following events listed in (b)(5)(i)(C) of the Rule with respect to the Bonds:

(1) principal and interest payment delinquencies;
(2) non-payment related defaults, if material;
(3) unscheduled draws on debt service reserves reflecting financial difficulties;

(4) unscheduled draws on credit enhancements reflecting financial difficulties;
(5) substitution of credit or liquidity providers, or their failure to perform;
(6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
(7) modifications to rights of holders of the Bonds, if material;
(8) bond calls, if material, and tender offers;
(9) defeasances;
(10) release, substitution, or sale of property securing repayment of the Bonds, if material;
(11) rating changes;
(12) bankruptcy, insolvency, receivership or similar event of the Issuer, which is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer;
(13) the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
(14) appointment of a successor or additional trustee or the change of name of a trustee, if material;
(15) incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect security holders, if material; or
(16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

(e) *Materiality Determined Under Federal Securities Laws*. The Issuer agrees that its determination of whether any event listed in subsection (d) is material shall be made in accordance with federal securities laws.

(f) *Termination of Reporting Obligation*. The Issuer reserves the right to terminate its obligation to provide annual financial information and notices of material events, as set forth above, if and when the Issuer is no longer an "obligated person" with respect to the Bonds within the meaning of the Rule, including upon legal defeasance of all Bonds.

(g) *Identifying Information.* All documents provided to the MSRB through EMMA shall be accompanied by the identifying information prescribed by the MSRB.

(h) *Benefit of Bondholders*. The Issuer agrees that its undertaking pursuant to the Rule set forth in this Section is intended to be for the benefit of the Bondholders and shall be enforceable by any Bondholder; provided that, the right to enforce the provisions of this Undertaking shall be limited to a right to obtain specific enforcement of the Issuer's obligations hereunder and any failure by the Issuer to comply with the provisions of this Undertaking shall not constitute a default or an event of default with respect to the Bonds.

(i) *Amendments to the Undertaking*. Amendments may be made in the specific types of information provided or the format of the presentation of such information to the extent deemed necessary or appropriate in the judgment of the Issuer, provided that the Issuer agrees that any such amendment will be adopted procedurally and substantively in a manner consistent with the Rule, including any interpretations thereof by the SEC, which, to the extent applicable, are incorporated herein by reference. Such interpretations currently include the requirements that (a) the amendment may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the Issuer or the type of activities conducted thereby, (b) the undertaking, as amended, would have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances, and (c) the amendment does not materially impair the interests of Bondholders, as determined by parties unaffiliated with the Issuer (such as independent legal counsel), but such interpretations may be changed in the future. If the accounting principles to be followed by the Issuer in the preparing of the Audited Financial Statements are modified, the annual financial information for the year in which the change is made shall present a comparison between the financial statements as prepared on the prior basis and the statements as prepared on the new basis, and otherwise shall comply with the requirements of the Rule, in order to provide information to investors to enable them to evaluate the ability of the Issuer to meet its obligations. A notice of the change in accounting principles shall be sent to the MSRB through EMMA.

IN WITNESS WHEREOF, the Issuer has caused this Undertaking to be executed by its authorized officer.

CITY OF ROSEVILLE
County of Macomb
State of Michigan

By ____
John Walters
Its: City Controller/Finance Director

Dated: September __, 2026

51375530.1/076647.00018

APPENDIX G

OFFICIAL NOTICE OF SALE

<u>OFFICIAL NOTICE OF SALE</u>
$8,000,000*
CITY OF ROSEVILLE
COUNTY OF MACOMB
STATE OF MICHIGAN
2026 UNLIMITED TAX GENERAL OBLIGATION BONDS
Subject to adjustment as provided in this Notice of Sale

<u>BID OPENING</u>: Bids for the purchase of the above bonds will be received in the manner described in this Official Notice of Sale on August 18, 2026 until 1:00 p.m., prevailing Eastern Time, at which time and place said bids will be read. The award or rejection of bids will occur on the same date.

<u>ELECTRONIC BIDS</u>: Bidders may submit bids for the purchase of the above bonds as follows:

Electronic bids may be submitted to the office of Bendzinski & Co. Municipal Finance Advisors at info@bendzinski.com; provided that electronic bids must arrive before the time of sale.

Electronic bids will also be received on the same date and until the same time by Bidcomp/Parity as agent of the undersigned. Further information about Bidcomp/Parity, including any fee charged, may be obtained from Bidcomp/Parity, Anthony Leyden or CLIENT SERVICES, 1359 Broadway, Second Floor, New York, New York 10018, (212) 849-5021. IF ANY PROVISION OF THIS OFFICIAL NOTICE OF SALE SHALL CONFLICT WITH INFORMATION PROVIDED BY BIDCOMP/PARITY, AS THE APPROVED PROVIDER OF ELECTRONIC BIDDING SERVICES, THIS OFFICIAL NOTICE OF SALE SHALL CONTROL.

Bidders may choose any means or location to present bids but a bidder may not present a bid in more than one location or by more than one means. <u>Each bidder bears all risks associated with the submission, transmission and delivery of its bid.</u>

<u>BOND DETAILS</u>: The bonds will be registered bonds of the denomination of $5,000 or multiples thereof not exceeding for each maturity the maximum principal amount of that maturity, originally dated as of the date of delivery, numbered in order of registration, and will bear interest from their date payable on April 1, 2027, and semiannually thereafter.

The bonds will mature on the 1st day of April in each of the years as follows:

Year	Amount	Year	Amount	Year	Amount
2028	$35,000	2038	$160,000	2048	$310,000
2029	35,000	2039	170,000	2049	310,000
2030	35,000	2040	210,000	2050	350,000
2031	35,000	2041	225,000	2051	390,000
2032	35,000	2042	240,000	2052	435,000
2033	35,000	2043	250,000	2053	470,000
2034	85,000	2044	265,000	2054	500,000
2035	100,000	2045	270,000	2055	1,075,000
2036	125,000	2046	285,000	2056	1,125,000
2037	150,000	2047	290,000		

*<u>**ADJUSTMENT OF TOTAL PAR AMOUNT OF BONDS AND PRINCIPAL MATURITIES**</u>: The City reserves the right to adjust the aggregate principal amount of the bonds after receipt of the bids and prior to final award, if necessary, so that the purchase price of the bonds will provide an amount determined by the City to be sufficient to construct the project and to pay costs of issuance of the bonds. The adjustments, if necessary, will be in increments of $5,000. The purchase price will be adjusted proportionately to the adjustment in issue size, but the interest rates specified by the successful bidder for all maturities will not change. The successful bidder may not withdraw its bid as a result of any changes made within these limits.

*<u>**ADJUSTMENT TO PURCHASE PRICE**</u>: Should any adjustment to the aggregate principal amount of the bonds be made by the City, the purchase price of the bonds will be adjusted by the City proportionally to the adjustment in principal amount of the bonds. The adjusted purchase price will reflect changes in the dollar amount of the underwriter's discount and original issue discount/premium, if any, but will not change the per-bond underwriter's discount as calculated from the bid and initial reoffering prices.

<u>**INTEREST RATE AND BIDDING DETAILS**</u>: The bonds shall bear interest at rate or rates not exceeding six percent (6%) per annum, to be fixed by the bids therefor, expressed in any fraction of 1%. The interest on any one bond shall be at one rate only and all bonds maturing in any one year must carry the same interest rate. No proposal for the purchase of less than all of the bonds or at a price less than 99% of their par value will be considered.

<u>**PRIOR REDEMPTION**</u>: Bonds of this issue maturing in the years 2028 to 2035, inclusive, shall not be subject to redemption prior to maturity. Bonds or $5,000 portions thereof maturing in the year 2036, shall be subject to redemption prior to maturity, at the option of the City, in such order of maturity as the City may determine, and by lot within any maturity, on any date on or after April 1, 2035, at par accrued interest to the date fixed for redemption.

In case less than the full amount of an outstanding bond is called for redemption, the transfer agent, upon presentation of the bond called for redemption, shall register, authenticate and deliver to the registered owner of record a new bond in the principal amount of the portion of the original bond not called for redemption.

Notice of redemption shall be given to the registered owner of any bond or portion thereof called for redemption by mailing of such notice not less than thirty (30) days prior to the date fixed for redemption to the registered address of the registered owner of record. A bond or portion thereof so called for redemption shall not bear interest after the date fixed for redemption provided funds are on hand with the transfer agent to redeem said bond or portion thereof.

TERM BOND OPTION: The initial purchaser of the bonds may designate any one or more maturities from April 1, 2028 through the final maturity as term bonds. The amounts of the maturities which are aggregated in a designated term bond shall be subject to mandatory redemption on April 1 of the years and in the amounts set forth in the above maturity schedule at a redemption price of par, plus accrued interest to the date of mandatory redemption. Term bonds or portions thereof mandatorily redeemed shall be selected by lot. Any such designation must be made at the time bids are submitted and must be listed on the bid.

BOOK-ENTRY-ONLY: The bonds will be issued in book-entry only form as one fully registered bond per maturity and will be registered in the name of Cede & Co., as bondholder and nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the bonds, purchase of the bonds will be made in book-entry only form, in the denomination of $5,000 or any integral multiple thereof, and purchasers will not receive certificates representing their interest in bonds purchased. The book-entry-only system is described further in the preliminary Official Statement for the bonds. It will be the responsibility of the purchaser to obtain DTC eligibility. Failure of the purchaser to obtain DTC eligibility shall not constitute cause for a failure or refusal by the purchaser to accept delivery of and pay for the bonds.

TRANSFER AGENT AND REGISTRATION: Principal shall be payable at the principal corporate trust office of Argent Institutional Trust Company, Grand Rapids, Michigan, or such other transfer agent as the City may hereafter designate by notice mailed to the registered owner of record not less than 60 days prior to an interest payment date. Interest shall be paid by check mailed to the registered owner of record as shown on the registration books of the City as of the 15th day of the month preceding an interest payment date. The bonds will be transferred only upon the registration books of the City kept by the transfer agent.

PURPOSE AND SECURITY: The bonds were authorized at an election held on November 7, 2023 for the purpose of paying the cost of acquiring land and buildings for use by the City, and acquiring, constructing, renovating, furnishing and equipping various municipal facilities in the City, including, but not limited to, fire station or stations, library, court facilities and Department of Public Services facility, together with all related site improvements, appurtenances and attachments. The bonds will pledge the full faith and credit of the City for payment of the principal and interest thereon and will be payable from ad valorem taxes which may be levied without limitation as to rate or amount. The rights or remedies of bondholders may be affected by bankruptcy, insolvency, fraudulent conveyance or other laws affecting creditors' rights generally now existing or hereafter enacted and by the application of general principles of equity, including those relating to equitable subordination.

GOOD FAITH: A good faith deposit in the form of a certified or cashier's check drawn upon an incorporated bank or trust company, or wire transfer, in the amount of one percent (1%) of the final aggregate principal amount of the bonds, payable to the order of the City will be required of the successful bidder. The successful bidder is required to submit its good faith deposit to the City as instructed by the City's municipal advisor not later than Noon, prevailing Eastern

Time, on the next business day following the sale. The good faith deposit will be applied to the purchase price of the bonds. In the event the purchaser fails to honor its accepted bid, the good faith deposit will be retained by the City. No interest shall be allowed on the good faith check. The good faith check of the successful bidder will be cashed and payment for the balance of the purchase price of the bonds shall be made at the closing.

AWARD OF BONDS – TRUE INTEREST COST: The bonds will be awarded to the bidder whose bid produces the lowest true interest cost determined in the following manner: the lowest true interest cost will be the single interest rate (compounded on April 1, 2027 and semi-annually thereafter) necessary to discount the debt service payments from their respective payment date to September 8, 2026 (the anticipated delivery date), in an amount equal to the price bid, excluding accrued interest, if any. For the purpose of computing the true interest cost, the bonds shall be deemed to become due in the principal amounts and at the times as set forth above, whether the bonds are serial bonds or mandatory sinking fund redemptions for such term bonds. Each bidder shall state in its bid the true interest cost to the City, computed in the manner specified above.

"QUALIFIED TAX-EXEMPT OBLIGATIONS": The City has designated the bonds as "qualified tax-exempt obligations" for purposes of the deduction of interest expense by financial institutions pursuant to the Internal Revenue Code of 1986, as amended.

TAX MATTERS: In the opinion of Miller, Canfield, Paddock and Stone, P.L.C., bond counsel, under existing law, assuming compliance with certain covenants, interest on the bonds is excludable from gross income for federal income tax purposes as described in the opinion, and the bonds and interest thereon are exempt from all taxation by the State of Michigan or by any taxing authority within the State of Michigan except estate taxes and taxes on gains realized from the sale, payment or other disposition thereof.

ISSUE PRICE: The winning bidder shall assist the City in establishing the issue price of the bonds and shall execute and deliver to the City at closing an "issue price" or similar certificate setting forth the reasonably expected initial offering price to the public or the sales price or prices of the bonds, together with the supporting pricing wires or equivalent communications, substantially in the form attached either as Appendix I-1 or Appendix I-2 of the preliminary Official Statement, with such modifications as may be appropriate or necessary, in the reasonable judgment of the winning bidder, the City and bond counsel.

The City intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the bonds) will apply to the initial sale of the bonds (the "Competitive Sale Requirements") because:

a. the City is disseminating this Notice of Sale to potential underwriters in a manner that is reasonably designed to reach potential underwriters;

b. all bidders shall have an equal opportunity to bid;

c. the City anticipates receiving bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and

d. the City anticipates awarding the sale of the bonds to the bidder who submits a firm offer to purchase the bonds at the lowest true interest cost, as set forth in this Notice of Sale.

Any bid submitted pursuant to this Notice of Sale shall be considered a firm offer for the purchase of the bonds, as specified in the bid.

In the event that all of the Competitive Sale Requirements are not satisfied, the City shall so advise the winning bidder. The City will not require bidders to comply with the "hold-the-offering price rule" (as described below), and therefore does not intend to use the initial offering price to the public as of the sale date of any maturity of the bonds as the issue price of that maturity, though the winning bidder, in consultation with the City, may elect to apply the "hold-the-offering price rule" (as described below). Bids will not be subject to cancellation in the event the Competitive Sale Requirements are not satisfied. Unless a bidder intends to apply the "hold-the-offering price rule" (as described below), bidders should prepare their bids on the assumption that all of the maturities of the bonds will be subject to the 10% Test (as described below). The winning bidder must notify the City of its intention to apply either the "hold-the-offering price rule" or the 10% Test at or prior to the time the bonds are awarded.

If the winning bidder does not request that the "hold-the-offering price rule" apply to determine the issue price of the bonds, then the following two paragraphs shall apply:

a. The City shall treat the first price at which 10% of a maturity of the bonds (the "10% Test") is sold to the public as the issue price of that maturity, applied on a maturity-by-maturity basis. The winning bidder shall advise the City if any maturity of the bonds satisfies the 10% Test as of the date and time of the award of the bonds; and

b. Until the 10% Test has been satisfied as to each maturity of the bonds, the winning bidder agrees to promptly report to the City the prices at which the unsold bonds of that maturity have been sold to the public. That reporting obligation shall continue, whether or not the closing date has occurred, until either (i) all bonds of that maturity have been sold or (ii) the 10% Test has been satisfied as to the bonds of that maturity, provided that, the winning bidder's reporting obligation after the closing date may be at reasonable periodic intervals or otherwise upon request of the City or bond counsel.

If the winning bidder does request that the "hold-the-offering price rule" apply to determine the issue price of the bonds, then the following three paragraphs shall apply:

a. The winning bidder, in consultation with the City, may determine to treat (i) pursuant to the 10% Test, the first price at which 10% of a maturity of the bonds is sold to the public as the issue price of that maturity and/or (ii) the initial offering price to the public as of the sale date of any maturity of the bonds as the issue price of that maturity (the "hold-the-offering price rule"), in each case applied on a maturity-by-maturity basis. The winning bidder shall advise the City if any maturity of the bonds satisfies the 10% Test as of the date and time of the award of the bonds. The winning bidder shall promptly advise the City, at or before the time of award of the bonds, which maturities of the bonds shall be subject to the 10% Test or shall be subject to the hold-the-offering price rule or both.

b. By submitting a bid, the winning bidder shall (i) confirm that the underwriters have offered or will offer the bonds to the public on or before the date of the award at the offering price or prices (the "initial offering price"), or at the corresponding yield or yields, set forth in the bid submitted by the winning bidder, and (ii) if the hold-the-offering-price rule applies, agree, on behalf of the underwriters participating in the purchase of the bonds, that the underwriters will neither offer nor sell unsold bonds of any maturity to which the hold-the-offering-price rule shall apply to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

   i. the close of the fifth (5^{th}) business day after the sale date; or

   ii. the date on which the underwriters have sold at least 10% of that maturity of the bonds to the public at a price that is no higher than the initial offering price to the public;

The winning bidder shall promptly advise the City when the underwriters have sold 10% of that maturity of the bonds to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth (5^{th}) business day after the sale date.

c. The City acknowledges that, in making the representation set forth above, the winning bidder will rely on (i) the agreement of each underwriter to comply with the requirements for establishing issue price of the bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the bonds, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the bonds, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an underwriter or dealer who is a member of the selling group is a party to a third-party distribution agreement that was employed in connection with the initial sale of the bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing issue price of the bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the bonds, as set forth in the third-party distribution agreement and the related pricing wires. The City further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the requirements for establishing issue price of the bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the bonds, and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement to comply with its corresponding agreement to comply with the requirements for establishing issue price of the bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the bonds.

By submitting a bid, each bidder confirms that:

a. any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the bidder is a party) relating to the initial sale of the bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such third-party distribution agreement, as applicable, (A)(i) to report the prices at which it sells to the public the unsold bonds of each maturity allocated to it, whether or not the closing date has occurred, until either all bonds of that maturity allocated to it have been sold or it is notified by the winning bidder that the 10% Test has been satisfied as to the bonds of that maturity, provided that, the reporting obligation after the closing date may be at reasonable periodic intervals or otherwise upon request of the winning bidder, and (ii) to comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the winning bidder and as set forth in the related pricing wires, (B) to promptly notify the winning bidder of any sales of bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the bonds to the public (each such term being used as defined below), and (C) to acknowledge that, unless otherwise advised by the underwriter, dealer or broker-dealer, the winning bidder shall assume that each order submitted by the underwriter, dealer or broker-dealer is a sale to the public.

b. any agreement among underwriters or selling group agreement relating to the initial sale of the bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter or dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to (i) report the prices at which it sells to the public the unsold bonds of each maturity allocated to it, whether or not the closing date has occurred, until either all bonds of that maturity allocated to it have been sold or it is notified by the winning bidder or such underwriter that the 10% Test has been satisfied as to the bonds of that maturity, provided that, the reporting obligation after the closing date may be at reasonable periodic intervals or otherwise upon request of the winning bidder or such underwriter, and (ii) comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the winning bidder or the underwriter and as set forth in the related pricing wires.

Sales of any bonds to any person that is a related party to an underwriter shall not constitute sales to the public for purposes of establishing issue price. Further, for purposes of this Notice of Sale:

a. "public" means any person other than an underwriter or a related party;

b. "underwriter" means (A) any person that agrees pursuant to a written contract with the City (or with the lead Underwriter to form an underwriting syndicate) to participate in the initial sale of the bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the bonds to the public);

c. a purchaser of any of the bonds is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other); and

d. "sale date" means the date that the bonds are awarded by the City to the winning bidder.

LEGAL OPINION: Bids shall be conditioned upon the approving opinion of Miller, Canfield, Paddock and Stone, P.L.C., Detroit, Michigan, a copy of which opinion will be furnished without expense to the purchaser of the bonds at the delivery thereof. The fees of Miller, Canfield, Paddock and Stone, P.L.C. for services rendered in connection with such approving opinion are expected to be paid from bond proceeds. Except to the extent necessary to issue its approving opinion as to validity of the above bonds, Miller, Canfield, Paddock and Stone, P.L.C. has not been requested to examine or review and has not examined or reviewed any financial documents, statements or materials that have been or may be furnished in connection with the authorization, issuance or marketing of the bonds, and accordingly will not express any opinion with respect to the accuracy or completeness of any such financial documents, statements or materials. In submitting a bid for the bonds, the bidder agrees to the representation of the City by Miller, Canfield, Paddock and Stone, P.L.C., as bond counsel.

DELIVERY OF BONDS: The City will furnish bonds ready for execution at its expense. Bonds will be delivered without expense to the purchaser through DTC in New York, New York, or such other place to be agreed upon. The usual closing documents, including a certificate that no litigation is pending affecting the issuance of the bonds, will be delivered at the time of delivery of the bonds. If the bonds are not tendered for delivery by twelve o'clock noon, prevailing Eastern

Time, on the 45th day following the date of sale, or the first business day thereafter if said 45th day is not a business day, the successful bidder may on that day, or any time thereafter until delivery of the bonds, withdraw its proposal by serving notice of cancellation, in writing, on the undersigned in which event the City shall promptly return the good faith deposit. Payment for the bonds shall be made in Federal Reserve Funds.

CUSIP NUMBERS: CUSIPS numbers will be printed on the bonds, but neither the failure to print such numbers on any bonds nor any error with respect thereto shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for the bonds. Application for CUSIP numbers will be made by Bendzinski & Co. Municipal Finance Advisors, municipal advisors to the City. All expenses in relation to the printing of CUSIP numbers on the bonds shall be paid for by the City; provided, however, that the CUSIP Service Bureau charge for the assignment of such numbers shall be the responsibility of and shall be paid for by the purchaser.

OFFICIAL STATEMENT: A preliminary Official Statement that the City deems to be final as of its date, except for the omission of information permitted to be omitted by Rule 15c2-12 of the Securities and Exchange Commission, has been prepared and may be obtained from Bendzinski & Co. Municipal Finance Advisors, municipal advisor to the City, at the address and telephone listed under MUNICIPAL ADVISOR below. The City will provide the winning bidder with an electronic version of the final Official Statement within 7 business days from the date of sale to permit the purchaser to comply with Securities and Exchange Commission Rule 15c2-12. Copies of the Official Statement will be supplied by Bendzinski & Co. Municipal Finance Advisors, upon request and agreement by the purchaser to pay the cost of the copies. Requests for copies should be made to Bendzinski & Co. Municipal Finance Advisors within 24 hours of the time of sale.

BOND INSURANCE AT PURCHASER'S OPTION: If the bonds qualify for issuance of any policy of municipal bond insurance or commitment therefor at the option of the bidder/purchaser, the purchase of any such insurance policy or the issuance of any such commitment shall be at the sole option and expense of the purchaser of the bonds. Any and all increased costs of issuance of the bonds resulting from such purchase of insurance shall be paid by the purchaser, except that, if the City has requested and received a rating on the bonds from a rating agency, the City shall pay the fee for the requested rating. Any other rating agency fees shall be the responsibility of the purchaser. FAILURE OF THE MUNICIPAL BOND INSURER TO ISSUE THE POLICY AFTER THE BONDS HAVE BEEN AWARDED TO THE PURCHASER SHALL NOT CONSTITUTE CAUSE FOR FAILURE OR REFUSAL BY THE PURCHASER TO ACCEPT DELIVERY OF THE BONDS FROM THE CITY.

CONTINUING DISCLOSURE: As described more fully in the Official Statement, the City has agreed to provide or cause to be provided, in accordance with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission, on or prior to the last day of the sixth month after the end of each fiscal year, (i) commencing with the fiscal year ending June 30, 2026, certain annual financial information and operating data, including audited financial statements for the preceding fiscal year, generally consistent with the information contained or cross-referenced in the Official Statement relating to the bonds, (ii) timely notice of the occurrence of certain material events with respect to the bonds and (iii) timely notice of a failure by the City to provide the required annual financial information on or before the date specified in (i) above.

BIDDER CERTIFICATION: NOT "IRAN-LINKED BUSINESS". By submitting a bid, the bidder shall be deemed to have certified that it is not an "Iran-Linked Business" as defined in Act 517, Public Acts of Michigan, 2012, as amended, being MCL 129.311 et. seq.

MUNICIPAL ADVISOR: Bendzinski & Co. Municipal Finance Advisors, Grosse Pointe, Michigan (the "Municipal Advisor") is a Registered Municipal Advisor in accordance with the rules of the Municipal Securities Rulemaking Board ("MSRB"). The Municipal Advisor has been retained by the City to provide certain financial advisory services relating to the planning, structuring and issuance of the bonds. The Municipal Advisor is not engaged in the business of underwriting, trading, marketing or the distribution of securities or any other negotiable instruments. The Municipal Advisor's duties, responsibilities and fees arise solely as a Registered Municipal Advisor to the City and it has no secondary obligation or other responsibility. Further information relating to the bonds may be obtained from Bendzinski & Co. Municipal Finance Advisors, 17000 Kercheval Ave., Suite 230, Grosse Pointe, MI 48230. Telephone (313) 961-8222.

THE RIGHT IS RESERVED TO REJECT ANY OR ALL BIDS.

Jennifer Zelmanski
City Clerk
City of Roseville

51363100.1/076647.00018

FORM OF ISSUE PRICE CERTIFICATE

APPENDIX H-1
FORM OF ISSUE PRICE CERTIFICATE

This Form will be used if the Competitive Sale Requirements are met.

$[____]
CITY OF ROSEVILLE
COUNTY OF MACOMB, STATE OF MICHIGAN
2026 UNLIMITED TAX GENERAL OBLIGATION BONDS

The undersigned, on behalf of [NAME OF UNDERWRITER] ("[SHORT NAME OF UNDERWRITER]"), hereby certifies as set forth below with respect to the sale of the above-captioned obligations (the "Bonds").

1. ***Reasonably Expected Initial Offering Price***

(a) As of the Sale Date, the reasonably expected initial offering prices of the Bonds to the Public by [SHORT NAME OF UNDERWRITER] are the prices listed in Schedule A (the "Expected Offering Prices"). The Expected Offering Prices are the prices for the Maturities of the Bonds used by [SHORT NAME OF UNDERWRITER] in formulating its bid to purchase the Bonds. Attached as Schedule B is a true and correct copy of the bid provided by [SHORT NAME OF UNDERWRITER] to purchase the Bonds.

(b) [SHORT NAME OF UNDERWRITER] was not given the opportunity to review other bids prior to submitting its bid.[1]

(c) The bid submitted by [SHORT NAME OF UNDERWRITER] constituted a firm offer to purchase the Bonds.

2. ***Defined Terms.***

(a) *Issuer* means City of Roseville, County of Macomb, State of Michigan.

(b) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.

(c) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly, as defined in Treas. Reg. §1.150-1(b).

(d) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is [DATE].

[1] Treas. Reg. §1.148-1(f)(3)(i)(B) requires that all bidders have an equal opportunity to bid to purchase bonds. If the bidding process affords an equal opportunity for bidders to review other bids prior to submitting their bids, then this representation should be modified to describe the bidding process.

(e) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents [SHORT NAME OF UNDERWRITER]'s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Non-Arbitrage and Tax Compliance Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Miller, Canfield, Paddock and Stone, P.L.C. in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

[UNDERWRITER]

By: ________________________________

Name: ________________________________

Dated: [ISSUE DATE]

SCHEDULE A

EXPECTED OFFERING PRICES

(Attached)

SCHEDULE B

COPY OF UNDERWRITER'S BID

(Attached)

APPENDIX H-2

FORM OF ISSUE PRICE CERTIFICATE

APPENDIX H-2
FORM OF ISSUE PRICE CERTIFICATE

This Form will be used if either the 10% Test or the Hold-the-Offering-Price Rule applies.

$[____]
CITY OF ROSEVILLE
COUNTY OF MACOMB, STATE OF MICHIGAN
2026 UNLIMITED TAX GENERAL OBLIGATION BONDS

The undersigned, on behalf of [NAME OF UNDERWRITER/REPRESENTATIVE] ([“[SHORT NAME OF UNDERWRITER]”)] [the “Representative”)] [, on behalf of itself and [NAMES OF OTHER UNDERWRITERS] (together, the “Underwriting Group”),] hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the “Bonds”).

1. ***Sale of the General Rule Maturities.*** As of the date of this certificate, for each Maturity of the General Rule Maturities, the first price at which at least 10% of such Maturity was sold to the Public is the respective price listed in Schedule A.

2. ***Initial Offering Price of the Hold-the-Offering-Price Maturities.***

(a) [SHORT NAME OF UNDERWRITER] [The Underwriting Group] offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule A (the “Initial Offering Prices”) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as Schedule B.

(b) As set forth in the Notice of Sale, [SHORT NAME OF UNDERWRITER] [the members of the Underwriting Group] [has] [have] agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, [it] [they] would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “hold-the-offering-price rule”), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.

3. ***Defined Terms.***

(a) *General Rule Maturities* means those Maturities of the Bonds listed in Schedule A hereto as the “General Rule Maturities.”

(b) *Hold-the-Offering-Price Maturities* means those Maturities of the Bonds listed in Schedule A hereto as the “Hold-the-Offering-Price Maturities.”

(c) *Holding Period* means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date ([DATE]), or (ii) the date on which [SHORT NAME OF UNDERWRITER] [the Underwriters] [has] [have] sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at a price that is no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.

(d) *Issuer* means City of Roseville, County of Macomb, State of Michigan.

(e) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(f) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly, as defined in Treas. Reg. §1.150-1(b).

(g) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is [DATE].

(h) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents [NAME OF UNDERWRITING FIRM] [the Representative's] interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Non-Arbitrage and Tax Compliance Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Miller, Canfield, Paddock an Stone, P.L.C. in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

[UNDERWRITER] [REPRESENTATIVE]

By: ________________________________

Name: ________________________________

Dated: [ISSUE DATE]

SCHEDULE A
SALE PRICES OF THE GENERAL RULE MATURITIES AND
INITIAL OFFERING PRICES OF THE HOLD-THE-OFFERING-PRICE MATURITIES

(Attached)

SCHEDULE B
PRICING WIRE OR EQUIVALENT COMMUNICATION

(Attached)

The following have participated in the planning and development of this Bond issue:

Roseville
MICHIGAN

CITY OF ROSEVILLE

ROBERT TAYLOR
Mayor

CITY COUNCIL

CATHERINE HAUGH	KURMMELL KNOX	JIM HOOVER
COLLEEN M. MCCARTNEY	BILL SHOEMAKER	STEVEN WIETECHA

ADMINISTRATION

RYAN M. MONROE
City Manager

JENNIFER A. ZELMANSKI City Clerk	RICHARD M. STEENLAND Treasurer
JOHN WALTERS City Controller/Finance Director	GLENN SEXTON Assistant City Manager

PROFESSIONAL SERVICES

REGISTRAR/TRANSFER AGENT	ARGENT INSTITUTIONAL TRUST COMPANY Grand Rapids, Michigan
BOND COUNSEL	MILLER, CANFIELD, PADDOCK AND STONE, P.L.C. Detroit, Michigan

REGISTERED MUNICIPAL ADVISOR

Bendzinski & Co.
MUNICIPAL FINANCE ADVISORS

17000 Kercheval Ave. • Suite 230 • Grosse Pointe, Michigan 48230