

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 qualification or filing 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). Information permitted to be omitted from SEC Rule 15c2-12(b)(1).

NEW ISSUE

BOOK-ENTRY-ONLY

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 not been designated as "qualified tax-exempt obligations" for purposes of deduction of interest expense by financial institutions pursuant to Section 265(b)(3) of the Code.

\$10,000,000 *

**CITY OF EASTPOINTE
COUNTY OF MACOMB, STATE OF MICHIGAN
2026 CAPITAL IMPROVEMENT BONDS
(LIMITED TAX GENERAL OBLIGATION)**

OFFICIAL STATEMENT

The 2026 Capital Improvement Bonds (Limited Tax General Obligation) (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 Eastpointe, County of Macomb, State of Michigan (the "City") on May 19, 2026, for the purposes of paying all or part of the cost to acquire, construct, furnish and equip new police and court facilities, together with all related site improvements, equipment, appurtenances and attachments (the "Project"); and costs of issuance incurred with respect to the Bonds.

The City has pledged the full faith and credit and the limited taxing power of the City for the payment of the principal of and interest thereon and the Bonds will be payable from lawfully available monies of the City including ad valorem taxes, which may be levied in an amount sufficient to pay the annual principal of and interest on the Bonds. SUCH TAXES ARE SUBJECT TO APPLICABLE CONSTITUTIONAL, STATUTORY AND CHARTER TAX RATE LIMITATIONS.

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. Individual purchases will be made in book-entry form only, in the principal amount of \$5,000 or integral multiples thereof. Purchasers will not receive certificates representing their interest in the Bonds.

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 transfer 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: 11:00 A.M., E.T., June 30, 2026

Bids will be received as indicated in the Official Notice of Sale provided in Appendix G of this Official Statement. 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

Principal Due: October 1 of each year as shown below

Interest				Reoffering				Interest				Reoffering			
CUSIP ⁽²⁾	Year	Amount	Rate	CUSIP ⁽²⁾	Year	Amount	Rate	CUSIP ⁽²⁾	Year	Amount	Rate	CUSIP ⁽²⁾	Year	Amount	Rate
	2027	\$230,000			2035	\$320,000			2043	\$455,000			2051	\$635,000	
	2028	240,000			2036	335,000			2044	470,000					
	2029	250,000			2037	350,000			2045	495,000					
	2030	260,000			2038	365,000			2046	515,000					
	2031	270,000			2039	380,000			2047	535,000					
	2032	285,000			2040	400,000			2048	560,000					
	2033	295,000			2041	415,000			2049	585,000					
	2034	310,000			2042	435,000			2050	610,000					

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.

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THE BONDS

\$10,000,000 *
CITY OF EASTPOINTE
COUNTY OF MACOMB, STATE OF MICHIGAN
2026 CAPITAL IMPROVEMENT BONDS
(LIMITED TAX GENERAL OBLIGATION)

INFORMATION FOR BIDDERS

Date of Sale: June 30, 2026
Time of Sale: 11:00 A.M Eastern Time
Place of Sale: Info@bendzinski.com or Electronically via PARITY

Dated: Date of Delivery Maximum Interest Rate: 6%
(Expected to be July 21, 2026)
Principal Due: October 1, Serially Maximum Discount Allowed: 1.00%
Denominations: \$5,000 or multiples thereof up to Multiples: Any
the amount of a single maturity
Registration: Book-Entry-Only Qualified Tax-Exempt Obligations: No

MATURITIES *

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2027	\$230,000	2035	\$320,000	2043	\$455,000
2028	240,000	2036	335,000	2044	470,000
2029	250,000	2037	350,000	2045	495,000
2030	260,000	2038	365,000	2046	515,000
2031	270,000	2039	380,000	2047	535,000
2032	285,000	2040	400,000	2048	560,000
2033	295,000	2041	415,000	2049	585,000
2034	310,000	2042	435,000	2050	610,000
				2051	635,000

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.

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 as of date of delivery and will bear interest from that date. Interest on the Bonds shall be payable on April 1, 2027 and semiannually each April 1 and October 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 paying agent (the "Transfer Agent") and also as bond registrar and transfer 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 change

TERM BONDS

Bidders shall have the option of designating bonds maturing in the years 2027 through 2051, inclusive, as serial bonds, or term bonds, or both. The bid must designate whether each of the principal amounts shown above for the years 2027 through 2051, inclusive, represents a serial maturity or a mandatory redemption requirement for a term bond maturity. In any event, the above principal amount schedule for the years 2027 through 2051, 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.

REDEMPTION PROVISIONS

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 set forth. The Term Bonds or portions of the Term Bonds to be redeemed shall be selected by lot.

<u>Term Bond Maturing</u>	<u>Year</u>	<u>Principal Amount</u>	<u>Term Bond Maturing</u>	<u>Year</u>	<u>Principal Amount</u>
October 1, 20__	20__	\$__	October 1, 20__	20__	\$__
	20__	_____		20__	_____
	20__	_____		20__	_____
	20__	_____		20__	_____

OPTIONAL REDEMPTION

Bonds maturing in the years 2027 to 2035, inclusive, shall not be subject to redemption prior to maturity.

Bonds or portions of Bonds 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 by lot within any maturity, on any date on or after October 1, 2035, at par and accrued interest to the date fixed for redemption.

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, the Transfer Agent or the Underwriter 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, the Transfer Agent or the Underwriter 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 securities 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 3.5 million issues of U.S. and non-U.S. equity, corporate and municipal debt issues, and money market instrument 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 is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. 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 a 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 does not affect 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 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 Money Market Instrument 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 dates in accordance with their respective holdings on DTC’s records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as in the case with Bonds 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, 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 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 to DTC.

The City, the Transfer Agent and the Underwriter cannot and do not give any assurances that DTC, the Direct Participants or the Indirect Participants will distribute to the Beneficial Owners of the Bonds (i) payments of principal or interest on the Bonds (ii) any document representing or confirming beneficial ownership interest in the Bonds, or (iii) notices sent to DTC or Cede & Co. its nominee, as the registered owner of the Bonds, or that it will do so on a timely basis or that DTC, Direct Participants or Indirect Participants will service and act in the manner described in this Official Statement. The current "rules" applicable to DTC are on file with the Securities and Exchange Commission, and the current procedures of DTC to be followed in dealing with the Participants are on file with DTC.

The information in this section concerning DTC and the DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

Neither the City, the Transfer Agent, nor the Underwriter will have any responsibility or obligations to any Direct Participant, Indirect Participant or any Beneficial Owner or any other person with respect to: (a) the Bonds; (b) the accuracy of any records maintained by DTC or any Direct Participant or Indirect Participant; (c) the payment by DTC to any Participant, or by any Direct Participant or Indirect Participant to any Beneficial Owner of any amount due with respect to the principal of or interest on the Bonds; (d) the delivery by DTC to any Participant, or by any Direct Participant or Indirect Participant to any Beneficial Owner of any notice which is required or permitted under the terms of the authorizing resolution for the Bonds to be given to Bondholders; (e) the selection of the Beneficial Owners to receive payment in the event of any partial redemption of the Bonds; or (f) any consent given or other action taken by DTC as Bondholder.

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 principal corporate trust office. Subject to the further conditions contained in the Resolution, 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 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 issued for the purposes of paying all or part of the cost to acquire, construct, furnish and equip new police and court facilities, together with all related site improvements, equipment, 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	\$25,143,930
Bond Discount (1.00%)	100,000
Cost of Issuance	95,505
Total Project Cost	<u>\$25,339,435</u>
Less:	
Fund on hand	7,339,435
Grant from State of Michigan	<u>8,000,000</u>
Total amount of bond issue	<u><u>10,000,000</u></u>

AUTHORITY

The Bonds are being issued pursuant to the provisions of Act 34, Public Acts of Michigan, 2001, as amended ("Act 34"), and a resolution duly adopted by the City Council of the City on May 19, 2026 (the "Resolution").

MUNICIPAL FINANCE QUALIFYING STATEMENT

The City of Eastpointe 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. The City may therefore issue the Bonds without further approval of the Michigan Department of Treasury.

SECURITY

The Bonds will be limited tax general obligations of the City payable from ad valorem taxes levied on all taxable property in the City or from any other funds of the City legally available therefor. The full faith and credit of the City have been pledged for the prompt payment of the principal of and interest on the Bonds as the same shall become due. Each year the City is obligated to include in its budget as a first budget obligation an amount sufficient to pay such principal and interest as the same shall become due. The ability of the City to raise funds to pay such amounts is subject to applicable constitutional, statutory, and charter limitations on the taxing power of the City.

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.

NOT QUALIFIED TAX-EXEMPT OBLIGATIONS

The Bonds have not been designated as "qualified tax-exempt obligations" for purposes of deduction of interest expense by financial institutions pursuant to the Code.

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 G 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 Bonds. 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 failed to file in a timely manner its audited financial statements and annual information statement for fiscal years ended June 30, 2021, 2022, 2023, 2024 and 2025. As of the date of this official statement all required filings have been made. The City has hired a dissemination agent to ensure future filings are timely.

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 City officials, 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 or litigation that could materially impact the City's General Fund.

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, other than that provided by the City, is subject, in all respects, to the complete body of information contained in the original sources thereof and no guaranty, warranty or other representation is made concerning the accuracy or completeness of such information. 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 June 22, 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 EASTPOINTE

By: /s/
Randall Blum, Finance Director

**CITY OF EASTPOINTE
GENERAL DESCRIPTION AND STATISTICAL INFORMATION**

CITY OF EASTPOINTE

LOCATION AND DESCRIPTION

The City of Eastpointe (the "City") encompasses an area of approximately 5.2 square miles. The City is adjacent to the north side of the City of Detroit. East Detroit was incorporated as a city in 1929. At an election, held in the fall of 1991, the City voters approved a name change to the City of Eastpointe, commencing July 1, 1992.

FORM OF GOVERNMENT

The City operates under the Council-Manager form of government. The City Council consists of a mayor and four council members. The Mayor and Council members are elected at large for 4-year term of office. 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 the exception of the City Attorney, who is appointed by the Council, the City Manager is responsible for the appointments 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	34,318
2010 U.S. Census	32,442
2000 U.S. Census	34,077

* Source: US Census

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 several 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 does not currently have any IFT exemption certificates currently outstanding.

HISTORY OF PROPERTY VALUATIONS

<u>Year</u>	<u>STATE EQUALIZED VALUATION</u>	<u>TAXABLE VALUES</u>
2026	\$1,216,937,000	\$747,550,096
2025	1,141,588,250	705,818,229
2024	1,083,853,561	665,171,346
2023	946,750,400	608,614,770
2022	815,874,500	562,323,532
2021	742,681,059	527,110,828

An analysis of State Equalized Valuation is as follows:

	BY CLASS		
	2026	2025	2024
Real Property	\$1,162,490,200	\$1,096,621,250	\$1,039,748,665
Personal Property	\$54,446,800	44,967,000	44,104,896
TOTAL	<u>\$1,216,937,000</u>	<u>\$1,141,588,250</u>	<u>\$1,083,853,561</u>

	BY USE		
	2026	2025	2024
Residential	\$995,857,000	\$943,462,350	\$892,039,565
Commercial	\$161,468,100	148,662,400	143,653,400
Industrial	\$5,165,100	4,496,500	4,055,700
Personal Property	\$54,446,800	44,967,000	44,104,896
TOTAL	<u>\$1,216,937,000</u>	<u>\$1,141,588,250</u>	<u>\$1,083,853,561</u>

An analysis of Taxable Value is as follows:

	BY CLASS		
	2026	2025	2024
Real Property	\$693,103,296	\$660,851,229	\$621,066,450
Personal Property	\$54,446,800	44,967,000	44,104,896
TOTAL	<u>\$747,550,096</u>	<u>\$705,818,229</u>	<u>\$665,171,346</u>

	BY USE		
	2026	2025	2024
Residential	\$575,465,684	\$548,628,725	\$513,680,831
Commercial	114,971,827	109,626,796	104,905,293
Industrial	2,665,785	2,595,708	2,480,326
Personal Property	54,446,800	44,967,000	44,104,896
TOTAL	<u>\$747,550,096</u>	<u>\$705,818,229</u>	<u>\$665,171,346</u>

Source: Macomb County Equalization Department

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 \$180,000 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 \$180,000 or less. Beginning in 2016, owners of certain eligible manufacturing personal property that was either purchased after December 31, 2012, or that is at 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 \$119,301 from the Local Community Stabilization Authority to replace personal property tax revenues during the fiscal year ended June 30, 2025.

MAJOR TAXPAYERS

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

Taxpayer	2026 Taxable Value
DTE Energy	22,570,771
Consumers Energy Company	16,694,511
ITC Transmission	7,212,200
Prime Storage Center, LLC	5,205,863
NSA HHF JV, LLC	2,894,057
McLean Investments LLC	2,336,300
East Brooke Commons, LLC	2,001,457
Cavalier Manor Eastpointe, LLC	1,890,667
Triple 9 Eastpointe, LLC	1,633,289
Calvary Property Holdings, LLC	1,555,671

Source: City of Eastpointe

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TAX RATES⁽¹⁾
(Per \$1,000 of Taxable Value)

	2026		2025		2024	
	Principal	Non	Principal	Non	Principal	Non
	<u>Residence</u>	<u>Residence</u>	<u>Residence</u>	<u>Residence</u>	<u>Residence</u>	<u>Residence</u>
City of Eastpointe						
Operating	16.3876	16.7562	16.7562	16.7562	17.0930	17.0930
Library Fund	1.6596	1.6596	1.2008	1.2008	1.2092	1.2092
Debt Service	5.1500	5.1500	5.1000	5.1000	5.0000	5.0000
DDA	1.9291	1.9291	1.9291	1.9291	1.9291	1.9291
Recreation	0.0000	0.0000	0.9097	0.9097	0.9251	0.9251
SMORSA *	11.8618	11.8618	11.8618	11.8618	12.1436	12.1436
County of Macomb*	4.3336	4.3336	4.3336	4.3336	4.3595	4.3595
Eastpointe School District*						
Local	-	16.0205	-	16.0205	-	16.4027
Debt	6.1554	6.1554	6.1554	6.1554	6.2216	6.2216
South Lake School District*						
Local	1.7496	18.0000	1.7496	18.0000	2.0924	16.7362
Debt	6.9520	6.9520	6.9520	6.9520	7.0000	7.0000
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
Eastpointe S/D Jurisdictions	<u>61.0389</u>	<u>77.4280</u>	<u>61.8084</u>	<u>77.8289</u>	<u>62.4868</u>	<u>78.8895</u>
South Lake S/D Jurisdictions	<u>63.5851</u>	<u>80.2041</u>	<u>64.3546</u>	<u>80.6050</u>	<u>65.3576</u>	<u>80.0014</u>

⁽¹⁾ 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.

SMORSA = South Macomb Oakland Regional Services Authority.

*Estimated based on 2025 rates 2026 may be different.

Source: City of Eastpointe and Macomb County Equalization Department

TAX RATE LIMITATIONS

The City is authorized pursuant to the City Charter to levy the following tax rates:

<u>Purpose</u>	<u>Maximum Millage Authorized</u>	<u>Maximum (1) Millage to be Levied</u>	<u>Expiration Date of Millage</u>
General Operating	20.0000	16.7562	In perpetuity

⁽¹⁾ CONSTITUTIONAL TAX LIMITATIONS - The Michigan Constitution places certain restrictions on new taxes and tax increases and limits taxes for the payment of principal and interest on bonds or other evidences of indebtedness outstanding on or after December 23, 1978, unless such obligations are approved by the electors of the issuing public corporation.

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." Beginning in 1995, taxable property has two valuations -- State equalized valuation ("SEV") and Taxable Value. Property taxes are levied on Taxable Value. Generally, the Taxable Value of property is the lesser of (a) the Taxable Value of the property in the immediately preceding year, adjusted for losses, increased by the lesser of the inflation rate, or 5%, 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.

On March 15, 1994, the electors of the State of Michigan also voted to amend the State Constitution to increase the state sales tax from 4% to 6% and to place a yearly cap on property value assessment increases. The State now levies a property tax to finance education, and a higher real estate transfer tax is imposed on the sale of real property

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

<u>Purpose</u>	<u>Authority</u>	<u>Rate (per \$1,000 of Taxable Value)</u>
Refuse collection and Disposal	Act 298, P.A. of Michigan 1917, as amended	\$3.0000
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 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

Fiscal Year				
Ended			Collections to March 1	
June 30	Tax Levy		of Following Year	
2025	\$ 11,735,209	\$	10,917,292	93.03%
2024	11,288,601		10,447,305	92.55%
2023	10,691,286		9,848,832	92.12%
2022	9,920,033		9,172,058	92.46%
2021	9,552,606		8,768,561	91.79%

Source: Finance Director, City of Eastpointe

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 October 7, 2025, Governor Whitmer signed into law the budget for fiscal year 2026. The budget includes a constitutional revenue sharing distribution to cities, villages and townships of approximately \$1.010 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 \$1,095,643 in total statutory revenue sharing for fiscal year 2026.

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.

State of Michigan				
Fiscal Year	Constitutional	CVT	Statutory	
Ended/Ending September 30	Payments	Payments	Payments	Total
2026	\$ 3,655,450	\$ -	\$ 1,095,643	\$ 4,751,093 *
2025	3,698,684	-	1,095,917	4,794,601
2024	3,762,636	981,329	-	4,743,965
2023	3,695,241	925,865	-	4,621,106
2022	3,571,851	873,458	-	4,445,309

* Estimate

Source: Michigan Treasury Website: https://www.michigan.gov/treasury/0,4679,7-121-1751_2197_58826---,00.html

LABOR AGREEMENTS

The City has seven (7) labor agreements with various employee groups which provide for comprehensive salary, wage and fringe benefit programs. The expiration date of the various contracts are as follows:

Employee Group	Number of Employees	Expiration Date of Contract
Eastpointe Clerical Workers Association	17	June 30, 2026
Eastpointe Police Command Officers Association	11	June 30, 2026
Eastpointe Police Officers Association	34	June 30, 2026
Eastpointe Fire Fighters Local 1561	23	June 30, 2026
Eastpointe Laborer Association	13	June 30, 2026
Technical, Professional & Officer Workers Association	8	June 30, 2026
Non-Union Employees	26	N/A
Department of Public Services Supervisors	2	June 30, 2026

Source: City of Eastpointe

PENSION PLAN*

Plan Description

The City participates in an agent multiemployer defined pension plan administered by the Municipal Employees' Retirement System of Michigan (MERS) that covers all eligible full-time employees of the City. The administration for the charter pension plan was transferred to MERS effective June 1, 2015. MERS was established as a statewide public employee pension plan by the Michigan Legislature under PA 135 of 1945 and is administered by a nine-member retirement board. MERS issues a publicly available report that includes the financial statements and required supplemental information of this defined benefit plan. This report can be obtained at www.mersofmichigan.com or in writing to MERS at 1134 Municipal Way, Lansing, Michigan 48917.

Benefits Provided

The plan provides certain retirement, disability, and death benefits to the plan members and beneficiaries. PA 427 of 1984, as amended, established and amends the benefit provisions of participants in MERS of Michigan. The MERS plan covers all eligible full-time employees of the City.

Retirement benefits for general employees (hired prior to January 1, 1998) are calculated as 2.8% (for service before December 31, 2012) and 1.0% (for service after December 31, 2012) of the employee's final three-year average salary times the employee's years of service. Normal retirement age is 60 with early retirement at 55 with 25 years of service. Vesting period is 10 years. Employees are eligible for nonduty disability benefits after 10 years of service and or duty related disability benefits upon hire. Disability retirement benefits are determined in the same manner as retirement benefits but are payable immediately without an actuarial reduction. Death benefits are a fixed amount and range from \$4,000 to \$10,000. An employee who leaves service may withdraw his or her contributions plus any accumulated interest.

Retirement benefits for general employees (hired between January 1, 1998 and January 1, 2013) are calculated as 2.8% (for service before December 31, 2012) and 1.0% (for service after December 31, 2012) of the employee's final three-year average salary times the employee's years of service. Normal retirement age is 60 with early retirement at 57 with 25 years of service. Vesting period is 10 years. Employees are eligible for nonduty disability benefits after 10 years of service and or duty related disability benefits upon hire. Disability retirement benefits are determined in the same manner as retirement benefits but are payable immediately without an actuarial reduction. Death benefits are a fixed amount and range from \$4,000 to \$10,000. An employee who leaves service may withdraw his or her contributions plus any accumulated interest.

Retirement benefits for general employees (hired between January 1, 1998) are calculated as 1.0% of the employee's final three-year average salary times the employee's years of service. Normal retirement age is 60 with early retirement at 57 with 25 years of service. Vesting period is 10 years. Employees are eligible for nonduty disability benefits after 10 years of service and or duty related disability benefits upon hire. Disability retirement benefits are determined in the same manner as retirement benefits but are payable immediately without an actuarial reduction. Death benefits are a fixed amount and range from \$4,000 to \$10,000. An employee who leaves service may withdraw his or her contributions plus any accumulated interest.

Retirement benefits for police employees (with 25 years of service at June 30, 2014) are calculated as 2.8% (for first 25 years of service) and 1.0% (for years of services after 25 years) of the employee's final three-year average salary times the employee's years of service. Normal retirement age is 55 with early retirement at 50 with 25 years of service. Vesting period is 10 years. Employees are eligible for nonduty disability benefits after 10 years of service and or duty related disability benefits upon hire. Disability retirement benefits are determined in the same manner as retirement benefits but are payable immediately without an actuarial reduction. Death benefits are a fixed amount and range from \$4,000 to \$10,000. An employee who leaves service may withdraw his or her contributions plus any accumulated interest.

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

Retirement benefits for police employees (with less than 25 years of service at June 30, 2014) are calculated as 1.8% of the employee's final three-year average salary times the employee's years of service. Normal retirement age is 55 with early retirement at 50 with 25 years of service. Vesting period is 10 years. Employees are eligible for nonduty disability benefits after 10 years of service and or duty related disability benefits upon hire. Disability retirement benefits are determined in the same manner as retirement benefits but are payable immediately without an actuarial reduction. Death benefits are a fixed amount and range from \$4,000 to \$10,000. An employee who leaves service may withdraw his or her contributions plus any accumulated interest.

Retirement benefits for police employees (hired after July 1, 2012) are calculated as 1.0% of the employee's final three-year average salary times the employee's years of service. Normal retirement age is 55 with early retirement at 50 with 25 years of service. Vesting period is 10 years. Employees are eligible for nonduty disability benefits after 10 years of service and or duty related disability benefits upon hire. Disability retirement benefits are determined in the same manner as retirement benefits but are payable immediately without an actuarial reduction. Death benefits are a fixed amount and range from \$4,000 to \$10,000. An employee who leaves service may withdraw his or her contributions plus any accumulated interest.

Retirement benefits for fire employees (with 20 years of service at June 30, 2014) are calculated as 2.8% (for service first 25 years of service) and 1.0% (for years of service after 25 years) of the employee's final three-year average salary times the employee's years of service. Normal retirement age is 55 with early retirement at 50 with 25 years of service. Vesting period is 10 years. Employees are eligible for nonduty disability benefits after 10 years of service and or duty related disability benefits upon hire. Disability retirement benefits are determined in the same manner as retirement benefits but are payable immediately without an actuarial reduction. Death benefits are a fixed amount and range from \$4,000 to \$10,000. An employee who leaves service may withdraw his or her contributions plus any accumulated interest.

Retirement benefits for fire employees (with less than 20 years of service at June 30, 2014) are calculated as 2.0% of the employee's final three-year average salary times the employee's years of service. Normal retirement age is 55 with early retirement at 50 with 25 years of service. Vesting period is 10 years. Employees are eligible for nonduty disability benefits after 10 years of service and or duty related disability benefits upon hire. Disability retirement benefits are determined in the same manner as retirement benefits but are payable immediately without an actuarial reduction. Death benefits are a fixed amount and range from \$4,000 to \$10,000. An employee who leaves service may withdraw his or her contributions plus any accumulated interest.

Retirement benefits for fire employees (hired after July 1, 2011) are calculated as 1.0% of the employee's final three-year average salary times the employee's years of service. Normal retirement age is 55 with early retirement at 50 with 25 years of service. Vesting period is 10 years. Employees are eligible for nonduty disability benefits after 10 years of service

and or duty related disability benefits upon hire. Disability retirement benefits are determined in the same manner as retirement benefits but are payable immediately without an actuarial reduction. Death benefits are a fixed amount and range from \$4,000 to \$10,000. An employee who leaves service may withdraw his or her contributions plus any accumulated interest.

Benefit terms do not provide for annual cost of living adjustments to each employee's retirement allowance subsequent to the employee's retirement date.

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

Employees Covered by Benefit Terms

Date of member count	December 31, 2024
Inactive plan members or beneficiaries currently receiving benefits	229
Inactive plan members entitled to but not yet receiving benefits	20
Active plan members	85
Total employees covered by the plan	334

Retirement System Schedule of Changes in the City's Net Pension Liability and Related Ratios

Fiscal Year Ended June 30	2025	2024	2023
Total pension liability			
Service cost	\$ 707,211	\$ 696,619	\$ 681,866
Interest	6,818,961	6,743,535	6,772,583
Experience differences	(53,732)	1,464,122	(398,679)
Changes in assumptions	(305,725)	661,804	-
Benefit payments including refunds	(7,654,126)	(7,574,044)	(7,353,547)
Net change in total pension liability	(487,411)	1,992,036	(297,777)
Total pension liability, beginning of year	98,445,043	96,453,007	96,750,784
Total pension liability, ending of year	\$ 97,957,632	\$ 98,445,043	\$ 96,453,007
Plan Fiduciary Net Position			
Contributions Employer	\$ 5,660,331	\$ 12,254,950	\$ 2,699,158
Contributions Employee	45,949	55,880	64,975
Net investment income (loss)	3,914,867	5,159,306	(5,816,609)
Benefit payments including employee refunds	(7,654,126)	(7,574,044)	(7,353,547)
Administrative	(115,770)	(104,118)	(93,183)
Net change in plan fiduciary net position	1,851,251	9,791,974	(10,499,206)
Plan fiduciary net position, beginning of year	52,956,090	43,164,116	53,663,322
Plan fiduciary net position, ending of year	\$ 54,807,341	\$ 52,956,090	\$ 43,164,116
 City's Net Pension Liability - Ending	 \$ 43,150,291	 \$ 45,488,953	 \$ 53,288,891
 Plan fiduciary net position as a percentage of the total pension liability	 55.95%	 53.79%	 44.75%
Covered employee payroll	\$ 8,380,646	\$ 10,132,444	\$ 7,551,922
Employer's net pension liability as a percentage of covered employee payroll	514.88%	448.94%	705.63%

Retirement System Schedule of City Contributions

Fiscal Year Ended June 30	2025	2024	2023
Actuarially determined contribution	\$ 5,255,880	\$ 5,317,959	\$ 5,108,598
Contributions in relation to the actuarially determined contribution	5,660,331	6,317,959	5,141,607
Contribution Deficiency	\$ (404,451)	\$ (1,000,000)	\$ (33,009)
Covered Employee Payroll	\$ 8,380,646	\$ 10,132,444	\$ 7,815,878
Contributions as a % of Covered Employee Payroll	68%	62%	66%

Source: City of Eastpointe Audited

OTHER POST EMPLOYMENT BENEFITS ***

Plan Description

The City administers the City of Eastpointe, Michigan Retiree Health Care Plan (the “OPEB Plan”), a single employer defined benefit OPEB plan that is used to provide post-employment benefits other than pension (OPEB) for police, fire, and general employee groups of the City. The obligation to contribute and maintain the OPEB plan was established by negotiation with the City’s collective bargaining units.

The City also administers the Employees’ Death Benefits Plan (the “death benefits plan”), which was established by city ordinance on October 13, 1958 for the purpose of providing death benefits for employees who elect to participate in the death benefits plan. Benefits at date of death are payable to designed beneficiaries in varying amount. The obligation to contribute and maintain the death benefits plan was established by negotiation with the City’s collective bargaining units.

The financial statements of the OPEB plan and death benefits plan are included in the City’s audited Comprehensive Annual Financial Reports as the Retiree Healthcare Fund and Employees’ Death Benefits Fund (fiduciary funds), respectively.

Management of both plans is vested with the City Council, which consists of five elected members.

*** For additional information see Note 12 in the Audited Comprehensive Annual Financial Reports, fiscal year ended June 30, 2025

Benefits Provided

The OPEB plan provides medical, dental, and vision benefits for retirees and their dependents. Benefits are provided through a third-party insurer, and the full cost of benefits is covered by the plan.

The death benefits plan provides death benefits to survivors of participating employees. Benefits at date of death are payable to designed beneficiaries in varying amounts.

Employees Covered by Benefit Terms

The following members were covered by the benefit terms:

Date of member count	OPEB Plan June 30, 2025	Death Benefits Plan June 30, 2025
Inactive plan members or beneficiaries currently receiving benefits	265	176
Inactive plan members entitled to but not yet receiving benefits	1	13
Active plan members	5	74
Total plan members	271	263

Contributions

The OPEB plan's funding policy is that the employer will make discretionary contributions. There are no long-term contracts for contributions to the plan. The plan has no legally required reserves. For the year ended June 30, 2025, the City contributed \$1,654,905.

The death benefit plan's funding policy is that the employer will make discretionary contributions. There are no long-term contracts for contributions to the death benefit plan. Prior year contributions from the City and death benefit plan members have been determined to be sufficient to fully fund the death benefit plan at June 30, 2025.

Schedule of Changes in the City's Net OPEB Liability and Related Ratios

Fiscal Year Ended June 30,	2025	2024	2023
Total OPEB liability			
Service cost	\$ 28,325	\$ 61,432	\$ 108,171
Interest	1,193,029	1,405,006	1,581,906
Experience differences	2,101,149	(175,017)	47,436
Changes in assumptions	(26,528)	(2,013,538)	(1,573,110)
Benefit payments and refunds	(2,113,073)	(2,931,940)	(2,793,203)
Net change in total OPEB liability	1,182,902	(3,654,057)	(2,628,800)
Total OPEB liability, beginning of year	19,396,669	23,050,726	25,679,526
Total OPEB liability, ending of year	<u>\$ 20,579,571</u>	<u>\$ 19,396,669</u>	<u>\$ 23,050,726</u>
Plan Fiduciary Net Position			
Contributions - Employer	\$ 1,654,905	\$ 1,676,589	\$ 2,372,485
Net Investment income (loss)	887,212	897,377	689,132
Benefit payments including employee refunds	(2,113,073)	(2,931,940)	(2,793,203)
Administrative expenses	(30,069)	(28,862)	(26,439)
Net change in plan fiduciary net position	398,975	(386,836)	241,975
Plan fiduciary net position, beginning of year	\$ 9,885,140	\$ 10,271,976	\$ 10,030,001
Plan fiduciary net position, ending of year	<u>\$ 10,284,115</u>	<u>\$ 9,885,140</u>	<u>\$ 10,271,976</u>
 City's Net OPEB Liability - Ending	 <u>\$ 10,295,456</u>	 <u>\$ 9,511,529</u>	 <u>\$ 12,778,750</u>
 Plan fiduciary net position as a percentage of the total OPEB liability	 49.97%	 50.96%	 44.56%
Covered employee payroll	\$ 469,993	\$ 586,192	\$ 1,155,844
Employer's net OPEB liability as a percentage of covered employee payroll	2190.56%	1622.60%	1105.58%

Source: City of Eastpointe Audited Comprehensive Annual Financial Reports, fiscal year ended June 30, 2025

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	\$ 17,916,797
2024	14,882,167
2023	13,314,560
2022	13,159,146
2021	11,927,975

Source: City of Eastpointe audited Comprehensive Annual Financial Reports

DEBT STATEMENT*

(As of July 21, 2026, including the Bonds described herein)

DIRECT DEBT:

General Obligation

11/22/2016	Refunding Bonds, Series 2016	1,580,000		
Date of Delivery	2026 Capital Improvement Bonds	10,000,000	\$	11,580,000

Revenue Bonds

9/18/2012	Water and Sewer System Junior Lien Revenue Bonds, Series 2012 (SRF 5371-01)	1,640,000		
08/29/2022	Water and Sewer System Junior Lien Revenue Bonds, Series 2022 (DWRF 7622-01)	5,210,000		
08/28/2024	Water and Sewer System Junior Lien Revenue Bonds, Series 2024 (DWRF 7732-01)	497,000		
07/16/2026	Water and Sewer System Junior Lien Revenue Bonds, Series 2026 (CWRF 5967-01)	3,075,000		10,422,000

Share of County Issued Bonds

10/01/2008	8 1/2 Mile Drain, Phase I	527,044		
1/22/2010	8 1/2 Mile Drain, Phase II	171,155		
4/01/2011	8 1/2 Mile Drain (SRF# 5460-01)	70,636		
12/19/2013	Lake St. Clair Refunding, Series 2013	873,154		
9/17/2014	8 1/2 Mile Drain, SRF 5579-01	111,373		
04/01/2016	SRF 5605-01	660,291		
12/27/2019	Lake St. Clair Refunding, Series 2019	672,111		
12/10/2020	Lake St. Clair Refunding, Series 2020	895,820		3,981,583

TOTAL DIRECT DEBT

NET DIRECT DEBT

OVERLAPPING DEBT:

79.89%	Eastpointe Community Schools	\$ 35,922,833	\$	28,698,751
9.87%	South Lake School District	43,735,000		4,316,645
1.77%	Macomb County	178,846,840		3,165,589
1.74%	Macomb ISD	88,570,000		1,541,118
1.77%	Macomb Community College	-		-

TOTAL OVERLAPPING DEBT

NET DIRECT AND OVERLAPPING DEBT

Source: Municipal Advisory Council of Michigan

DEBT RATIOS:

Per Capita 2026 State Equalized Valuation	\$	35,461
Per Capita 2026 True Cash Value	\$	70,921
Per Capita Net Direct Debt	\$	453
Per Capita Combined Net Direct and Overlapping Debt	\$	1,553
Percent Net Direct Debt of 2026 State Equalized Valuation		1.28%
Percent Net Direct and Overlapping Debt of 2026 State Equalized Valuation		4.38%
Percent of Net Direct Debt of 2026 True Cash Value		0.64%
Percent of Net Direct and Overlapping Debt of 2026 True Cash Value		2.19%

* Preliminary, subject to change

SCHEDULE OF BOND MATURITIES *

(As of July 21, 2026, including the Bonds described herein)

Year	General Obligation Bonds	Revenue Bonds	Share of County Bonds
2026	\$ 245,000	\$ -	\$ 759,479
2027	485,000	622,000	855,486
2028	500,000	635,000	880,627
2029	515,000	650,000	901,818
2030	535,000	660,000	129,097
2031	550,000	675,000	90,066
2032	285,000	685,000	75,484
2033	295,000	705,000	77,204
2034	310,000	460,000	79,921
2035	320,000	470,000	65,341
2036	335,000	480,000	67,061
2037	350,000	485,000	-
2038	365,000	495,000	-
2039	380,000	500,000	-
2040	400,000	515,000	-
2041	415,000	520,000	-
2042	435,000	535,000	-
2043	455,000	550,000	-
2044	470,000	195,000	-
2045	495,000	200,000	-
2046	515,000	205,000	-
2047	535,000	180,000	-
2048	560,000	-	-
2049	585,000	-	-
2050	610,000	-	-
2051	635,000	-	-
	<u>\$ 11,580,000</u>	<u>\$ 10,422,000</u>	<u>\$ 3,981,583</u>

DEBT HISTORY: There is no record of default.

FUTURE FINANCING: The City does not anticipate issuing any additional bonds or notes with in the next six months.

* Preliminary, subject to change

CAPITAL IMPROVEMENT BONDS STATEMENT OF LEGAL DEBT MARGIN *

(As of July 21, 2026, including the Bonds described herein)

2026 State Equalized Valuation		\$ 1,216,937,000
Debt Limit (5% of State Equalized Valuation) (1), (2)		\$ 60,846,850
Less Outstanding Capital Improvement Bonds		
2026 Capital Improvement Bonds	10,000,000	
		<u>10,000,000</u>
LEGAL DEBT MARGIN		<u>\$ 50,846,850</u>

(1) Section 517 of Act 34, Public Acts of Michigan, 2001, as amended, provides that a county, city, village, or township may by resolution of its governing body, and without vote of its electors, issue a municipal security to pay the cost of any capital improvement items, provided that the amount of taxes necessary to pay the principal and interest on that municipal security, together with the taxes levied for the same year, shall not exceed the limit authorized by law. Bonds issued under Section 517 by a county, city, village or township shall not exceed 5% of the state equalized valuation of the property assessed in that county, city, village or township.

(2) Bonds issued under Section 517 also count towards the Township's overall debt limit as set forth under "STATEMENT OF LEGAL DEBT MARGIN" above.

*Preliminary subject to change

STATEMENT OF LEGAL DEBT MARGIN*

(As of July 21, 2026, including the Bonds described herein)

2026 State Equalized Valuation		\$ 1,216,937,000
Plus Assessed Value Equivalent:		
IFT Exemptions	\$ -	
State Revenue Sharing	179,424	
Personal Property Tax Reimbursement	<u>4,232</u>	<u>183,656</u>
Total Valuation		<u>\$ 1,216,941,232</u>
Debt Limit (10% of State Equalized Valuation)		\$ 121,694,123
Amount of Outstanding Debt (Debt Statement)	\$ 25,983,583	
Less: (2-d) Revenue Bonds	<u>10,422,000</u>	<u>15,561,583</u>
		<u>\$ 106,132,540</u>

LEGAL DEBT MARGIN

(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.

* Preliminary, subject to change

MAJOR EMPLOYERS

According to the City major employers in the City are as follows:

<u>Firm Name</u>	<u>Product/Service</u>	<u>Approximate Number of Employees</u>
Eastpointe Community Schools	Education	250
Olive Garden	Restaurant	173
City of Eastpointe	Government	239
McCoy Maintenance	Janitorial services	167
Kern-Tec	Surveying & Engineering	100
Genesis Chevrolet	Automobile dealership	93
Taco Bell	Fast Food Restaurant	80
Pep Boys	Automotive Parts/Service	66
Ace Real Estate	Real Estate Agent	65
Cloverleaf Bar and Restaurant	Restaurant	65

Source: City of Eastpointe Audited Comprehensive Annual Financial Report, fiscal year ended June 30, 2025

LABOR CHARACTERISTICS

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

<u>By Occupation</u>	<u>Number of Employees</u>
Management, business, science and arts occupation	3,543
Service occupations	2,868
Sales and office occupations	3,623
Natural resources, construction, and maintenance occupations	1,014
Production, transportation, and material moving occupations	3,318
Total	<u>14,366</u>
<u>By Industry</u>	
Agriculture, forestry, fishing and hunting and mining	0
Construction	509
Manufacturing	2,756
Wholesale trade	163
Retail trade	1,647
Transportation and warehousing, and utilities	872
Information	238
Finance, insurance, real estate, and rental and leasing	1,002
Professional, Scientific, and Management	1,530
Educational, health and social services	2,806
Art, Entertainment, and Recreation	1,890
Other services (except professional administration)	438
Public administration	515
Total	<u>14,366</u>

UNEMPLOYMENT DATA

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

City of Eastpointe

	<u>2026</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>
January	5.2	5.6	3.8	4.1
February	5.5	5.5	3.9	3.7
March		5.1	3.9	3.2
April		3.7	3.4	2.3
May		4.7	3.9	3.3
June		4.4	4.7	3.7
July		5.6	5.7	3.9
August		4.1	4.6	3.8
September		4.7	4.5	3.7
October			5.3	3.9
November		4.9	5.2	3.3
December		4.6	4.7	3.2
Annual Average	<u> </u>	<u>4.8</u>	<u>4.5</u>	<u>3.5</u>

State of Michigan

	<u>2026</u>	<u>2025</u>	<u>2024</u>	<u>2023</u>
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		4.7	3.9	3.1
May		5.1	4.4	3.8
June		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	<u> </u>	<u>5.2</u>	<u>4.7</u>	<u>3.9</u>

INCOME CHARACTERISTICS

There were 13,251 households in the City, according to the U.S. Census 2024 American Community Survey 5 – Year Estimate, which had a median household income of \$62,325. A breakdown of the income for the City's households is as follows:

<u>Income of Household</u>	<u>Number of Households</u>
Less than \$10,000	1,095
\$10,000 to \$14,999	321
\$15,000 to \$24,999	892
\$25,000 to \$34,999	1,239
\$35,000 to \$49,999	1,680
\$50,000 to \$74,999	2,754
\$75,000 to \$99,999	1,988
\$100,000 to \$149,999	2,147
\$150,000 or more	1,135

The per capita income for the City according to the U.S. Census 2024 American Community Survey was \$29,022.

**CITY OF EASTPOINTE
GENERAL FUND BUDGET SUMMARY
FISCAL YEAR ENDING
JUNE 30, 2026**

**CITY OF EASTPOINTE
FY26 ADOPTED BUDGET**

CATEGORIES	2023-24 ACTIVITY	2024-25 AMENDED BUDGET	2025-26 ADOPTED BUDGET
Fund 101 - GENERAL			
REVENUES			
TAXES	11,158,687	11,913,941	12,084,671
SMORSA	7,652,868	7,961,219	8,527,786
STATE/FEDERAL GRANTS	11,117,909	5,343,660	5,046,039
COURT FINES & FEES	1,479,976	1,560,724	1,530,724
LICENSE/PERMITS/CHARGES	1,910,959	1,959,438	1,982,057
INTEREST & RENTS	1,477,251	535,000	410,000
OTHER REVENUE	536,419	374,705	253,500
TRANSFER IN	0	0	0
TOTAL ESTIMATED REVENUES	35,334,069	29,648,687	29,834,777
APPROPRIATIONS			
PERSONNEL SERVICES	29,836	34,448	34,448
SUPPLIES	4,093	6,500	4,500
OTHER SERVICE & CHARGE	39,483	35,225	36,655
Dept 101-CITY COUNCIL	73,412	76,173	75,603
PERSONNEL SERVICES	489,635	552,503	588,031
SUPPLIES	3,648	6,500	6,500
OTHER SERVICE & CHARGE	18,612	29,590	26,290
CAPITAL OUTLAY	0	0	0
Dept 172-CITY MANAGER	511,895	588,593	620,821
PERSONNEL SERVICES	591,276	670,235	706,602
SUPPLIES	21,508	33,000	21,700
OTHER SERVICE & CHARGE	145,518	146,878	156,945
CAPITAL OUTLAY	1,850	2,200	3,200
Dept 191-FINANCE	760,152	852,313	888,447
PERSONNEL SERVICES	169,036	154,264	171,099
SUPPLIES	4,592	6,200	6,300
OTHER SERVICE & CHARGE	19,782	22,700	28,500
CAPITAL OUTLAY	0	1,200	200
Dept 215-CLERK	193,410	184,364	206,099
OTHER SERVICE & CHARGE	274,086	270,750	272,050
CAPITAL OUTLAY	8,796	125,000	50,000
Dept 228-INFORMATION TECHNOLOGY	282,882	395,750	322,050
OTHER SERVICE & CHARGE	19,882	15,600	18,600

**CITY OF EASTPOINTE
FY26 ADOPTED BUDGET**

CATEGORIES	2023-24 ACTIVITY	2024-25 AMENDED BUDGET	2025-26 ADOPTED BUDGET
Dept 253-TREASURER	19,882	15,600	18,600
SUPPLIES	8,948	6,540	10,000
OTHER SERVICE & CHARGE	292,863	313,454	295,839
Dept 257-ASSESSOR	301,811	319,994	305,839
PERSONNEL SERVICES	0	0	0
SUPPLIES	2,790	4,300	5,000
Dept 261-AUDIO VISUAL	2,790	4,300	5,000
PERSONNEL SERVICES	289,188	308,228	134,645
SUPPLIES	53,351	38,200	6,200
OTHER SERVICE & CHARGE	33,210	25,900	13,200
PENSION-OPEB	450	0	0
Dept 262-ELECTIONS	376,199	372,328	154,045
OTHER SERVICE & CHARGE	730	0	0
Dept 263-ELECTIONS RCV	730	0	0
OTHER SERVICE & CHARGE	336,265	323,000	278,000
Dept 266-LAW / ATTORNEY	336,265	323,000	278,000
SUPPLIES	13,318	15,000	15,000
Dept 269-CIVIL SERVICE	13,318	15,000	15,000
PERSONNEL SERVICES	89,206	91,936	119,167
OTHER SERVICE & CHARGE	60,936	111,500	95,400
Dept 270-PERSONNEL DEPARTMENT	150,142	203,436	214,567
PERSONNEL SERVICES	2,619	28,980	37,924
SUPPLIES	3,008	7,100	8,500
OTHER SERVICE & CHARGE	314,360	364,900	282,340
PENSION-OPEB	7,009,994	1,029,303	608,530
CAPITAL OUTLAY	19,814	35,000	16,500
DEBT SERVICE	290,275	288,781	287,188
Dept 271-CITY HALL / CITYWIDE	7,640,070	1,754,064	1,240,982
PERSONNEL SERVICES	7,716	20,477	23,721
OTHER SERVICE & CHARGE	18,584	31,700	33,485
PENSION-OPEB	309,696	323,598	330,670
Dept 273-INSURANCE	335,996	375,775	387,876

**CITY OF EASTPOINTE
FY26 ADOPTED BUDGET**

CATEGORIES	2023-24 ACTIVITY	2024-25 AMENDED BUDGET	2025-26 ADOPTED BUDGET
PERSONNEL SERVICES	1,373,942	1,425,807	1,580,817
SUPPLIES	66,628	48,821	49,700
OTHER SERVICE & CHARGE	241,662	277,158	247,008
PENSION-OPEB	5,874	2,860	3,120
CAPITAL OUTLAY	75,428	53,322	5,000
Dept 286-38TH DISTRICT COURT	1,763,534	1,807,968	1,885,645
PERSONNEL SERVICES	6,557,809	7,647,422	7,870,576
SUPPLIES	142,361	147,475	161,600
OTHER SERVICE & CHARGE	1,455,879	1,962,563	1,979,475
PENSION-OPEB	3,646,121	3,195,373	3,423,845
CAPITAL OUTLAY	531,231	382,500	144,700
Dept 301-POLICE	12,333,401	13,335,333	13,580,196
PERSONNEL SERVICES	3,056,522	3,893,140	4,066,959
SUPPLIES	194,842	188,095	192,575
OTHER SERVICE & CHARGE	462,019	565,611	576,343
PENSION-OPEB	2,092,567	1,784,958	1,944,812
CAPITAL OUTLAY	169,043	193,300	54,000
Dept 336-FIRE DEPARTMENT	5,974,993	6,625,104	6,834,689
PERSONNEL SERVICES	134,127	181,953	191,356
SUPPLIES	8,301	13,000	13,000
OTHER SERVICE & CHARGE	381,332	215,941	74,374
PENSION-OPEB	1,845	2,806	3,075
CAPITAL OUTLAY	3,887	1,000	1,000
Dept 371-BUILDING INSPECTION DEPARTMENT	529,492	414,700	282,805
PERSONNEL SERVICES	121,667	200,665	289,861
SUPPLIES	10,593	9,500	6,250
OTHER SERVICE & CHARGE	540,073	139,427	13,667
Dept 372-RENTAL INSPECTION PROGRAM	672,333	349,592	309,778
PERSONNEL SERVICES	83,764	189,153	204,489
SUPPLIES	20,998	21,050	19,000
OTHER SERVICE & CHARGE	34,915	63,650	38,450
CAPITAL OUTLAY	7,244	500	1,200
Dept 430-DOG WARDEN	146,921	274,353	263,139
PERSONNEL SERVICES	0	21,530	0
SUPPLIES	614	100	500
OTHER SERVICE & CHARGE	77,006	79,250	110,500

**CITY OF EASTPOINTE
FY26 ADOPTED BUDGET**

CATEGORIES	2023-24 ACTIVITY	2024-25 AMENDED BUDGET	2025-26 ADOPTED BUDGET
Dept 701-PLANNING	77,620	100,880	111,000
PERSONNEL SERVICES	96,828	102,846	103,618
OTHER SERVICE & CHARGE	12,216	1,969	4,370
Dept 728-ECONOMIC DEVELOPMENT	109,044	104,815	107,988
OTHER SERVICE & CHARGE	0	35,000	35,000
Dept 730-HOME DEMOLITION	0	35,000	35,000
PERSONNEL SERVICES	64,987	244,381	230,685
SUPPLIES	7,796	13,000	9,850
OTHER SERVICE & CHARGE	255,744	270,551	305,351
Dept 732-BLIGHT REMOVAL	328,527	527,932	545,886
PERSONNEL SERVICES	173,215	138,126	214,995
SUPPLIES	13,482	18,500	18,000
OTHER SERVICE & CHARGE	560,525	689,900	844,500
PENSION-OPEB	185	0	0
CAPITAL OUTLAY	41,652	253,000	135,000
Dept 770-PARKS	789,059	1,099,526	1,212,495
PERSONNEL SERVICES	16,260	19,516	55,748
OTHER SERVICE & CHARGE	8,079	39,000	8,500
PENSION-OPEB	61	0	0
Dept 806-SPECIAL EVENTS	24,400	58,516	64,248
TOTAL APPROPRIATIONS	33,748,278	30,214,409	29,965,798
NET OF REVENUES/APPROPRIATIONS - FUND 101	1,585,791	(565,722)	(131,021)

**CITY OF EASTPOINTE
FY26 ADOPTED BUDGET**

CATEGORIES	2023-24 ACTIVITY	2024-25 AMENDED BUDGET	2025-26 ADOPTED BUDGET
Fund 202 - MAJOR STREETS			
STATE GRANTS	3,088,686	2,916,059	3,100,604
INTEREST & RENTS	142,639	60,000	55,000
OTHER REVENUE	1,174	0	0
TOTAL ESTIMATED REVENUES	3,232,499	2,976,059	3,155,604
PERSONNEL SERVICES	219,205	236,059	253,759
PENSION-OPEB	1,243	0	0
SUPPLIES	52,802	116,000	150,000
OTHER SERVICE & CHARGE	194,463	234,200	285,000
CAPITAL OUTLAY	1,802,863	3,205,201	4,256,213
TRANSFER OUT	1,390,793	1,379,000	1,450,000
TOTAL APPROPRIATIONS	3,661,369	5,170,460	6,394,972
NET OF REVENUES/APPROPRIATIONS - FUND 202	(428,870)	(2,194,401)	(3,239,368)
Fund 203 - LOCAL STREETS			
STATE GRANTS	1,110,224	1,072,578	1,100,000
INTEREST & RENTS	130,717	30,000	30,000
OTHER REVENUE	18	0	0
TRANSFER IN	1,390,793	1,379,000	1,450,000
TOTAL ESTIMATED REVENUES	2,631,752	2,481,578	2,580,000
PERSONNEL SERVICES	195,674	298,333	258,666
PENSION-OPEB	1,516	0	0
SUPPLIES	10,666	20,000	45,000
OTHER SERVICE & CHARGE	125,444	288,500	278,500
CAPITAL OUTLAY	2,990,611	3,341,974	2,431,950
TOTAL APPROPRIATIONS	3,323,911	3,948,807	3,014,116
NET OF REVENUES/APPROPRIATIONS - FUND 203	(692,159)	(1,467,229)	(434,116)

**CITY OF EASTPOINTE
FY26 ADOPTED BUDGET**

CATEGORIES	2023-24 ACTIVITY	2024-25 AMENDED BUDGET	2025-26 ADOPTED BUDGET
Fund 219 - STREET LIGHTING FUND			
TAXES-SPECIAL ASSESSMENTS	569,218	572,721	572,721
TOTAL ESTIMATED REVENUES	569,218	572,721	572,721
OTHER SERVICE & CHARGE	429,117	496,186	530,900
CAPITAL OUTLAY	77,494	120,000	200,000
TOTAL APPROPRIATIONS	506,611	616,186	730,900
NET OF REVENUES/APPROPRIATIONS - FUND 219	62,607	(43,465)	(158,179)
Fund 248 - DDA			
INTEREST & RENTS	15,053	11,000	4,500
OTHER REVENUE	12,309	6,000	1,000
TAXES	141,434	144,127	129,420
TOTAL ESTIMATED REVENUES	168,796	161,127	134,920
PERSONNEL SERVICES	1,589	28,107	31,973
SUPPLIES	1,855	1,750	1,500
OTHER SERVICE & CHARGE	138,536	87,050	99,800
TOTAL APPROPRIATIONS	141,980	116,907	133,273
NET OF REVENUES/APPROPRIATIONS - FUND 248	26,816	44,220	1,647
Fund 260 - INDIGENT DEFENSE FUND			
STATE GRANTS	687,352	1,562,795	1,900,000
INTEREST & RENTS	4,995	2,500	4,000
TOTAL ESTIMATED REVENUES	692,347	1,565,295	1,904,000
PERSONNEL SERVICES	8,397	32,295	0
SUPPLIES	0	500	0
OTHER SERVICE & CHARGE	683,950	1,532,500	1,904,000
TOTAL APPROPRIATIONS	692,347	1,565,295	1,904,000
NET OF REVENUES/APPROPRIATIONS - FUND 260	0	0	0

**CITY OF EASTPOINTE
FY26 ADOPTED BUDGET**

CATEGORIES	2023-24 ACTIVITY	2024-25 AMENDED BUDGET	2025-26 ADOPTED BUDGET
Fund 262 - FEDERAL FORFEITURES			
FEDERAL FORFEITURES	0	10,000	10,000
TOTAL ESTIMATED REVENUES	0	10,000	10,000
OTHER SERVICE & CHARGE	0	10,000	10,000
TOTAL APPROPRIATIONS	0	10,000	10,000
NET OF REVENUES/APPROPRIATIONS - FUND 262	0	0	0
Fund 265 - DRUG FORFIETURE			
INTEREST & RENTS	1,871	1,000	500
OTHER REVENUE	16,925	0	0
FINES & FORFEITS	0	50,000	30,000
TOTAL ESTIMATED REVENUES	18,796	51,000	30,500
PERSONNEL SERVICES	233,570	0	0
PENSION-OPEB	11,744	0	0
SUPPLIES	10,796	9,300	9,150
OTHER SERVICE & CHARGE	8,633	7,500	23,000
CAPITAL OUTLAY	46,905	25,600	20,300
TOTAL APPROPRIATIONS	311,648	42,400	52,450
NET OF REVENUES/APPROPRIATIONS - FUND 265	(292,852)	8,600	(21,950)
Fund 271 - LIBRARY			
TAXES	1,082,691	1,169,135	1,183,796
STATE GRANTS	38,768	36,000	37,000
FINES & FORFEITS	43,001	27,000	27,000
INTEREST & RENTS	46,644	25,000	25,000
CHARGES FOR SERVICE	1,738	1,000	2,500
TOTAL ESTIMATED REVENUES	1,212,842	1,258,135	1,275,296
PERSONNEL SERVICES	454,310	501,704	641,911
PENSION-OPEB	273,186	330,749	142,496
SUPPLIES	18,480	18,100	26,100
OTHER SERVICE & CHARGE	155,880	189,480	217,894
CAPITAL OUTLAY	60,361	182,000	203,000
TOTAL APPROPRIATIONS	962,217	1,222,033	1,231,401

**CITY OF EASTPOINTE
FY26 ADOPTED BUDGET**

CATEGORIES	2023-24 ACTIVITY	2024-25 AMENDED BUDGET	2025-26 ADOPTED BUDGET
NET OF REVENUES/APPROPRIATIONS - FUND 271	250,625	36,102	43,895
Fund 275 - COMMUNITY DEVELOPMENT BLOCK GRANT			
FEDERAL GRANTS	150,000	300,000	300,000
TOTAL ESTIMATED REVENUES	150,000	300,000	300,000
CAPITAL OUTLAY	150,000	300,000	300,000
TOTAL APPROPRIATIONS	150,000	300,000	300,000
NET OF REVENUES/APPROPRIATIONS - FUND 275	0	0	0
Fund 397 - BROWNFIELD REDEVELOPMENT-9/KELLY			
TAXES	0	75,979	74,689
TOTAL ESTIMATED REVENUES	0	75,979	74,689
DEBT SERVICE	48,435	48,543	48,542
TOTAL APPROPRIATIONS	48,435	48,543	48,542
NET OF REVENUES/APPROPRIATIONS - FUND 397	(48,435)	27,436	26,147
Fund 405 - TAX REVERSION FUND			
OTHER REVENUE	24,807	50,000	50,000
TOTAL ESTIMATED REVENUES	24,807	50,000	50,000
OTHER SERVICE & CHARGE	3,366	0	0
CAPITAL OUTLAY	29,369	50,000	50,000
TOTAL APPROPRIATIONS	32,735	50,000	50,000
NET OF REVENUES/APPROPRIATIONS - FUND 405	(7,928)	0	0
Fund 436 - COURT BUILDING FUND			
INTEREST & RENTS	2,094	0	5,300
COURT FINES & FEES	95,617	85,000	120,000
TOTAL ESTIMATED REVENUES	97,711	85,000	125,300
CAPITAL OUTLAY	359	10,000	10,000
TOTAL APPROPRIATIONS	359	10,000	10,000
NET OF REVENUES/APPROPRIATIONS - FUND 436	97,352	75,000	115,300

**CITY OF EASTPOINTE
FY26 ADOPTED BUDGET**

	2023-24	2024-25	2025-26
CATEGORIES	ACTIVITY	AMENDED BUDGET	ADOPTED BUDGET
Fund 517 - GARBAGE COLLECTION AND LANDFILL			
CHARGES FOR SERVICE	2,600,772	2,459,352	2,474,352
CODE ENFORCEMENT	42,568	60,000	45,000
INTEREST & RENTS	136,384	82,500	82,500
TOTAL ESTIMATED REVENUES	2,779,724	2,601,852	2,601,852
PERSONNEL SERVICES	61,133	84,304	74,694
PENSION-OPEB	157	0	0
OTHER SERVICE & CHARGE	2,348,485	2,513,714	2,528,580
CAPITAL OUTLAY	9,616	0	0
TOTAL APPROPRIATIONS	2,419,391	2,598,018	2,603,274
NET OF REVENUES/APPROPRIATIONS - FUND 517	360,333	3,834	(1,422)
Fund 592 - WATER SEWER			
CHARGES FOR SERVICE	18,023,046	18,778,485	19,127,731
STATE GRANTS	10,000	19,599,750	0
INTEREST & RENTS	256,239	120,000	120,000
OTHER REVENUE	497	5,000	5,000
TRANSFER IN	503,487	0	0
TOTAL ESTIMATED REVENUES	18,793,269	38,503,235	19,252,731
PERSONNEL SERVICES	1,107,969	1,333,375	1,492,719
PENSION-OPEB	(2,637,281)	749,258	466,422
SUPPLIES	137,753	403,500	355,500
OTHER SERVICE & CHARGE	10,940,390	11,892,334	12,083,183
CAPITAL OUTLAY	2,120,378	3,427,993	3,580,015
DEBT SERVICE	189,567	617,867	617,990
TOTAL APPROPRIATIONS	11,858,776	18,424,327	18,595,829
NET OF REVENUES/APPROPRIATIONS - FUND 592	6,934,493	20,078,908	656,902

**CITY OF EASTPOINTE
FY26 ADOPTED BUDGET**

CATEGORIES	2023-24 ACTIVITY	2024-25 AMENDED BUDGET	2025-26 ADOPTED BUDGET
Fund 661 - MOTOR POOL			
INTEREST & RENTS	506,756	683,100	614,800
OTHER REVENUE	1,910	0	0
TOTAL ESTIMATED REVENUES	508,666	683,100	614,800
PERSONNEL SERVICES	251,965	394,579	332,173
PENSION-OPEB	(25,089)	0	0
SUPPLIES	158,799	223,100	222,600
OTHER SERVICE & CHARGE	97,950	128,700	143,900
CAPITAL OUTLAY	176,689	226,647	171,446
TOTAL APPROPRIATIONS	660,314	973,026	870,119
NET OF REVENUES/APPROPRIATIONS - FUND 661	(151,648)	(289,926)	(255,319)
Fund 710 - 38TH DISTRICT COURT CUSTODIAL FUND			
COURT FINES AND FEES	525,559	0	0
TOTAL ESTIMATED REVENUES	525,559	0	0
OTHER SERVICE & CHARGE	525,559	0	0
TOTAL APPROPRIATIONS	525,559	0	0
NET OF REVENUES/APPROPRIATIONS - FUND 710	0	0	0
Fund 728 - DEATH BENEFIT FUND			
INTEREST & RENTS	159,783	80,000	100,000
TOTAL ESTIMATED REVENUES	159,783	80,000	100,000
PENSION-OPEB	5,000	70,000	85,000
OTHER SERVICE & CHARGE	3,188	3,500	3,500
TOTAL APPROPRIATIONS	8,188	73,500	88,500
NET OF REVENUES/APPROPRIATIONS - FUND 728	151,595	6,500	11,500

**CITY OF EASTPOINTE
FY26 ADOPTED BUDGET**

CATEGORIES	2023-24 ACTIVITY	2024-25 AMENDED BUDGET	2025-26 ADOPTED BUDGET
Fund 733 - PENSION SUPPLEMENTAL			
INTEREST & RENTS	854	200	300
TOTAL ESTIMATED REVENUES	854	200	300
PENSION-OPEB	4,999	11,000	11,000
TOTAL APPROPRIATIONS	4,999	11,000	11,000
NET OF REVENUES/APPROPRIATIONS - FUND 733	(4,145)	(10,800)	(10,700)
Fund 736 - HEALTH CARE ACCUMULATION FUND			
INTEREST & RENTS	897,377	202,000	202,000
CONTRIBUTE LOCAL UNITS	1,676,589	1,654,903	1,626,465
TOTAL ESTIMATED REVENUES	2,573,966	1,856,903	1,828,465
PERSONNEL SERVICES	2,931,940	1,695,364	1,664,317
OTHER SERVICE & CHARGE	28,862	27,000	27,000
TOTAL APPROPRIATIONS	2,960,802	1,722,364	1,691,317
NET OF REVENUES/APPROPRIATIONS - FUND 736	(386,836)	134,539	137,148
Fund 785 - DESIGNATED CONTRIBUTIONS			
OTHER REVENUE	1,180	25,000	25,000
TOTAL ESTIMATED REVENUES	1,180	25,000	25,000
SUPPLIES	317	24,000	24,000
TOTAL APPROPRIATIONS	317	24,000	24,000
NET OF REVENUES/APPROPRIATIONS - FUND 785	863	1,000	1,000
Fund 794 - MEMORIAL LIBRARY TRUST FUND			
INTEREST & RENTS	14	0	0
TOTAL ESTIMATED REVENUES	14	0	0
CAPITAL OUTLAY	6,810	393	0
TOTAL APPROPRIATIONS	6,810	393	0
NET OF REVENUES/APPROPRIATIONS - FUND 794	(6,796)	(393)	0

**CITY OF EASTPOINTE
FY26 ADOPTED BUDGET**

CATEGORIES	2023-24 ACTIVITY	2024-25 AMENDED BUDGET	2025-26 ADOPTED BUDGET
Fund 809 - CAPITAL IMPROVEMENT			
INTEREST & RENTS	10	0	0
CHARGES FOR SERVICE	30,555	450,000	450,000
TOTAL ESTIMATED REVENUES	30,565	450,000	450,000
PERSONNEL SERVICES	185	12,265	12,265
SUPPLIES	1,207	2,000	2,000
OTHER SERVICE & CHARGE	18,105	8,000	8,000
CAPITAL OUTLAY	0	425,000	425,000
TOTAL APPROPRIATIONS	19,497	447,265	447,265
NET OF REVENUES/APPROPRIATIONS - FUND 809	11,068	2,735	2,735
Fund 851 - CHAP 20 DRAIN MAINTENANCE FUND			
STATE GRANTS	32,029	32,000	25,000
INTEREST & RENTS	41,746	26,000	30,000
TAXES	3,124,592	3,300,756	3,577,497
TOTAL ESTIMATED REVENUES	3,198,367	3,358,756	3,632,497
OTHER SERVICE & CHARGE	2,862,244	3,016,599	3,209,465
TRANSFER OUT	503,487	0	0
DEBT SERVICE	0	493,011	494,098
TOTAL APPROPRIATIONS	3,365,731	3,509,610	3,703,563
NET OF REVENUES/APPROPRIATIONS - FUND 851	(167,364)	(150,854)	(71,066)

**CITY OF EASTPOINTE
AUDITED FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2025**



Annual Comprehensive Financial Report

Michael Klinefelt
Mayor

Cardi DeMonaco, Jr.
Mayor Pro-Tem

Rob Baker
Councilperson

Harvey Curley
Councilperson

Margaret Podsiadlik
Councilperson

Elke Doom
City Manager

Kim Homan
Assistant City Manager

Randall Blum
Finance Director

Kelly Rau
Deputy Finance Director

For the Fiscal Year Ended June 30, 2025

Prepared by Finance, City of Eastpointe, Michigan

City of Eastpointe

Financial Statements

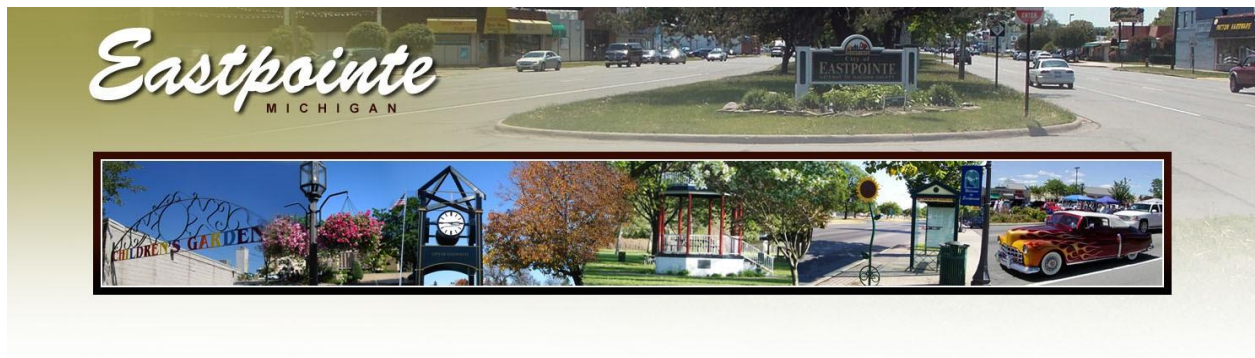
June 30, 2025

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December 15, 2025

To the Honorable Mayor, City Council, and Citizens
of the City of Eastpointe:
23200 Gratiot Avenue
Eastpointe, MI 48021

The financial report of the City of Eastpointe for the year ended June 30, 2025, is hereby submitted as mandated by the City Charter, Chapter XII, Section 4 and State Statute, Public Act 2 of 1968. As required by City Charter and state laws, the basic financial statements as defined in the table of contents were audited by Yeo & Yeo, certified public accountants.

Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the city's management. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner that presents fairly, the financial position and results of operations of the various funds and component units of the City of Eastpointe for the fiscal year ended June 30, 2025. All disclosures necessary to enable the reader to gain an understanding of the City of Eastpointe activities have been included.

Accounting principles generally accepted in the United States of America require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of management's discussion and analysis (MD&A). The MD&A complements this letter of transmittal and should be read in conjunction with it. The City of Eastpointe's MD&A can be found immediately following the report of the independent auditor.

The independent auditors report is located at the front of the financial section of this report. It indicates that the auditor's examination has disclosed no conditions that cause them to believe that the financial statements are not fairly stated in all material respects and have issued an unmodified opinion for the year ended June 30, 2025.

Profile of the Government

Eastpointe incorporated in 1929 as a Michigan Home-Rule Charter City with a Council-Manager form of government. Policy-making and legislative authority are vested in a government council (Council) consisting of the mayor and four other members, all elected on a non-partisan basis. The city's mayor and four council members are elected at large, to four-year staggered terms.

Eastpointe provides a full range of services including police and fire protection; the construction and maintenance of highways, streets, and infrastructure; planning and zoning; library services; parks and recreational activities; and cultural events. In addition, rubbish removal services and water and sewer services are provided under an Enterprise Fund concept, with user charges set by the City Council to ensure adequate coverage of operating expenses including payments on outstanding debt.

Eastpointe also is financially accountable for legally separate component units. Eastpointe's Downtown Development Authority and the Economic Development Corporation are reported separately within the city's financial statements. Additional information on these legally separate entities can be found in the notes to the financial statements (See Note 1).

Local Economy

Eastpointe has grown and prospered significantly as one of southeastern Michigan's earliest and strongest suburban communities. The city continues to welcome residents, businesses, and visitors alike to a vibrant and diverse community. The City is ideally located in southeastern Michigan, within Macomb County and proud of the initiative to "Make Macomb Your Home." Macomb County continues to rank high in per capita income, employment opportunities, and overall quality of life.

Eastpointe exemplifies the best in Macomb County through its high value to cost City services, road system, active community place-making efforts and organizations, and a variety of opportunities for residents and the business community. It is an aggressively, fiscally managed and solid community with many advantages because of its affordable housing mix, business climate, and convenient access to other business and residential areas in southeastern Michigan.

Eastpointe provides a full-range of services to residents, visitors, and the business community and is conveniently located for employers and employees alike near the confluence of I-94 and I-696 and is centered by the Gratiot Corridor "M-3 the Place to Be." City services are provided to 12,699 households and more than 800 commercial and industrial businesses and service enterprises within the City's 5.1 square miles. The City is proud to have a majority of small businesses, as well as more than 60 major companies within its borders, such as Winters Sausage, the Official Sausage of the Detroit Tigers, Genesis Chevrolet dealership, CVS and Walgreens pharmacies, chain restaurants and local favorites like Villa Restaurant, Andary's, Plaza Mexico, Milestone Grill and the original location of the Detroit Wing Company.

As a full-service community, Eastpointe has sound infrastructure, stable values and has many advantages accruing to it because of its housing mix and business climate. City officials proudly point to the fact that almost 91 percent of the building stock is single-family homes or condominiums.

Tax Base Composition

The principal source of revenues to fund the City's operations is property tax (37.9 percent of total 2024-2025 General Fund revenues). Property tax revenues are a result of applying the millage rate set by City Council within the restrictions of state law to the taxable value of real and personal property located within the City.

Long-term Financial Planning

Unassigned fund balance in the general fund (14.3 percent of total general fund revenues) falls within the policy guidelines set by the Council for budgetary and planning purposes. The City's strategic plan incorporates an

unassigned fund balance target to be between 10.0 and 15.0 percent of total general fund revenues so as to reduce the amount that will need to be borrowed to finance future construction.

The City Council re-adopted the financial management plan and the following financial policies to guide the process for long-term financial decisions: (1) debt management policy - provides guidelines for borrowing money-to-finance projects; (2) cash management policy - provides guidelines for the day-to-day handling of cash and investments; (3) capital improvement policy - sets capitalization thresholds and parameters for capital asset purchases; and (4) investment policy - provides guidelines for investment of the city's liquid assets.

Financial Policies and Internal Controls

Management of the city is responsible for establishing and maintaining internal controls designed to ensure that the assets of the city are protected from loss, theft, or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. We believe the city's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions. As demonstrated by the statements and schedules included in the financial section of this report, the city continues to meet its responsibility for sound financial management.

Budgeting

In accordance with state law, the City's budget is prepared on the modified accrual basis for governmental-type funds, and its accounting records are also maintained on that basis. Under modified accrual accounting, revenues are recorded when they are both measurable and available. Expenditures are recorded when a liability is incurred, except for interest on long-term debt and accrued vacation benefits. Governmental fund types, such as the City's General Fund, special revenue funds, debt service funds, and capital projects funds, are reported on the modified accrual basis. The City's Enterprise Fund, internal service funds, and OPEB Trust Fund are reported on the full accrual basis, under which revenues are recorded when earned and expenses are recorded when incurred.

The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City's governing body. Activities of the General Fund are included in the annual appropriated budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the department level for the General Fund, special revenue funds, and certain debt service funds. However, for internal accounting purposes, budgetary control is maintained by object class (line account) for all funds. The City also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Purchase orders that would create an over-encumbrance are not written until additional appropriations are available. Encumbered accounts lapse at year end.

Federal Financial Assistance

As a recipient of federal financial assistance, the city is also responsible for ensuring that an adequate internal control system is in place to ensure compliance with applicable laws and regulations related to those programs.

The internal control systems are evaluated periodically by management to achieve these objectives. The City is required to have a single audit in any fiscal year to test these controls when it receives more than \$750,000 in federal assistance as required by the Federal Office of Management and Budget (OMB) Circular A-133 and subsequent applicable circulars. For the fiscal year ended June 30, 2025, the City exceeded \$750,000 in federal funds and a separate Single Audit was required.

Major Initiatives

In spite of the past economic challenges, there are plenty of reasons that Eastpointe is still here. The city weathered more than its share of adversity in the past fifteen years. Presently, we have entered a time where progress is being made on all fronts. The city continues to operate effectively, and with an improving economy and additional resources approved by the voters in 2015, there are many things happening now and in the future.

The city staff's cooperation, creativity, and focus on cost-saving initiatives, have allowed departments to maximize resources, use new strategies, and develop new projects to continue to move Eastpointe in the desired direction. Eastpointe City Government is a model of employees, including executives and administrators performing several jobs and helping each other to help our residents. Facilities are well maintained and energy efficient. Infrastructure is continuously addressed and technology using state of the art financial systems are implemented wherever possible.

Public Reinvestment in Streets, Sidewalks, and Water and Sewer System

The city built up our available funds in preparation for future projects and began to move on new activities this year. In the past ten years the city has invested approximately \$80.5 million in Roads, Sidewalks and the Water and Sewer Systems, both by the city and the county jointly. The city's major accomplishments for the current fiscal year included:

- Invested \$2.4 million in street and sidewalk improvements
- Completed reconstruction of Nine Mile, Gratiot to Tuscany.
- Began preliminary work on Nine Mile reconstruction, Tuscany to I-94.
- Completed work on Ash Ave. reconstruction, Kelly to Beaconsfield.
- Began preliminary work on various local street resurfacing projects.
- Invested \$19.9 million in water main and sewer line improvement projects
- Completed new water main installation on Gratiot NB Toepfer to 10 Mile and Gratiot SB 10 Mile to 9 Mile which replaced water main that ranged from 95 to 97 years old.
- Began preliminary work on new watermain along Nine Mile, Tuscany to Kelly.
- Completed Lead Service Line Replacement program, removing lead citywide.
- Continued sewer camera inspection program throughout the city for mapping and failure identification.
- Continued sewer repair projects throughout the city using open-cut, pipe bursting and cured in place methods as appropriate.

Acknowledgments

The preparation of this Annual Comprehensive Financial Report would not have been possible without the efficient and dedicated service of the entire staff of the Department of Finance. We wish to express our sincere appreciation to all members of the department, and various other employees from other city departments for their cooperation and assistance, in contributing to the preparation of this report. Credit must also be given to the mayor and the governing council for their support and for maintaining their professionalism in the management of the financial affairs of the City of Eastpointe.

Respectfully submitted,

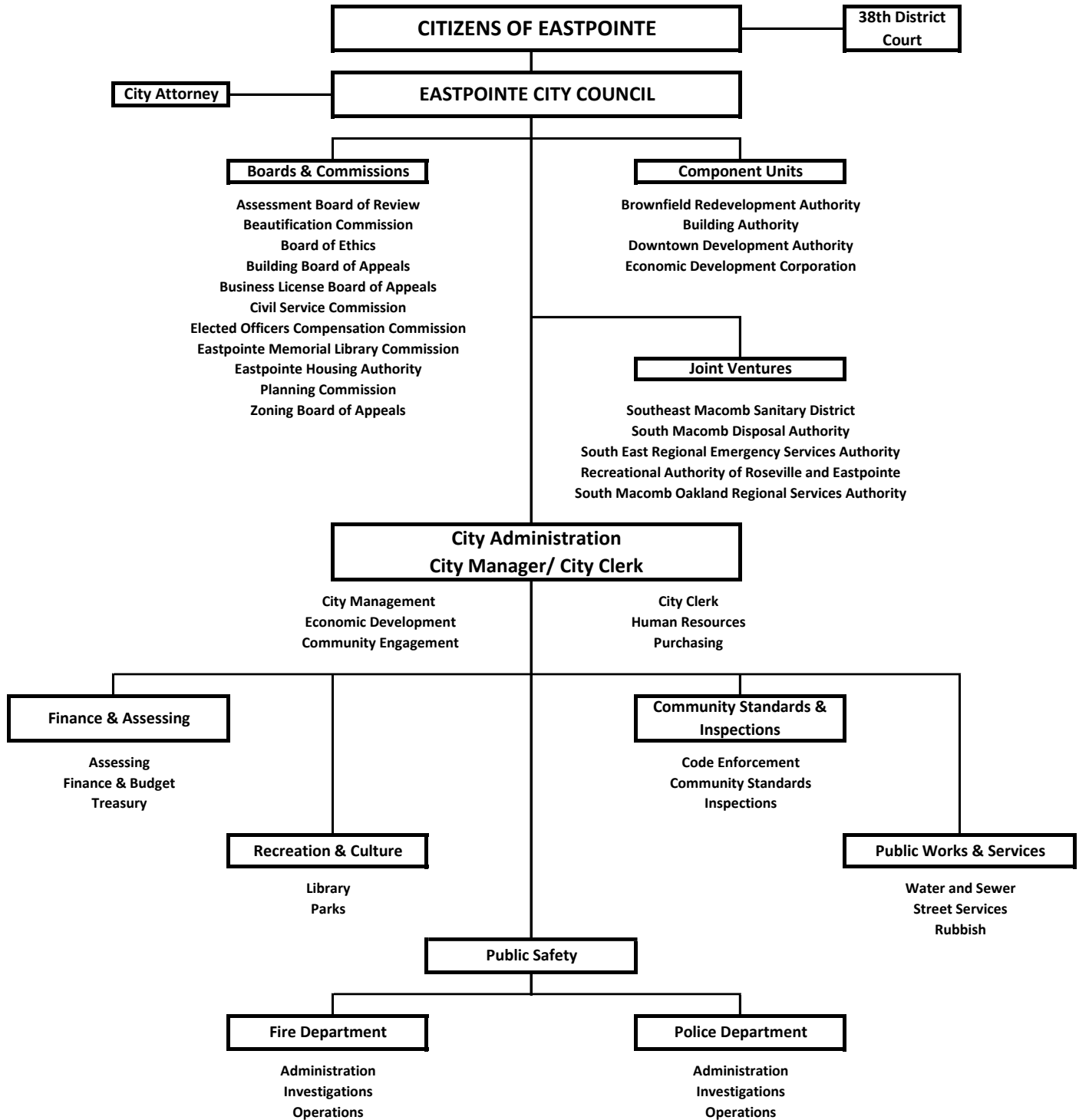


Randall Blum
Director of Finance



Kelly Rau
Deputy Finance Director

**City of Eastpointe
Organizational Chart
June 30, 2025**



City of Eastpointe
List of Principal Officials
June 30, 2025

Title	Name
City Manager/City Clerk	Elke Doom
Assistant City Manager	Kim Homan
Finance Director/Treasurer	Randall Blum
City Assessor	Jaime Barra
Police Chief	Corey Haines
Fire Chief	Jason Clark
Public Works and Services Director	Darin Paolucci
Community Standards and Inspections Director	John Meyers
Library Director	Abby Bond
City Attorney	Richard Albright
District Court Judge	Kathleen Galen

City of Eastpointe
Fund Organization Chart
June 30, 2025

Governmental Funds	
General *	Special Revenue
	Major Streets *
	Local Streets *
	Library
	Federal Forfeitures
	Drug Law Enforcement
	Street Lighting SAD
	Mighigan Indignet Defense
	Community Development
Debt Service	Capital Projects
Chapter 20 Drain Debt *	Capital Improvement - Sidewalks
Brownfield Authority	District Court Building
Proprietary Funds	
Enterprise	Internal Service
Water and Sewer *	Equipment Pool
Garbage and Rubbish Collection *	
Fiduciary Funds	Component Units
Retirement Healthcare	Downtown Development Authority
Employees' Death Benefit	Economic Development Corporation
Tax Collection	
District Court	
Private Contributions	
Memorial Library Trust	

*Major funds under GASB Statement No. 34

Independent Auditors' Report

To the Honorable Mayor and
Members of the City Council

City of Eastpointe
Eastpointe, Michigan

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Eastpointe (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 the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the 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 financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the South East Regional Emergency Services Authority, which represent 1 percent, 16 percent, and 0 percent, respectively, of the assets and deferred outflows of resources, net position, and revenues of the governmental activities as of June 30, 2025, and the respective changes in financial position for the year then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinions, insofar as it relates to the amounts included for the South East Regional Emergency Services Authority, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Adoption of New Accounting Standard

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

Correction of an Error

As discussed in Note 17 to the financial statements, during the year ended June 30, 2025, the City corrected an error, resulting in a restatement of the Water and Sewer Fund's beginning net position. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards* we:

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2025 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Yeo & Yeo, P.C.

Troy, Michigan
December 15, 2025

City of Eastpointe
Management's Discussion and Analysis
June 30, 2025

The City of Eastpointe, Michigan's (the "City") management's discussion and analysis (MD&A) is a narrative overview of the City's financial activities and performance as of and for the fiscal year ended June 30, 2025. This narrative should be considered in conjunction with the additional information presented in the letter of transmittal found on page 1-1 and is intended to serve as an introduction to the City's basic financial statements which begin on page 4-1.

Financial Highlights

- The City's combined total net position is reported as \$101.6 million for the fiscal year ended June 30, 2025, compared to \$73.3 million last fiscal year.
- In the City's governmental activities, revenue generated \$42.4 million, while expenses totaled \$37.9 million.
- In the City's business-type activities, revenue generated \$37.0 million which includes \$12.2 million in federal grants, while expenses totaled \$20.2 million and capital investment in the City's water and sewer system totaled \$19.7 million.
- Total net position increased \$28.3 million, largely due to an increase in capital assets paid for with federal and state grants and general government expenditures coming in below budget related to open positions.

Government-wide Financial Statements

The government-wide financial statements report 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. All of the current year's revenue and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the City's net position and how it has changed. Net position is the difference between the City's assets, deferred outflows/inflows of resources, and liabilities, which is one way to measure the City's financial health.

The two government-wide financial statements are divided into three categories:

- **Governmental Activities** represent most of the City's basic services such as general government, public safety, public works, and recreation and culture. Property taxes, state-shared revenue, charges for services, and grants provide most of the funding.
- **Business-type Activities** represent those activities for which the City charges fees to customers to cover the cost of providing services. Services include water and sewer and rubbish collection.
- **Component Units** includes separate legal entities that have been included in this report. The City has two discretely presented component units: the Downtown Development Authority and the Economic Development Corporation. Although legally separate, these component units are important because the City is financially accountable for them. The Eastpointe Building Authority is also legally separate; however, it functions as a department of the City, and therefore has been included as an integral part of the primary government. Further information regarding the purpose of each component unit is found in Note 1 to the financial statements.

City of Eastpointe

Management's Discussion and Analysis

June 30, 2025

The City as a Whole

Statement of Net Position - The City's combined net position increased 39.5 percent, or \$28.3 million, from \$73.3 million in 2024 to \$101.6 million in 2025. The net deficit for the governmental activities of \$3.9 million in 2024 increased to a positive position of \$6.0 million in 2025. There was a decrease in governmental activities revenue in 2025 as grant funds declined by \$4.6 million. At the same time there was a decrease in the expenses related to a used of those grant funds. The current level of unrestricted net position for governmental activities is a deficit of \$40.1 million which includes a net pension/OPEB liability of \$48.9 million in accordance with GASB Statement No. 68 and No. 75. The net position of the business-type activity increased from \$77.2 million in 2024 to \$95.6 million in 2025, or \$18.4 million. The unrestricted net position for business-type activities is \$13.7 million after the City recognizes a net pension/OPEB liability of \$4.5 million in accordance with GASB Statement No. 68 and No. 75.

The City's assets totaled \$193.9 million in 2025, which is an increase of \$27.4 million from 2024. This primarily relates to an increase in capital assets of \$16.9 million. This change in net capital assets is due to major capital projects in water and roads.

The City's total liabilities increased \$1.6 million to \$82.2 million in 2025. This is mainly due to an increase in compensated absences with the implementation of GASB No. 101.

In a condensed format, the table below shows the comparison of net position (in thousands) as of June 30, 2025 to the prior two years:

City of Eastpointe's Net Position

	Governmental Activities			Business-type Activities			Total		
	2025	2023	2022	2025	2024	2023	2025	2024	2023
Assets									
Current assets	\$ 36,875	\$ 29,775	\$ 26,733	\$ 14,945	\$ 13,877	\$ 15,153	\$ 51,820	\$ 43,652	\$ 41,886
Capital assets	37,236	37,711	35,676	91,897	74,561	67,483	129,132	112,272	103,159
Other noncurrent assets	2,396	1,641	1,847	10,518	8,919	8,008	12,914	10,560	9,855
Total assets	<u>76,507</u>	<u>69,127</u>	<u>64,256</u>	<u>117,360</u>	<u>90,644</u>	<u>81,865</u>	<u>193,867</u>	<u>166,484</u>	<u>154,900</u>
Deferred Outflows	<u>7,753</u>	<u>8,070</u>	<u>9,733</u>	<u>596</u>	<u>421</u>	<u>1,072</u>	<u>7,349</u>	<u>8,491</u>	<u>10,805</u>
Liabilities									
Current liabilities	6,160	4,037	2,521	4,670	4,590	4,815	10,830	8,627	7,336
Long-term liabilities	54,096	56,516	63,641	17,269	15,502	16,078	71,366	72,018	79,719
Total liabilities	<u>60,256</u>	<u>60,553</u>	<u>66,162</u>	<u>21,939</u>	<u>20,893</u>	<u>16,790</u>	<u>82,196</u>	<u>80,645</u>	<u>87,055</u>
Deferred Inflows	<u>18,036</u>	<u>20,560</u>	<u>21,226</u>	<u>421</u>	<u>463</u>	<u>560</u>	<u>18,458</u>	<u>21,023</u>	<u>21,786</u>
Net Position									
Net investment in capital assets	34,716	34,989	33,090	81,784	64,495	60,811	116,500	99,484	93,901
Restricted	11,304	10,283	10,005	121	111	23	11,425	10,395	10,028
Unrestricted	(40,053)	(49,188)	(56,494)	13,690	12,617	9,429	(26,363)	(36,572)	(47,065)
Total net position	<u>\$ 5,967</u>	<u>\$ (3,916)</u>	<u>\$ (13,399)</u>	<u>\$ 95,595</u>	<u>\$ 77,223</u>	<u>\$ 70,263</u>	<u>\$ 101,562</u>	<u>\$ 73,307</u>	<u>\$ 56,864</u>

City of Eastpointe

Management's Discussion and Analysis

June 30, 2025

Changes in Net Position - The City's total net position increased by \$27.4 million during the fiscal year ended June 30, 2025. The table below shows the comparison of changes in net position (in thousands) to the prior two years:

City of Eastpointe's Changes in Net Position

	Governmental Activities			Business-type Activities			Total	
	2025	2024	2023	2025	2024	2023	2025	2024
Revenue								
Program Revenue:								
Charges for services	\$ 12,674	\$ 11,714	\$ 11,060	\$ 21,389	\$ 20,666	\$ 19,276	\$ 34,063	\$ 32,380
Operating Grants and contributions	7,071	11,736	3,736	-	10	2,000	7,071	11,746
Capital grants and contributions	-	-	492	12,215	-	-	12,215	-
General revenue:								
Property taxes	16,831	15,962	15,074	-	-	-	16,831	15,962
State-shared revenue	4,831	4,779	10,060	-	-	-	4,831	4,779
Interest	1,389	1,078	465	296	393	330	1,685	1,471
Other nonprogram revenue	163	95	885	2	3	1	165	98
Total revenue	42,959	45,364	41,772	33,902	21,072	21,607	76,861	66,436
Program Expenses								
General government	5,326	8,898	8,044	-	-	-	5,326	8,898
District court	2,472	2,197	2,025	-	-	-	2,472	2,197
Public safety	13,957	14,034	18,143	-	-	-	13,957	14,034
Public works	6,633	8,010	1,992	-	-	-	6,633	8,010
Health and welfare	-	-	385	-	-	-	-	-
Community and economic development	856	672	-	-	-	-	856	672
Recreation and culture	2,270	2,015	2,291	-	-	-	2,270	2,015
Interest on long-term debt	84	82	166	-	-	-	84	82
Water and sewer	-	-	-	16,570	11,861	15,184	16,570	11,861
Garbage and rubbish collection	-	-	-	2,200	2,419	1,640	2,200	2,419
Total expenses	31,598	35,908	33,046	18,770	14,280	16,824	50,368	50,188
Increase in Net Position								
Before Transfers	11,361	9,456	8,726	15,132	6,792	4,783	26,493	16,445
Transfers	(493)	(503)	(1,563)	493	503	1,563	-	-
Change in Net Position	10,868	8,953	7,163	15,625	7,295	6,346	26,493	16,445
Net Position - Beginning of Year	(3,916)	(12,869)	(20,563)	77,223	69,928	63,916	73,307	56,862
Adjustments	(985)	-	-	2,747	-	-	1,762	-
Net Position - End of Year	\$ 5,967	\$ (3,916)	\$ (13,400)	\$ 95,595	\$ 77,223	\$ 70,262	\$ 101,562	\$ 73,307

Governmental Activities

The City's governmental activities saw an increase in net position in the current year of \$10.9 million. This increase was largely due to delayed capital projects and unfilled staffing positions. Net position for business-type activity increased by \$18.4 million, resulting in a net increase in net position of \$28.3 million.

Of the City's total Governmental Activities revenue generated for fiscal year 2025, property tax comprises the largest segment, \$16.8 million. Property tax revenue increased 5.4% over the prior year, which is consistent with the increase in property taxable values, plus a decrease in a debt millage. Federal and State grants are another source of revenue for the City, of which we received \$7.1 million; this is a decrease of \$4.6 million from the prior year. This consists of revenue sharing, Act 51 road funds, and various federal and state grants. Of the governmental charges for service revenue of \$12.7 million, \$8.1 is from SMORSA, \$1.6 million is associated with court fines and fees, and \$1.3 million for building department activity.

The majority of governmental expense is associated with the public safety function, which is \$14.0 million, or 44.2 percent of governmental activities. General government expenses totaled \$5.3 million, or 16.9 percent.

City of Eastpointe

Management's Discussion and Analysis

June 30, 2025

Business-type Activities

The City's business-type activities are recorded in the Water and Sewer Fund and Garbage and Rubbish Collection Fund. The City provides water service and sewage disposal and treatment, purchased from the Great Lakes Water Authority, to residents and businesses. Of the City's charges for water and sewer service revenue, the majority is generated from charges passed on to residents, which is \$18.7 million. Charges for service are offset by water and sewer expenses of \$16.6 million plus capital expenditures of \$19.9 million.

The City also provides garbage collection services to residents and businesses. Of the City's charges for this service revenue, the majority is generated from charges passed on to residents, which is \$2.6 million. Charges for service are offset by garbage collection expenses of \$2.2 million. After capital contributions, the business-type activities experienced an increase in net position of \$18.4 million.

Capital Asset and Debt Administration

At the end of 2025, the City of Eastpointe, Michigan had \$129.1 million invested in a wide range of capital assets, including land, buildings, police and fire equipment, computer equipment, and water and sewer lines. The largest asset is infrastructure, which consists of sidewalks, roads within the major and local street system, and water and sewer lines. The value of infrastructure assets, net of depreciation contained in this report, is \$120.7 million for fiscal year 2025 (see Note 5 for additional information).

Debt reported in these financial statements is related to the construction of the above-mentioned infrastructure assets and buildings and is reported as a liability on the statement of net position (see Note 7 for additional information).

Fund Financial Statements

Fund financial statements are similar to the historical presentation; however, this section individually discloses only those funds designated as the City's "major" funds. All nonmajor funds are aggregated into one column. These statements provide a higher level of detail than the government-wide statements and continue to illustrate how the services provided by the City were financed in the short term as well as what remains for future spending. The City has three types of funds that are used to keep track of specific sources of funding and spending for particular purposes as follows:

- **Governmental Funds** - The majority of the City's basic services included in the governmental funds not only focus on how cash and other financial assets can readily be converted to cash flow in and out, but also what year-end balances are available to finance future city programs. Because this information does not include the additional long-term focus of the government-wide statements, reconciliation statements are provided to explain the differences between the two methods of reporting. Pages 4-4 and 4-6 illustrate this concept.
- **Proprietary Funds** - Services for which the City charges customers fees are reported in this fund type. This fund type provides both the short- and long-term financial information comparable to the business-type activity in the government-wide statements. The Water and Sewer Fund and the Garbage and Rubbish Collection Fund are proprietary funds, which typically charge residents usage fees and accounts for the cost of operations.
- **Fiduciary Funds** - The Trust Fund and custodial funds are used to account for assets held by the City in a trustee capacity or as an agent for individual, private organizations, other governments, and other city funds. The City is responsible for ensuring the assets reported in these funds are used for their intended purpose. The City's fiduciary activities are reported in a separate statement of fiduciary net position. Fiduciary activities are excluded from the City's government-wide statements because these assets are not available to finance city operations.

City of Eastpointe
Management's Discussion and Analysis
June 30, 2025

Financial Analysis of the City's Funds

An analysis of the City's major funds follows the government-wide financial statements. The City's fund financial statements begin on page 4-3 and provide detailed information on the most significant funds. The fund-level financial statements provide detailed information on the most significant funds, not the City as a whole. In addition to state legislative requirements to maintain separate funds for Act 51 major and local road money, the City creates funds to administer certain dedicated dollars and demonstrate accountability to the citizens for special tax millages voted by citizens or earmarked bond proceeds. The City's major funds for fiscal year 2024 include the General Fund, the Major Streets Fund, the Local Streets Fund, and the Chapter 20 Drain Debt Fund.

The General Fund accounts for most of the City's governmental services, with the largest expenditure being public safety. Support for these activities comes from property taxes and a contractual arrangement with SMORSA.

The Major Streets Fund and Local Streets Fund are supported by state-shared gas and weight taxes. State funding of approximately \$3.2 million and \$1.2 million was reported in 2025 for the Major Streets Fund and Local Streets Fund, respectively.

This resulted in an increase of fund balance of \$0.8 million, to end at \$3.9 million in Major Streets and an increase of fund balance of \$0.3 million, to end at \$3.7 million in Local Streets.

The Chapter 20 Drain Debt fund accounts for the revenue accumulated to pay principal and interest on outstanding debt associated with various drain improvements.

General Fund Budgetary Highlights

Actual operations revenue came in \$0.7 million higher than the amended budget. Actual operations expenditures came in \$2.3 million below budget. Expenditures were under budget due to open staffing positions throughout the city and capital projects delayed into FY26. The fund balance for city operations increased by \$2.9 million, which was \$3.3 million higher than budget. The fund balance for city operations ended at \$17.9 million at June 30, 2025.

Economic Factors and Next Year's Budgets and Rates

The City of Eastpointe, Michigan's budget for next year reflects an increase in the City's taxable value of \$41.7 million, or 6.3 percent. State constitutional restrictions prevent the ability for recovery solely on existing tax collections, as the City's taxes were restricted to a 3.1 percent increase. This will produce an increase in tax collections for the City's general operations of \$0.2 million.

Through sound fiscal management by city administration, supported by the City Council, the City has been able to maintain a sufficient fund balance that allows the timeframe for necessary structural changes. In February 2015, the biggest structural change was accomplished through a vote of the people. An emergency services authority was created with Hazel Park, Michigan and a 20-year millage was passed by the residents. The South Macomb Oakland Regional Services Authority (SMORSA) millage was effective July 1, 2015 and now provides \$8.5 million for fiscal year 2025 through a contractual arrangement.

Additionally, the City previously negotiated multiple rounds of employee changes for pension and retiree healthcare reforms, migrated from property tax revenue to a user fee for rubbish services, and implemented a street lighting special assessment, negotiated the closure of pension plans for five of six union groups and offered voluntary buyouts of retiree healthcare for all union groups, which relieved expenditures from the General Fund. The latest change was modifying the healthcare provided to retirees. This ongoing impact is seen in both expenditures and actuarial reporting.

The City's pension system is 58 percent funded based on an actuarial valuation performed as of December 31, 2024, with required actuarial determined contributions made by the City on an annual basis.

City of Eastpointe
Management's Discussion and Analysis
June 30, 2025

The City purchases its water service and disposal and treatment of sewage from the Great Lakes Water Authority. The City's water and sewer rates are based on anticipated costs of the system in the current fiscal year and system improvements in current and future fiscal years. While the Water and Sewer Fund has strong net position, extensive system improvements are required which drain our liquid assets. The city has benefitted from multiple state grants for water projects, specifically lead service line replacements. An annual evaluation process is undertaken to determine the amount of increase, if any, that is needed to continue providing water and sewer service to all users in the City.

Contacting the City's Management

This financial report is intended to provide our citizens, taxpayers, customers, and investors with a general overview of the City's finances and to show the City's accountability for the resources it receives. If you have any questions about this report or need additional information, we welcome you to contact the administration offices at the City of Eastpointe, 23200 Gratiot Avenue, Eastpointe, Michigan 48021.

City of Eastpointe
Statement of Net Position
June 30, 2025

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash and cash equivalents	\$ 7,384,223	\$ 636,252	\$ 8,020,475	\$ 31,441
Investments	19,682,386	2,804,381	22,486,767	209,623
Receivables				
Accounts	759,581	12,993	772,574	-
Taxes	79,998	-	79,998	-
Utility bills	-	8,145,039	8,145,039	-
Special assessments	168,239	-	168,239	-
Leases receivable	2,402,686	-	2,402,686	-
Due from other units of government	1,696,668	8,041,672	9,738,340	-
Internal balances	4,700,000	(4,700,000)	-	-
Prepaid items	1,432	4,700	6,132	-
Other assets	306,699	-	306,699	-
Assets held for sale	226,084	-	226,084	-
Restricted assets				
Cash and cash equivalents	164,492	22,913	187,405	-
Investment in joint ventures	955,698	10,397,133	11,352,831	-
Capital assets not being depreciated	1,819,375	-	1,819,375	-
Capital assets, net of accumulated depreciation	35,416,226	91,896,811	127,313,037	-
Net OPEB asset	743,068	98,362	841,430	-
Total assets	76,506,855	117,360,256	193,867,111	241,064
Deferred outflows of resources				
Pension related	4,740,607	515,266	5,255,873	-
OPEB related	3,012,479	80,418	3,092,897	-
Total deferred outflows of resources	7,753,086	595,684	8,348,770	-
Liabilities				
Accounts payable	2,627,592	3,633,624	6,261,216	15,531
Contracts payable - retainage	84,231	928,404	1,012,635	-
Payroll and other liabilities	846,089	55,678	901,767	209
Interest payable	12,282	52,503	64,785	-
Unearned revenue	2,589,525	-	2,589,525	-
Noncurrent liabilities				
Due to joint venture	-	3,523,101	3,523,101	-
Debt due within one year	578,601	902,075	1,480,676	-
Debt due in more than one year	4,553,341	8,362,873	12,916,214	-
Net pension liability	38,920,329	4,229,962	43,150,291	-
Net OPEB liability	10,044,378	251,078	10,295,456	-
Total liabilities	60,256,368	21,939,298	82,195,666	15,740
Deferred inflows of resources				
Lease related	2,225,196	-	2,225,196	-
Pension related	216,150	23,488	239,638	-
OPEB related	15,595,149	397,828	15,992,977	-
Total deferred inflows of resources	18,036,495	421,316	18,457,811	-
Net position				
Net investment in capital assets	34,715,993	81,783,720	116,499,713	-
Restricted for				
Roads	7,711,954	-	7,711,954	-
Street lighting	145,947	-	145,947	-
Drug law enforcement	96,725	-	96,725	-
Library	1,296,404	-	1,296,404	-
Debt service	470,068	22,913	492,981	-
Capital projects	554,604	-	554,604	-
Health care	289,538	-	289,538	-
Net OPEB asset	743,068	98,362	841,430	-
Unrestricted (deficit)	(40,057,223)	13,690,331	(26,366,892)	225,324
Total net position	\$ 5,967,078	\$ 95,595,326	\$ 101,562,404	\$ 225,324

See Accompanying Notes to the Financial Statements

City of Eastpointe
Statement of Activities
For the Year Ended June 30, 2025

	Program Revenues				Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Unit
					Governmental Activities	Business-type Activities	Total	
Functions/programs								
Primary government								
Governmental activities								
General government	\$ 5,332,713	\$ 1,210,280	\$ 969,929	\$ -	\$ (3,152,504)	\$ -	\$ (3,152,504)	\$ -
Judicial	2,472,423	2,018,320	236,217	-	(217,886)	-	(217,886)	-
Public safety	13,956,559	9,054,106	322,577	-	(4,579,876)	-	(4,579,876)	-
Public works	6,628,565	294,925	4,378,512	-	(1,955,128)	-	(1,955,128)	-
Health and welfare	-	-	871,818	-	871,818	-	871,818	-
Community and economic development	855,953	-	264,012	-	(591,941)	-	(591,941)	-
Recreation and culture	2,267,549	96,788	27,664	-	(2,143,097)	-	(2,143,097)	-
Interest	83,837	-	-	-	(83,837)	-	(83,837)	-
Total governmental activities	<u>31,597,599</u>	<u>12,674,419</u>	<u>7,070,729</u>	<u>-</u>	<u>(11,852,451)</u>	<u>-</u>	<u>(11,852,451)</u>	<u>-</u>
Business-type activities								
Garbage and rubbish	2,200,068	2,630,821	-	-	-	430,753	430,753	-
Water and Sewer	<u>16,570,054</u>	<u>18,758,431</u>	<u>-</u>	<u>12,214,731</u>	<u>-</u>	<u>14,403,108</u>	<u>14,403,108</u>	<u>-</u>
Total business-type activities	<u>18,770,122</u>	<u>21,389,252</u>	<u>-</u>	<u>12,214,731</u>	<u>-</u>	<u>14,833,861</u>	<u>14,833,861</u>	<u>-</u>
Total primary government	<u>\$ 50,367,721</u>	<u>\$ 34,063,671</u>	<u>\$ 7,070,729</u>	<u>\$ 12,214,731</u>	<u>(11,852,451)</u>	<u>14,833,861</u>	<u>2,981,410</u>	<u>-</u>
Component unit								
Downtown Development Authority	\$ 171,538	\$ 9,000	\$ 7,150	\$ -	-	-	-	(155,388)
General revenues								
Property taxes					16,830,992	-	16,830,992	143,808
Unrestricted state-shared revenue					4,830,751	-	4,830,751	-
Unrestricted investment earnings					1,389,462	295,760	1,685,222	9,115
Gain on sale of capital assets					37,046	1,508	38,554	-
Miscellaneous					125,920	305	126,225	-
Transfers					<u>(493,085)</u>	<u>493,085</u>	<u>-</u>	<u>-</u>
Total general revenues and transfers					<u>22,721,086</u>	<u>790,658</u>	<u>23,511,744</u>	<u>152,923</u>
Change in net position					<u>10,868,635</u>	<u>15,624,519</u>	<u>26,493,154</u>	<u>(2,465)</u>
Net position - beginning of year					(3,916,351)	77,223,074	73,306,723	227,789
Adjustments					<u>(985,206)</u>	<u>2,747,733</u>	<u>1,762,527</u>	<u>-</u>
Net position - beginning of year, as restated					<u>(4,901,557)</u>	<u>79,970,807</u>	<u>75,069,250</u>	<u>227,789</u>
Net position - end of year					<u>\$ 5,967,078</u>	<u>\$ 95,595,326</u>	<u>\$ 101,562,404</u>	<u>\$ 225,324</u>

See Accompanying Notes to the Financial Statements

City of Eastpointe
Governmental Funds
Balance Sheet
June 30, 2025

		Special Revenue Funds		Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
	General	Major Street	Local Street	Chapter 20 Drain Debt Fund		
Assets						
Cash and cash equivalents	\$ 1,540,469	\$ 1,212,591	\$ 1,889,922	\$ 325,946	\$ 2,275,695	\$ 7,244,623
Investments	11,911,090	3,972,598	2,740,891	-	1,057,807	19,682,386
Receivables						
Accounts	757,443	2,138	-	-	-	759,581
Taxes	79,998	-	-	-	-	79,998
Special assessments	-	-	-	-	168,239	168,239
Leases receivable	2,402,686	-	-	-	-	2,402,686
Due from other units of government	1,032,462	478,861	185,345	-	-	1,696,668
Due from other funds	4,700,000	-	-	-	-	4,700,000
Prepaid items	1,432	-	-	-	-	1,432
Assets held for sale	226,084	-	-	-	-	226,084
Advances to other funds	450,000	-	-	-	-	450,000
Restricted assets						
Cash and cash equivalents	-	-	-	-	164,492	164,492
Total assets	<u>\$ 23,101,664</u>	<u>\$ 5,666,188</u>	<u>\$ 4,816,158</u>	<u>\$ 325,946</u>	<u>\$ 3,666,233</u>	<u>\$ 37,576,189</u>
Liabilities						
Accounts payable	\$ 1,055,325	\$ 201,193	\$ 983,160	\$ 15,052	\$ 299,085	\$ 2,553,815
Contracts payable - retainage	8,230	1,000	75,001	-	-	84,231
Payroll and other liabilities	803,939	5,080	4,958	-	24,769	838,746
Unearned revenue	-	1,500,000	-	-	1,089,525	2,589,525
Total liabilities	<u>1,867,494</u>	<u>1,707,273</u>	<u>1,063,119</u>	<u>15,052</u>	<u>1,413,379</u>	<u>6,066,317</u>
Deferred inflows of resources						
Unavailable revenue - taxes	79,998	-	-	-	166,609	246,607
Unavailable revenue - receivables	1,012,179	-	-	-	-	1,012,179
Lease related	2,225,196	-	-	-	-	2,225,196
Total deferred inflows of resources	<u>3,317,373</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>166,609</u>	<u>3,483,982</u>
Fund balances						
Non-spendable						
Prepaid items	1,432	-	-	-	-	1,432
Long-term receivable	450,000	-	-	-	-	450,000
Restricted for						
Roads	-	3,958,915	3,753,039	-	-	7,711,954
Street lighting	-	-	-	-	145,947	145,947
Drug law enforcement	-	-	-	-	96,725	96,725
Library	-	-	-	-	1,296,404	1,296,404
Debt service	-	-	-	310,894	159,174	470,068
Capital projects	-	-	-	-	387,995	387,995
Health care	289,538	-	-	-	-	289,538
Committed						
Budget stabilization reserve	2,805,489	-	-	-	-	2,805,489
Operating reserve	1,234,415	-	-	-	-	1,234,415
Emergency reserve	280,549	-	-	-	-	280,549
Unfunded pension liability	4,738,773	-	-	-	-	4,738,773
Unfunded retiree OPEB liability	1,571,653	-	-	-	-	1,571,653
Police/court building reserve	2,000,000	-	-	-	-	2,000,000
Assigned for subsequent year's budget	100,021	-	-	-	-	100,021
Unassigned	4,444,927	-	-	-	-	4,444,927
Total fund balances	<u>17,916,797</u>	<u>3,958,915</u>	<u>3,753,039</u>	<u>310,894</u>	<u>2,086,245</u>	<u>28,025,890</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 23,101,664</u>	<u>\$ 5,666,188</u>	<u>\$ 4,816,158</u>	<u>\$ 325,946</u>	<u>\$ 3,666,233</u>	<u>\$ 37,576,189</u>

See Accompanying Notes to the Financial Statements

City of Eastpointe
Governmental Funds
Reconciliation of Fund Balances of Governmental Funds
to Net Position of Governmental Activities
June 30, 2025

Total fund balances for governmental funds	\$ 28,025,890
Total net position for governmental activities in the statement of net position is different because:	
Investment in joint venture - South East Regional Emergency Services Authority	955,698
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	
Capital assets not being depreciated	1,819,375
Capital assets, net of accumulated depreciation	35,037,673
Deposits with MMRMA	306,699
Net OPEB asset	743,068
Certain receivables are not available to pay for current period expenditures and therefore are deferred in the funds.	
	1,258,786
Deferred outflows (inflows) of resources.	
Deferred outflows of resources resulting from net pension liability	4,738,561
Deferred outflows of resources resulting from net OPEB liability	3,012,479
Deferred inflows of resources resulting from net pension liability	(215,973)
Deferred inflows of resources resulting from net OPEB liability	(15,595,149)
Long-term liabilities that are not due and payable in the current period, and therefore, are not reported in the funds.	
Accrued interest	(12,282)
Compensated absences	(1,514,930)
Claims and judgments	(994,946)
Bonds, notes, premiums and discounts	(2,006,689)
Lease liabilities	(613,916)
Net pension liability	(38,898,485)
Net OPEB liability	(10,044,378)
Internal service funds are included as part of governmental activities.	<u>(34,403)</u>
Net position of governmental activities	<u>\$ 5,967,078</u>

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

		Special Revenue Funds		Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
	General	Major Streets Fund	Local Streets Fund	Chapter 20 Drain Debt Fund		
Revenues						
Taxes	\$ 11,776,336	\$ -	\$ -	\$ 3,314,314	\$ 1,708,112	\$ 16,798,762
Licenses and permits	1,631,112	-	-	-	-	1,631,112
Federal grants	416,380	-	-	-	264,012	680,392
State grants	5,483,045	3,191,509	1,162,783	24,220	916,428	10,777,985
Local contributions	22,366	-	-	-	-	22,366
Charges for services	8,394,513	-	-	-	7,651	8,402,164
Fines and forfeitures	1,859,791	-	-	-	321,533	2,181,324
Rental income	243,250	-	-	-	-	243,250
Investment income	952,658	138,293	119,463	32,826	71,604	1,314,844
Other revenue	317,567	4,509	-	-	-	322,076
Total revenues	<u>31,097,018</u>	<u>3,334,311</u>	<u>1,282,246</u>	<u>3,371,360</u>	<u>3,289,340</u>	<u>42,374,275</u>
Expenditures						
Current						
General government	4,967,180	-	-	-	-	4,967,180
Judicial	1,721,668	-	-	-	880,938	2,602,606
Public safety	19,506,650	-	-	-	46,281	19,552,931
Public works	-	1,141,860	2,325,795	3,012,654	655,369	7,135,678
Community and economic development	639,987	-	-	-	264,012	903,999
Recreation and culture	973,736	-	-	-	956,140	1,929,876
Capital outlay	-	-	-	-	1,556	1,556
Debt service						
Principal retirement	444,820	-	-	-	44,961	489,781
Interest and fiscal charges	83,140	-	-	-	3,474	86,614
Total expenditures	<u>28,337,181</u>	<u>1,141,860</u>	<u>2,325,795</u>	<u>3,012,654</u>	<u>2,852,731</u>	<u>37,670,221</u>
Excess (deficiency) of revenues over expenditures	<u>2,759,837</u>	<u>2,192,451</u>	<u>(1,043,549)</u>	<u>358,706</u>	<u>436,609</u>	<u>4,704,054</u>
Other financing sources (uses)						
Transfers in	-	-	1,379,000	-	-	1,379,000
Transfers out	-	(1,379,000)	-	(493,085)	-	(1,872,085)
Insurance recoveries	24,273	-	-	-	-	24,273
Lease liabilities issued	223,952	-	-	-	-	223,952
Sale of capital assets	26,568	-	-	-	-	26,568
Total other financing sources (uses)	<u>274,793</u>	<u>(1,379,000)</u>	<u>1,379,000</u>	<u>(493,085)</u>	<u>-</u>	<u>(218,292)</u>
Net change in fund balances	3,034,630	813,451	335,451	(134,379)	436,609	4,485,762
Fund balances - beginning of year	<u>14,882,167</u>	<u>3,145,464</u>	<u>3,417,588</u>	<u>445,273</u>	<u>1,649,636</u>	<u>23,540,128</u>
Fund balances - end of year	<u>\$ 17,916,797</u>	<u>\$ 3,958,915</u>	<u>\$ 3,753,039</u>	<u>\$ 310,894</u>	<u>\$ 2,086,245</u>	<u>\$ 28,025,890</u>

See Accompanying Notes to the Financial Statements

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

Net change in fund balances - total governmental funds	\$ 4,485,762
Total change in net position reported for governmental activities in the statement of activities is different because:	
Change in investment in joint venture - South East Regional Emergency Services Authority	128,935
Change in deposits with MMRMA	74,618
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation and amortization expense.	
Depreciation and amortization expense	(3,072,795)
Capital outlay	2,766,141
Sale of capital assets (net book value)	(5,543)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.	473,380
Expenses are recorded when incurred in the statement of activities.	
Accrued interest	2,777
Compensated absences	189,983
Claims and judgments	(363,856)
The statement of net position reports the net pension liability and deferred outflows of resources and deferred inflows related to the net pension liability and pension expense. However, the amount recorded on the governmental funds equals actual pension contributions.	
Net change in the net pension liability	4,063,159
Net change in the deferred outflow of resources related to the net pension liability	(1,732,523)
Net change in the deferred inflow of resources related to the net pension liability	(90,463)
The statement of net position reports the net OPEB liability and asset and deferred outflows of resources and deferred inflows related to the net OPEB liability and asset and pension expense. However, the amount recorded on the governmental funds equals actual OPEB contributions.	
Net change in the net OPEB liability and asset	(685,850)
Net change in the deferred outflow of resources related to the net OPEB liability and asset	1,417,072
Net change in the deferred inflow of resources related to the net OPEB liability and asset	2,985,248
Long-term liabilities and related transactions applicable to governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities.	
Debt issued	(223,952)
Repayments of long-term debt	489,781
Internal service funds are also included as governmental activities	<u>(33,239)</u>
Change in net position of governmental activities	<u>\$ 10,868,635</u>

**City of Eastpointe
Proprietary Funds
Statement of Net Position
June 30, 2025**

	Enterprise Funds			Governmental Activities
	Water and Sewer Fund	Garbage and Rubbish Collection Fund	Total	Internal Service Funds
Assets				
Current assets				
Cash and cash equivalents	\$ 9,964	\$ 626,288	\$ 636,252	\$ 139,600
Investments	-	2,804,381	2,804,381	-
Receivables				
Accounts	9,449	3,544	12,993	-
Utility bills	7,228,467	916,572	8,145,039	-
Due from other units of government	8,041,672	-	8,041,672	-
Prepaid items	4,700	-	4,700	-
Total current assets	<u>15,294,252</u>	<u>4,350,785</u>	<u>19,645,037</u>	<u>139,600</u>
Noncurrent assets				
Restricted assets				
Cash and cash equivalents	22,913	-	22,913	-
Investment in joint ventures	10,135,962	261,171	10,397,133	-
Capital assets, net of accumulated depreciation	91,896,811	-	91,896,811	378,553
Net OPEB asset	98,362	-	98,362	-
Total noncurrent assets	<u>102,154,048</u>	<u>261,171</u>	<u>102,415,219</u>	<u>378,553</u>
Total assets	<u>117,448,300</u>	<u>4,611,956</u>	<u>122,060,256</u>	<u>518,153</u>
Deferred outflows of resources				
Pension related	515,266	-	515,266	2,046
OPEB related	80,418	-	80,418	-
Total deferred outflows of resources	<u>595,684</u>	<u>-</u>	<u>595,684</u>	<u>2,046</u>
Liabilities				
Current liabilities				
Accounts payable	3,633,564	60	3,633,624	73,777
Contracts payable - retainage	928,404	-	928,404	-
Due to other funds	4,700,000	-	4,700,000	-
Payroll and other liabilities	53,912	1,766	55,678	7,343
Interest payable	52,503	-	52,503	-
Current portion of long-term liabilities	902,075	-	902,075	-
Total current liabilities	<u>10,270,458</u>	<u>1,826</u>	<u>10,272,284</u>	<u>81,120</u>
Noncurrent liabilities				
Compensated absences	80,261	-	80,261	-
Due to joint venture	-	3,523,101	3,523,101	-
Long-term liabilities	8,282,612	-	8,282,612	1,461
Advances from other funds	-	-	-	450,000
Net pension liability	4,229,962	-	4,229,962	21,844
Net OPEB liability	251,078	-	251,078	-
Total noncurrent liabilities	<u>12,843,913</u>	<u>3,523,101</u>	<u>16,367,014</u>	<u>473,305</u>
Total liabilities	<u>23,114,371</u>	<u>3,524,927</u>	<u>26,639,298</u>	<u>554,425</u>
Deferred inflows of resources				
Pension related	23,488	-	23,488	177
OPEB related	397,828	-	397,828	-
Total deferred inflows of resources	<u>421,316</u>	<u>-</u>	<u>421,316</u>	<u>177</u>
Net position				
Net investment in capital assets	81,783,720	-	81,783,720	377,092
Restricted for				
Debt service	22,913	-	22,913	-
Net OPEB asset	98,362	-	98,362	-
Unrestricted (deficit)	<u>12,603,302</u>	<u>1,087,029</u>	<u>13,690,331</u>	<u>(411,495)</u>
Total net position	<u>\$ 94,508,297</u>	<u>\$ 1,087,029</u>	<u>\$ 95,595,326</u>	<u>\$ (34,403)</u>

See Accompanying Notes to the Financial Statements

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

	Enterprise Funds			Governmental Activities
	Water and Sewer Fund	Garbage and Rubbish Collection Fund	Total	Internal Service Funds
Operating revenue				
Customer fees	\$ 12,677,288	\$ 2,617,101	\$ 15,294,389	\$ -
Charges for services	6,081,143	13,720	6,094,863	690,572
Other revenue	305	-	305	-
Total operating revenue	18,758,736	2,630,821	21,389,557	690,572
Operating expenses				
Personnel services	3,438,284	36,657	3,474,941	377,372
Supplies	152,230	-	152,230	100,533
Contractual services	9,130,175	2,161,500	11,291,675	72,905
Utilities	722,697	-	722,697	24,137
Repairs and maintenance	870,160	-	870,160	19,560
Other expenses	307,180	4,368	311,548	19,248
Depreciation	3,329,989	-	3,329,989	99,253
Total operating expenses	17,950,715	2,202,525	20,153,240	713,008
Operating income (loss)	808,021	428,296	1,236,317	(22,436)
Nonoperating revenue (expenses)				
Federal grants	12,214,731	-	12,214,731	-
Investment income	157,413	138,347	295,760	-
Change in joint ventures	1,588,007	2,457	1,590,464	-
Gain on sale of capital assets	1,508	-	1,508	-
Loss on disposal of capital assets	-	-	-	(8,252)
Interest expense	(207,346)	-	(207,346)	(2,551)
Total nonoperating revenues (expenses)	13,754,313	140,804	13,895,117	(10,803)
Income (loss) transfers	14,562,334	569,100	15,131,434	(33,239)
Transfers in	493,085	-	493,085	-
Change in net position	15,055,419	569,100	15,624,519	(33,239)
Net position - beginning of year	76,705,145	517,929	77,223,074	(1,164)
Adjustments	2,747,733	-	2,747,733	-
Net position - beginning of year (restated)	79,452,878	517,929	79,970,807	(1,164)
Net position - end of year	\$ 94,508,297	\$ 1,087,029	\$ 95,595,326	\$ (34,403)

See Accompanying Notes to the Financial Statements

City of Eastpointe
Proprietary Funds
Statement of Cash Flows
For the Year Ended June 30, 2025

	Water and Sewer Fund	Garbage and Rubbish Collection Fund	Total	Internal Service Funds
Cash flows from operating activities				
Receipts from customers	\$ 12,769,034	\$ 2,562,767	\$ 15,331,801	\$ -
Receipts from interfund users	-	-	-	690,840
Receipts from other funds	4,700,000	-	4,700,000	-
Payments to suppliers	(8,688,281)	(2,212,369)	(10,900,650)	(201,164)
Payments to employees	<u>(3,377,703)</u>	<u>(36,657)</u>	<u>(3,414,360)</u>	<u>(377,372)</u>
Net cash provided (used) by operating activities	<u>5,403,050</u>	<u>313,741</u>	<u>5,716,791</u>	<u>112,304</u>
Cash flows from noncapital financing activities				
Transfer from other funds	<u>493,085</u>	<u>-</u>	<u>493,085</u>	<u>-</u>
Cash flows from capital and related financing activities				
Federal grants	12,214,731	-	12,214,731	-
Receipt (payments) of advances from other funds	-	-	-	(91,252)
Purchases/construction of capital assets	(20,665,768)	-	(20,665,768)	(74,241)
Principal and interest paid on long-term debt	(1,093,825)	-	(1,093,825)	(7,438)
Proceeds from sale of capital assets	<u>1,508</u>	<u>-</u>	<u>1,508</u>	<u>130,523</u>
Net cash provided (used) by capital and related financing activities	<u>(9,543,354)</u>	<u>-</u>	<u>(9,543,354)</u>	<u>(42,408)</u>
Cash flows from investing activities				
Proceeds from sales and maturities of investments	2,926,641	(384,420)	2,542,221	-
Interest received	<u>157,413</u>	<u>138,347</u>	<u>295,760</u>	<u>-</u>
Net cash provided (used) by investing activities	<u>3,084,054</u>	<u>(246,073)</u>	<u>2,837,981</u>	<u>-</u>
Net change in cash and cash equivalents	(563,165)	67,668	(495,497)	69,896
Cash and cash equivalents - beginning of year	<u>596,042</u>	<u>558,620</u>	<u>1,154,662</u>	<u>69,704</u>
Cash and cash equivalents - end of year	<u>\$ 32,877</u>	<u>\$ 626,288</u>	<u>\$ 659,165</u>	<u>\$ 139,600</u>
Reconciliation to statement of net position				
Cash and cash equivalents	\$ 9,964	\$ 626,288	\$ 636,252	\$ 139,600
Restricted cash and cash equivalents	<u>22,913</u>	<u>-</u>	<u>22,913</u>	<u>-</u>
Cash and cash equivalents - end of year	<u>\$ 32,877</u>	<u>\$ 626,288</u>	<u>\$ 659,165</u>	<u>\$ 139,600</u>

See Accompanying Notes to the Financial Statements

City of Eastpointe
Proprietary Funds
Statement of Cash Flows
For the Year Ended June 30, 2025

	Water and Sewer Fund	Garbage and Rubbish Collection Fund	Total	Internal Service Funds
Reconciliation of operating income (loss) to net cash provided (used) by operating activities				
Operating income (loss)	\$ 808,021	\$ 428,296	\$ 1,236,317	\$ (22,436)
Adjustments to reconcile operating income to net cash from operating activities				
Depreciation and amortization expense	3,329,989	-	3,329,989	99,253
Changes in assets and liabilities				
Receivables (net)	(696,167)	(68,054)	(764,221)	-
Due from other units of government	(5,293,535)	-	(5,293,535)	-
Inventories	-	-	-	268
Net OPEB asset	(9,415)	-	(9,415)	-
Pension related deferred outflows of resources	(138,229)	-	(138,229)	-
OPEB related deferred outflows of resources	(36,372)	-	(36,372)	-
Vouchers payable	-	-	-	1,596
Accounts payable	317,235	60	317,295	-
Accrued and other liabilities	648,808	1,020	649,828	-
Due to other funds	4,700,000	-	4,700,000	30,989
Due to other units of government	-	-	-	4,866
Compensated absences	60,581	-	60,581	-
Due to joint venture	-	(47,581)	(47,581)	-
Net pension liability	1,726,836	-	1,726,836	-
Net OPEB liability	26,949	-	26,949	-
Lease related deferred inflows of resources	-	-	-	(2,339)
Pension related deferred inflows of resources	16,175	-	16,175	107
OPEB related deferred inflows of resources	(57,826)	-	(57,826)	-
Net cash provided (used) by operating activities	<u>\$ 5,403,050</u>	<u>\$ 313,741</u>	<u>\$ 5,716,791</u>	<u>\$ 112,304</u>

See Accompanying Notes to the Financial Statements

City of Eastpointe
Fiduciary Funds
Statement of Fiduciary Net Position
June 30, 2025

	Other Employee Benefit Trust Funds	Custodial Funds
Assets		
Cash and cash equivalents	\$ 417,435	\$ 59,488
Investments		
Interest in pooled investments	9,887,172	-
Mutual funds	1,171,704	-
Fixed income	311,255	-
Receivables		
Due from other units of government	<u>600</u>	<u>537</u>
Total assets	<u>11,788,166</u>	<u>60,025</u>
Liabilities		
Accrued and other liabilities	1,606	-
Due to other units of government	<u>-</u>	<u>56,172</u>
Total liabilities	<u>1,606</u>	<u>56,172</u>
Net position		
Restricted for:		
Postemployment benefits other than pension	11,786,560	-
Individuals, organizations and other governments	<u>-</u>	<u>3,853</u>
Total net position	<u>\$ 11,786,560</u>	<u>\$ 3,853</u>

See Accompanying Notes to the Financial Statements

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

	Other Employee Benefit Trust Funds	Custodial Funds
Additions		
Contributions		
Employer	\$ 1,654,905	\$ -
Investment earnings		
Interest, dividends and other	1,030,538	2
Property tax collections for other governments	-	45,022,108
Court fines and fees	-	684,233
Miscellaneous	-	748
Total additions	2,685,443	45,707,091
Deductions		
Benefits paid to participants or beneficiaries	2,157,066	-
Administrative expense	3,500	-
Payments of property tax to other governments	-	45,022,108
Court distributions	-	684,233
Miscellaneous expense	-	427
Total deductions	2,160,566	45,706,768
Change in net position	524,877	323
Net position - beginning of year	11,261,683	3,530
Net position - end of year	\$ 11,786,560	\$ 3,853

See Accompanying Notes to the Financial Statements

City of Eastpointe
Notes to the Financial Statements
June 30, 2025

Note 1 - Summary of Significant Accounting Policies

Reporting Entity

The City of Eastpointe (the City) operates with the council-manager form of government. It is governed by a City Council consisting of a mayor and four council members who are elected at large to overlapping four-year terms. In accordance with the provisions of the City Charter, the City Council appoints, among others, the city manager, who reports directly to the City Council. The city manager is responsible for the administration of the affairs of the City, except those affairs that are the responsibility of other appointed officials. The finance director is appointed by the city manager and is responsible for the administration of the financial affairs of the City, including keeping the supervision of accounts, collection of taxes, and the custody and disbursement of city funds.

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

Blended Component Unit

The City of Eastpointe Building Authority (the "Building Authority"), an entity legally separate from the City, is governed by a three-member board appointed by the City Council. 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. The operations of the Building Authority are reported as a nonmajor capital projects fund.

Discretely Presented Component Units

The City of Eastpointe 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 nine individuals, is selected by the city manager and approved by the City Council. In addition, the Authority's budget is subject to approval by the City Council. The component unit does not issue separate financial statements. However, the City's basic financial statements include the statement of net position and the activities of the component unit. The fund-based statements are the same as the government-wide level because there are no differences resulting from the different bases of accounting. Therefore, fund-based statements are not presented.

The City of Eastpointe Economic Development Corporation (the "EDC") was created to provide means and methods for the encouragement and assistance of industrial and commercial enterprises in relocating, purchasing, constructing, improving, or expanding within the City so as to provide needed services and facilities of such enterprises to the residents of the City. The EDC's governing body, which consists of nine individuals, is selected by the city manager and approved by the City Council. In addition, the EDC's budget is subject to approval by the City Council. The component unit does not issue separate financial statements. There was no financial activity for the year ended June 30, 2025.

The City has excluded the Housing Commission from this report since the City does not have the ability to impose its will.

Fiduciary Component Units

Retiree Health Care Fund – The fiduciary fund is used to account for the assets held by the City in a trustee capacity. This fund includes the MERS Retiree Health Funding Vehicle (the "OPEB Trust"). The OPEB Trust is

City of Eastpointe
Notes to the Financial Statements
June 30, 2025

reported within the basic financial statements, even though its resources cannot be used to fund the City's operations because of the fiduciary responsibility that the City retains relative to the operations of the retiree health care plan.

Employee's Death Benefit Fund – The fiduciary fund is used to account for the assets held by the City in a trustee capacity. This fund includes assets to provide death benefits for those employees who participate in the plan (the "Death Benefit Trust"). The Death Benefit Trust is reported within the basic financial statements, even though its resources cannot be used to fund the City's operations because of the fiduciary responsibility that the City retains relative to the operations of the death benefit plan.

The City is party to the following jointly governed organizations:

The City is a member of the Southeast Macomb Sanitary District, which provides sewage to participating municipalities in Macomb County, Michigan. Other members include the cities of Roseville and St. Clair Shores, Michigan. The City appoints one member to the joint venture's governing board, which then approves the annual budgets. The City's equity interest of \$10,135,962 is recorded in the Water and Sewer Fund financial statements and within the business-type activities column in the statement of net position.

Complete financial statements for the Southeast Macomb Sanitary District can be obtained from the administrative offices at 20001 Pleasant Avenue, P.O. Box 286, St. Clair Shores, MI 48080. The City is not aware of any circumstances that would cause additional benefit or burden to the participating governments in the near future.

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 Center Line, Roseville, St. Clair Shores, 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 interest in the Disposal Authority's operating reserve of \$261,171 is recorded in the Garbage and Rubbish Collection Fund and within the business-type activities column on the statement of net position. The City has also recorded a payable due to the Disposal Authority in the amount of \$3,523,101, which represents the estimated portion of future post-closure care costs that the City is obligated to pay in connection with certain closed landfills owned by the Disposal Authority.

Complete financial statements for the South Macomb Disposal Authority can be obtained from the administrative offices at 20001 Pleasant Avenue, Box 286, 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.

The City is a member of the South East Regional Emergency Services Authority (SERESA), which provides dispatching services of emergency police, fire, and medical services throughout member communities. Other members include the cities of Roseville and St. Clair Shores, Michigan. The City appoints one member to the joint venture's governing board, which then approves the annual budgets. The City's equity interest in SERESA of \$955,698 is recorded within the governmental activities column on the statement of net position.

Complete financial statements for the South East Regional Emergency Services Authority can be obtained from the 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 Recreational 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 Roseville, Michigan. The City appoints two members to the joint venture's governing board, which then

City of Eastpointe
Notes to the Financial Statements
June 30, 2025

approves the annual budgets. In addition, the board selects one additional representative from either participating community for a two-year term position. The City does not record an equity interest in RARE since, upon withdrawal, the member is not entitled to the return of any credit for property or money that was transferred to or paid to RARE.

Complete financial statements for RARE can be obtained from the administrative offices at 18185 Sycamore Street, 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 department member of the South Macomb Oakland Regional Services Authority (SMORSA), which is a joint collaborative public financing organization founded under Public Act 57 of 1988 to provide emergency services. The other department member is the City of Hazel Park, Michigan. The primary role of the authority is to contract back to the respective department cities fire and rescue services that are provided by existing city management and adopted City Council budgets and policies. The funding for the authority is based upon a 14-mill tax levy that will be assessed for 20 years, expiring in 2034. The City has no measurable equity interested in the joint venture.

Complete financial statements for the South Macomb Oakland Regional Services Authority can be obtained from the administrative offices at 23200 Gratiot Avenue, Eastpointe, MI 48021. The City is not aware of any circumstances that would cause an additional benefit or burden to the participating governments in the near future.

Government-wide and Fund Financial Statements

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

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or

City of Eastpointe
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soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

The City reports the following major governmental funds:

General Fund – The General Fund is the City’s primary operating fund. It accounts for all financial resources used to provide general government services, other than those specifically assigned to another fund.

Major Street Fund – The Major Street Fund accounts for the maintenance and improvement activities for streets designated as “major” within the City. Funding is primarily through state-shared gas and weight taxes.

Local Street Fund – The Local Street Fund accounts for maintenance and improvement activities for streets designated as “local” within the City. Funding is primarily through state-shared gas and weight taxes.

Chapter 20 Drain Debt Fund – The Chapter 20 Drain Debt Fund accounts for the revenue accumulated to pay principal and interest on outstanding debt associated with various drain improvements.

The City reports the following major proprietary funds:

Water and Sewer Fund – The Water and Sewer Fund accounts for the activities of the water distribution system and sewage and storm water collection system. Funding is provided primarily through user charges.

Garbage and Rubbish Collection Fund – The Garbage and Rubbish Collection Fund accounts for waste collection services provided to residents. Funding is provided primarily through user charges.

Additionally, the City reports the following:

Street Lighting SAD Fund – This fund accounts for the revenue accumulated for the purpose of providing street lights.

Indigent Defense Fund – This fund accounts for the government-mandated nonexchange transactions for the purpose of ensuring the state’s public defense system is fair, cost-effective, and constitutional while simultaneously protecting public safety and accountability.

Drug Law Enforcement Fund – This fund accounts for the resources from seized moneys and the proceeds from the sale of forfeited property.

Federal Forfeitures Fund – This fund accounts for the proceeds received through the federal asset forfeiture program, which allows law enforcement agencies to seize property connected to criminal activity.

Library Fund – This fund accounts for the resources collected from a special tax levy for the specific purpose of providing a public library.

City of Eastpointe
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Community Development Block Grant Fund – This fund accounts for federal grant funds received from the U.S. Department of Housing and Urban Development, as a flow-through from Macomb County, Michigan, for the purpose of developing a viable urban community by providing economic improvements principally for persons of low and moderate income.

Capital Improvement Fund – This fund accounts for resources used for the purpose of obtaining and replacing capital assets other than those related to special assessments, construction, roads, and enterprise projects.

District Court Building Fund – This fund accounts for the proceeds from ticket fees and all other resources used for the specific purpose of the construction activity.

Brownfield Capital Project Fund – This fund accounts for the advance funding from the State of Michigan for a specific environmental improvement project and the capture of taxes to repay the advance.

Employees' Death Benefit and Retiree Health Care Funds – These funds account for the activities of the employee benefit plans, which accumulate resources for pension and other postemployment benefit payments to qualified employees.

Tax Collection, Private Contributions, District Court, and Memorial Library Trust Funds – These funds account for assets held by the City in a trustee capacity or as an agent for individuals, organizations, or other governments.

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

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

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the sewer and water fund and garbage and rubbish collection fund are charges to customers for sales and services. The City also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for the sewer and water fund and garbage and rubbish collection fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Assets, Liabilities, and Net Position or Fund Balance

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

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

All trade and property tax receivables are shown as net of allowance for uncollectible amounts.

Property taxes are assessed as of December 31. The related property taxes are billed and become a lien on July 1 of the following year. These taxes are due without penalty during the period from July 1 through September 1, with the final collection date of February 28, before they are added to the county tax rolls and penalties and interest are assessed.

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

The 2024 taxable valuation of the City totaled \$665 million (a portion of which is abated and a portion of which is captured by the DDA), on which taxes levied consisted of 17.0930 mills for operating purposes, 1.7311 mills for library purposes, and 5.00 mills for debt service. This resulted in \$11.4 million for operating, \$1.1 million for library services, and \$3.3 million for debt service. These amounts are recognized in the respective General Fund, special revenue fund, and debt service fund financial statements as tax revenue.

Prepaid items – 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.

Restricted assets – The City's governmental activities have \$164,492 of funds held in the Brownfield Capital Project Fund to be used for a specific environmental improvement project that have been classified as restricted assets. The City's business-type activities have \$22,913 in funds on deposit with Macomb County Drain Commission on behalf of the City for the use in the Lake St. Clair Clean Water Initiative, including related debt service, that have been classified as restricted assets.

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

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

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

Infrastructure	25 years
Water and sewer distribution systems	40 years
Building and building improvements	20 years
Machinery and equipment	5 to 7 years

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Notes to the Financial Statements
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Deferred outflows of resources – A deferred outflow of resources represents a consumption of net assets by the City that applies to future periods. The City may report deferred outflows of resources as a result of the following:

- Pension and OPEB earnings which are the result of a difference between what the plan expected to earn from plan investments and what is actually earned. This amount will be amortized over the next four years and included in pension and OPEB expense.
- Changes in assumptions and experience differences relating to the net pension and net OPEB liability (asset) are deferred and amortized over the expected remaining service lives of the employees and retirees in the plan.
- Pension and OPEB contributions made after the measurement date. This amount will reduce the net pension liability and net OPEB liability (asset) in the following year.
- Deferred amounts on bond refundings represent the difference between the reacquisition price and the net carrying amount of the prior debt. This amount is amortized over the life of the related debt.

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

Long-term obligations – In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Pensions – For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position the Municipal Employees Retirement System (MERS) of Michigan and additions to/deductions from MERS' fiduciary net position have been determined on the same basis as they are reported to MERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

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Notes to the Financial Statements
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Deferred inflows of resources – A deferred inflow of resources represents an acquisition of net assets by the City that applies to future periods. The City may report deferred inflows of resources as a result of the following:

- Unavailable revenue in connection with receivables for revenues that are not considered available to liquidate liabilities of the current period.
- Lease revenue related to leases receivable which is being amortized to recognize lease revenue in a systematic and rational manner over the term of the lease.
- Pension and OPEB earnings which are the result of a difference between what the plan expected to earn from plan investments and what is actually earned. This amount will be amortized over the next four years and included in pension and OPEB expense.
- Changes in assumptions and experience differences relating to the net pension and net OPEB liability (asset) are deferred and amortized over the expected remaining service lives of the employees and retirees in the plan.
- Deferred amounts on bond refundings represent the difference between the reacquisition price and the net carrying amount of the prior debt. This amount is amortized over the life of the related debt.

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

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

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

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

Leases – The City is a lessee for noncancelable leases. The City recognizes a lease liability and an intangible right-of-use lease asset (lease asset). The City recognizes lease assets and liabilities with an initial value of \$5,000 or more. The City is a lessor for noncancelable leases of certain land and cellular towers. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and fund financial statements.

City of Eastpointe
Notes to the Financial Statements
June 30, 2025

Use of Estimates

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

Adoption of New Accounting Standards

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

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

Upcoming Accounting and Reporting Changes

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

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

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

City of Eastpointe
Notes to the Financial Statements
June 30, 2025

Note 2 - Stewardship, Compliance, and Accountability

Construction Code Fees

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

Cumulative shortfall at July 1, 2024	\$ (6,259,870)
Building permit revenue	667,541
Estimated indirect costs	<u>410,974</u>
Current year shortfall	<u>256,567</u>
Cumulative shortfall at June 30, 2025	<u><u>\$ (6,003,303)</u></u>

Fund Deficit

The City has an accumulated net position deficit in the Motor Pool Fund in the amount of \$34,403 as of June 30, 2025. A deficit elimination plan is not required to be submitted to the Michigan Department of Treasury as current assets exceed current liabilities.

Note 3 - Deposits and Investments

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

	Cash and Cash Equivalents	Investments	Restricted Cash and Cash Equivalents	Total
Governmental activities	\$ 7,384,223	\$ 19,682,386	\$ 164,492	\$ 27,231,101
Business-type activities	<u>636,252</u>	<u>2,804,381</u>	<u>22,913</u>	<u>3,463,546</u>
Total	8,020,475	22,486,767	187,405	30,694,647
Fiduciary funds	476,923	11,370,131	-	11,847,054
Component unit	<u>31,441</u>	<u>209,623</u>	<u>-</u>	<u>241,064</u>
Total	<u><u>\$ 8,528,839</u></u>	<u><u>\$ 34,066,521</u></u>	<u><u>\$ 187,405</u></u>	<u><u>\$ 42,782,765</u></u>

City of Eastpointe
Notes to the Financial Statements
June 30, 2025

The breakdown between deposits and investments is as follows:

	Primary Government	Fiduciary Funds	Component Unit	Total
Bank deposits (checking and savings accounts, money markets and certificates of deposit)	\$ 8,527,968	\$ 140,988	\$ 31,441	\$ 8,700,397
Investments in securities, mutual funds and similar vehicles	22,150,829	11,706,066	209,623	34,066,518
Petty cash and cash on hand	15,850	-	-	15,850
	<u>\$ 30,694,647</u>	<u>\$ 11,847,054</u>	<u>\$ 241,064</u>	<u>\$ 42,782,765</u>

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

Investment Type	Carrying Value	Rating	Rating Organization
Primary government and component unit			
Investment pool	\$ 15,059,279	AAA	S&P
U.S. Treasury securities	619,011	AA+	S&P
U.S. government agency securities	5,642,961	AA+	S&P
Municipal bonds	444,315	AA+	S&P
Municipal bonds	832,539	AA	S&P
Municipal bonds	98,283	AA-	S&P
Total	<u>\$ 22,696,388</u>		
Fiduciary funds			
Mutual fund - Fixed income	\$ 1,482,958	Not rated	N/A
Interest in pooled investments*	9,887,172	N/A	S&P
Total	<u>\$ 11,370,130</u>		

*The ratings in the interest in pooled investments cannot be determined at year end.

Interest rate risk – 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.

City of Eastpointe
Notes to the Financial Statements
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Investment Type	Carrying Value	Weighted-average Maturity (Years)
Primary government		
U.S. Treasury securities	\$ 619,011	3.18
U.S. government agency securities	5,642,961	0.85
Municipal bonds	1,375,138	1.32
Total	<u>\$ 7,637,110</u>	
Fiduciary funds		
Mutual fund -fixed income	\$ 1,482,958	1.20
Interest in pooled investments*	9,887,172	
Total	<u>\$ 11,370,130</u>	

*The maturities of the interest in pooled investment cannot be determined at year end.

Credit risk – 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' Death Benefit and Retiree Health Care funds 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.

Concentration of credit risk – The City has no policy that would limit the amount that may be issued in any one issuer.

Custodial credit risk - deposits – In the case of deposits, this is the risk that in the event of bank failure, the City's deposits may not be returned to it. The City does not have a policy for custodial credit risk. As of year end, \$8,848,584 was exposed to custodial credit risk because it was 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. The City held deposits in one financial institution as of June 30, 2025.

Note 4 - Fair Value Measurements

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. Investments that are measured

City of Eastpointe
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at fair value using the net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy.

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

<u>Assets Measured at Fair Value on a Recurring Basis at June 30, 2025</u>				
Investment Type	Quoted Prices in			Balance at June 30, 2025
	Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
U.S. Treasury securities	\$ 619,011	\$ -	\$ -	\$ 619,011
U.S. agency securities	5,642,961	-	-	5,642,961
Municipal bonds	-	1,375,138	-	1,375,138
Total debt securities	<u>6,261,972</u>	<u>1,375,138</u>	<u>-</u>	<u>7,637,110</u>
Equity securities:				
Mutual funds - fixed income	-	310,352	-	310,352
Other equities	<u>1,172,606</u>	<u>-</u>	<u>-</u>	<u>1,172,606</u>
Total equity securities	<u>1,172,606</u>	<u>310,352</u>	<u>-</u>	<u>1,482,958</u>
Total investments by fair value level	<u>\$ 7,434,578</u>	<u>\$ 1,685,490</u>	<u>\$ -</u>	<u>\$ 9,120,068</u>

Investments carried at net asset value

General Investments - Michigan CLASS Investment Pool	15,059,278
Retiree Health Care Fund - MERS Total Market Portfolio	<u>9,887,172</u>
Total investments	<u>\$ 34,066,518</u>

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

The fair value of municipal bonds and fixed-income mutual funds at June 30, 2025, was determined primarily based on Level 2 inputs. The City estimates the fair value of these investments using matrix pricing models.

Investments in Entities that Calculate Net Asset Value per Share

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

At year end, the net asset value of the City's investment in Michigan CLASS was \$15,059,278. The investment pool had no unfunded commitments, specific redemption frequency or redemption notice period required. The Michigan CLASS investment pool invests in U.S. treasury obligations, federal agency obligations of the U.S. government, high-grade commercial paper (rated 'A-1' or better) collateralized bank deposits, repurchase agreements (collateralized at 102% by Treasuries and agencies), and approved money-market funds. The program seeks to provide safety, liquidity, convenience, and competitive rates of return, and is designed to meet the needs of Michigan public sector investors. It purchases securities that are legally permissible under state statutes and are available for investment by Michigan counties, cities, townships, school districts, authorities and other public agencies. It has a rating of AAA from Standard and Poor's with a weighted average maturity of 54 days.

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Notes to the Financial Statements
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At year end, the net asset value of the City's investment in the MERS Retiree Health Funding Vehicle Total Market Fund ("the Fund") was \$9,887,172. The Fund is a fully diversified portfolio combining traditional stocks and bonds with alternative asset classes, including real estate, private equity and commodities and is carried at net asset value. The objective is to provide current income and capital appreciation while minimizing the volatility of the capital markets. MERS manages the asset allocation and monitors the underlying investment managers. There is no redemption period and no unfunded commitments.

City of Eastpointe
Notes to the Financial Statements
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Note 5 - Capital Assets

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets not being depreciated				
Land	\$ 1,433,223	\$ -	\$ -	\$ 1,433,223
Construction-in-progress	924,930	356,777	895,555	386,152
Total capital assets not being depreciated	2,358,153	356,777	895,555	1,819,375
Capital assets being depreciated				
Infrastructure	58,309,295	2,504,520	-	60,813,815
Buildings, additions and improvements	17,656,721	72,098	-	17,728,819
Machinery and equipment	8,713,692	578,590	1,039,097	8,253,185
Right to use asset - vehicles	962,042	223,952	223,876	962,118
Total capital assets being depreciated	85,641,750	3,379,160	1,262,973	87,757,937
Less accumulated depreciation for				
Infrastructure	30,154,827	1,867,890	-	32,022,717
Buildings, additions and improvements	13,543,723	529,645	-	14,073,368
Machinery and equipment	6,211,973	555,171	895,397	5,871,747
Right to use asset - vehicles	378,413	219,342	223,876	373,879
Total accumulated depreciation	50,288,936	3,172,048	1,119,273	52,341,711
Net capital assets being depreciated	35,352,814	207,112	143,700	35,416,226
Governmental activities net capital assets	<u>\$ 37,710,967</u>	<u>\$ 563,889</u>	<u>\$ 1,039,255</u>	<u>\$ 37,235,601</u>
Business-type activities				
Capital assets being depreciated				
Infrastructure	\$ 112,289,243	\$ 20,422,746	\$ -	\$ 132,711,989
Buildings, additions and improvements	1,231,414	-	-	1,231,414
Machinery and equipment	850,920	243,022	-	1,093,942
Total capital assets being depreciated	114,371,577	20,665,768	-	135,037,345
Less accumulated depreciation for				
Infrastructure	38,631,474	3,160,372	-	41,791,846
Buildings, additions and improvements	781,443	46,004	-	827,447
Machinery and equipment	397,628	123,613	-	521,241
Total accumulated depreciation	39,810,545	3,329,989	-	43,140,534
Net capital assets being depreciated	74,561,032	17,335,779	-	91,896,811
Business-type capital assets, net	<u>\$ 74,561,032</u>	<u>\$ 17,335,779</u>	<u>\$ -</u>	<u>\$ 91,896,811</u>

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

Governmental activities

General government	\$ 1,856,152
Public safety	460,060
Public works	107,567
Judicial	43,378
Recreation and culture	605,638
Capital assets held by the government's internal service fund is charged to the various functions based on their usage of the assets	<u>99,253</u>
Total governmental activities	3,172,048

Business-type activities

Water and Sewer Fund	<u>3,329,989</u>
Total primary government	<u>\$ 6,502,037</u>

The City had the following construction commitments at year end:

	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Building improvements	\$ 196,370	\$ 3,079,399
Pavement reconstruction	1,755,083	4,285,031
Water main replacement	23,597,122	3,288,651
Sewer rehabilitation	<u>1,465,197</u>	<u>804,460</u>
Total	<u>\$ 27,013,772</u>	<u>\$ 11,457,541</u>

Note 6 - Interfund Receivables, Payables, and Transfers

Advances at year end are as follows:

Advances due to/from other funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Internal service fund	<u>\$ 450,000</u>

City of Eastpointe
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The details for interfund transfers are as follows:

	Transfers Out		
	Major Street Fund	Chapter 20 Drain Debt	Total
Transfers In			
Local Street Fund	\$ 1,379,000	\$ -	\$ 1,379,000
Water and Sewer Fund	-	493,085	493,085
	<u>\$ 1,379,000</u>	<u>\$ 493,085</u>	<u>\$ 1,872,085</u>

Transfers provided funding for capital projects and debt service payments.

Note 7 - Long-Term Debt

The City issues bonds to provide for the acquisition and construction of major capital facilities. General obligation bonds pledge the full faith and credit of the City. County contractual agreements and installment purchase agreements are also general obligations of the government. Other long-term obligations include lease liabilities, compensated absences, and certain risk liabilities. Compensated absences additions and reductions are reported net.

Long-term obligation activity is summarized as follows:

	Amount of Issue	Maturity Date	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance, As Restated	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities									
Bonds and notes payable									
General obligation bonds									
General obligation bonds 2016	\$ 3,380,000	2032	2.776%	\$240,000 - \$280,000	\$ 2,055,000	\$ -	\$ 235,000	\$ 1,820,000	\$ 240,000
MDEQ Brownfield Development	625,000	2029	1.500%	\$45,635 - \$47,721	231,650	-	44,961	186,689	45,635
Total bonds and notes payable					2,286,650	-	279,961	2,006,689	285,635
Leases					605,514	223,952	214,089	615,377	190,416
Claims and judgments					631,090	557,783	193,927	994,946	-
Compensated absences					1,704,913	-	189,983	1,514,930	102,550
Total governmental activities					<u>\$ 5,228,167</u>	<u>\$ 781,735</u>	<u>\$ 877,960</u>	<u>\$ 5,131,942</u>	<u>\$ 578,601</u>

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	Amount of Issue	Maturity Date	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance, As Restated	Additions	Reductions	Ending Balance	Due Within One Year
Business-type activities									
Direct borrowings and direct placements									
City obligations									
2013 Clean Water Revolving Fund 5371-01	\$ 4,020,000	2033	2.500%	\$210,000 - \$243,745	\$ 2,023,745	\$ -	\$ 205,000	\$ 1,818,745	\$ 210,000
2022 Clean Water Revolving Fund	5,970,000	2043	1.875%	\$260,000 - \$5,740,000	<u>4,807,613</u>	-	<u>255,000</u>	<u>4,552,613</u>	<u>260,000</u>
Total general obligation bonds					<u>6,831,358</u>	-	<u>460,000</u>	<u>6,371,358</u>	<u>470,000</u>
County drain contract obligations - Special assessment bonds									
8 1/2 Mile Relief Drain 5306-01	2,186,970	2030	2.500%	\$124,970 - \$135,654	774,084	-	122,251	651,833	124,970
8 1/2 Mile Relief Drain 5393-01	677,325	2031	2.500%	\$38,034 - \$238,257	273,575	-	35,318	238,257	38,034
8 1/2 Mile Relief Drain 5460-01	227,384	2031	2.500%	\$13,581 - \$13,584	95,085	-	13,584	81,501	13,584
8 1/2 Mile Relief Drain 5579-01	241,789	2035	2.500%	\$3,769 - \$15,414	134,951	-	10,866	124,085	10,867
SEMCWDDS 5605-01	1,708,825	2037	2.500%	\$51,585 - \$67,058	<u>761,739</u>	-	<u>49,866</u>	<u>711,873</u>	<u>51,585</u>
Total special assessment obligations					<u>2,039,434</u>	-	<u>231,885</u>	<u>1,807,549</u>	<u>239,040</u>
State revolving loan funds - Special assessments									
2020 Drain Refunding Series 2004 A&B	429,919	2030	0.375% - 1.810%	\$65,561 - \$69,516	402,622	-	65,075	337,547	66,699
2019 Drain Refunding Series 2001A	808,446	2030	1.760% - 2.589%	\$80,776 - \$89,858	507,212	-	79,995	427,217	80,776
2019 Drain Refunding Series 2002A-2010	459,049	2030	1.760% - 2.589%	\$45,560 - \$50,785	<u>285,748</u>	-	<u>44,732</u>	<u>241,016</u>	<u>45,560</u>
Total installment purchase agreements					<u>1,195,582</u>	-	<u>189,802</u>	<u>1,005,780</u>	<u>193,035</u>
Total bonds and notes payable					10,066,374	-	881,687	9,184,687	902,075
Compensated absences					<u>69,491</u>	<u>10,770</u>	-	<u>80,261</u>	-
Total business-type activities					<u>\$ 10,135,865</u>	<u>\$ 10,770</u>	<u>\$ 881,687</u>	<u>\$ 9,264,948</u>	<u>\$ 902,075</u>

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

Year Ending June 30,	Governmental Activities				Year Ending June 30,	Business-type Activities			
	Notes from Direct Borrowings and Direct Placements					Notes from Direct Borrowings and Direct Placements			
	Bonds		Placements			Bonds		Placements	
	Principal	Interest	Principal	Interest		Principal	Interest	Principal	Interest
2026	\$ 240,000	\$ 25,260	\$ 45,635	\$ 1,400	2026	\$ 712,012	\$ 53,320	\$ 470,000	\$ -
2027	245,000	21,929	46,320	1,058	2027	674,200	45,974	480,000	-
2028	255,000	18,528	47,014	711	2028	598,894	38,478	490,000	-
2029	260,000	14,989	47,720	358	2029	429,812	30,694	500,000	-
2030	265,000	11,381	-	-	2030	398,411	22,762	510,000	-
2031-2035	555,000	22,970	-	-	2031-2035	-	534	2,193,745	-
2036-2040	-	-	-	-	2036-2040	-	-	1,605,000	-
2041-2045	-	-	-	-	2041-2045	-	-	122,613	-
Less: undrawn maturities									
	\$ 1,820,000	\$ 115,057	\$ 186,689	\$ 3,527		\$ 2,813,329	\$ 191,762	\$ 6,371,358	\$ -

Note 8 - 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 medical benefits and participates in the Michigan Municipal League's Workers' Compensation Fund for 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. The City participates in the Michigan Municipal Risk Management Authority risk pool for claims other than medical benefits.

The Michigan Municipal Risk Management Authority (the "Risk Management Authority") risk pool program operates as a claims servicing pool for amounts up to member retention limits and operates as a common risk-sharing management program for losses in excess of member retention amounts. Although premiums are paid annually to the Risk Management Authority that it uses to pay claims up to the retention limits, the ultimate liability for those claims remains with the City.

City of Eastpointe
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Changes in the estimated liability for the past two fiscal years were as follows:

	<u>General Liability, Auto, and Property</u>	
	<u>2025</u>	<u>2024</u>
Estimated liability - beginning of year	\$ 631,090	\$ 717,690
Estimated claims incurred, including changes in estimates	557,783	221,726
Claim payments	<u>(193,927)</u>	<u>(308,326)</u>
Estimated liability - end of year	<u>\$ 994,946</u>	<u>\$ 631,090</u>

Note 9 - Net Investment in Capital Assets

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

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Capital assets		
Capital assets not being depreciated	\$ 1,819,375	\$ -
Capital assets, net of accumulated depreciation	<u>35,416,226</u>	<u>91,896,811</u>
Total capital assets	<u>37,235,601</u>	<u>91,896,811</u>
Related debt		
General obligation bonds	(1,820,000)	(6,371,358)
Special assessment obligations	-	(1,807,549)
Installment purchase agreements	-	(1,005,780)
Leases	(615,377)	-
Retainage	<u>(84,231)</u>	<u>(928,404)</u>
Total related debt	<u>(2,519,608)</u>	<u>(10,113,091)</u>
Net investment in capital assets	<u>\$ 34,715,993</u>	<u>\$ 81,783,720</u>

Note 10 - Employee Retirement and Benefit Systems

Defined Benefit Pension Plan

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

Benefits provided – The plan provides certain retirement, disability, and death benefits to the plan members and beneficiaries. PA 427 of 1984, as amended, established and amends the benefit provisions of the participants in MERS of Michigan. The MERS plan covers all eligible full-time employees of the City.

Retirement benefits for general employees (hired prior to January 1, 1998) are calculated as 2.8 percent (for service before December 31, 2012) and 1.0 percent (for service after December 31, 2012) of the employee's

City of Eastpointe
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final 3-year average salary times the employee's years of service. Normal retirement age is 60 with early retirement at 55 with 25 years of service. The vesting period is 10 years. Employees are eligible for nonduty disability benefits after 10 years of service and for duty-related disability benefits upon hire. Disability retirement benefits are determined in the same manner as retirement benefits but are payable immediately without an actuarial reduction. Death benefits are a fixed amount and range from \$4,000 to \$10,000. An employee who leaves service may withdraw his or her contributions plus any accumulated interest.

Retirement benefits for general employees (hired between January 1, 1998 and January 1, 2013) are calculated as 2.8 percent (for service before December 31, 2012) and 1.0 percent (for service after December 31, 2012) of the employee's final 3-year average salary times the employee's years of service. Normal retirement age is 60 with early retirement at 57 with 25 years of service. The vesting period is 10 years. Employees are eligible for nonduty disability benefits after 10 years of service and for duty-related disability benefits upon hire. Disability retirement benefits are determined in the same manner as retirement benefits but are payable immediately without an actuarial reduction. Death benefits are a fixed amount and range from \$4,000 to \$10,000. An employee who leaves service may withdraw his or her contributions plus any accumulated interest.

Retirement benefits for general employees (hired after January 1, 2013) are calculated as 1.0 percent of the employee's final 3-year average salary times the employee's years of service. Normal retirement age is 60 with early retirement at 57 with 25 years of service. The vesting period is 10 years. Employees are eligible for nonduty disability benefits after 10 years of service and for duty-related disability benefits upon hire. Disability retirement benefits are determined in the same manner as retirement benefits but are payable immediately without an actuarial reduction. Death benefits are a fixed amount and range from \$4,000 to \$10,000. An employee who leaves service may withdraw his or her contributions plus any accumulated interest.

Retirement benefits for police employees (with 25 years of service at June 30, 2014) are calculated as 2.8 percent (for first 25 years of service) and 1.0 percent (for years of service after 25 years) of the employee's final 3-year average salary times the employee's years of service. Normal retirement age is 55 with early retirement at 50 with 25 years of service. The vesting period is 10 years. Employees are eligible for nonduty disability benefits after 10 years of service and for duty-related disability benefits upon hire. Disability retirement benefits are determined in the same manner as retirement benefits but are payable immediately without an actuarial reduction. Death benefits are a fixed amount and range from \$4,000 to \$10,000. An employee who leaves service may withdraw his or her contributions plus any accumulated interest.

Retirement benefits for police employees (with less than 25 years of service at June 30, 2014) are calculated as 1.8 percent of the employee's final 3-year average salary times the employee's years of service. Normal retirement age is 55 with early retirement at 50 with 25 years of service. The vesting period is 10 years. Employees are eligible for nonduty disability benefits after 10 years of service and for duty-related disability benefits upon hire. Disability retirement benefits are determined in the same manner as retirement benefits but are payable immediately without an actuarial reduction. Death benefits are a fixed amount and range from \$4,000 to \$10,000. An employee who leaves service may withdraw his or her contributions plus any accumulated interest.

Retirement benefits for police employees (hired after July 1, 2012) are calculated as 1.0 percent of the employee's final 3-year average salary times the employee's years of service. Normal retirement age is 55 with early retirement at 50 with 25 years of service. The vesting period is 10 years. Employees are eligible for nonduty disability benefits after 10 years of service and for duty-related disability benefits upon hire. Disability retirement benefits are determined in the same manner as retirement benefits but are payable immediately without an actuarial reduction. Death benefits are a fixed amount and range from \$4,000 to \$10,000. An employee who leaves service may withdraw his or her contributions plus any accumulated interest.

Retirement benefits for fire employees (with 20 years of service at June 30, 2014) are calculated as 2.8 percent (for first 25 years of service) and 1.0 percent (for years of service after 25 years) of the employee's final 3-year

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average salary times the employee's years of service. Normal retirement age is 55 with early retirement at 50 with 25 years of service. The vesting period is 10 years. Employees are eligible for nonduty disability benefits after 10 years of service and for duty-related disability benefits upon hire. Disability retirement benefits are determined in the same manner as retirement benefits but are payable immediately without an actuarial reduction. Death benefits are a fixed amount and range from \$4,000 to \$10,000. An employee who leaves service may withdraw his or her contributions plus any accumulated interest.

Retirement benefits for fire employees (with less than 20 years of service at June 30, 2014) are calculated as 2.0 percent of the employee's final 3-year average salary times the employee's years of service. Normal retirement age is 55 with early retirement at 50 with 25 years of service. The vesting period is 10 years. Employees are eligible for nonduty disability benefits after 10 years of service and for duty-related disability benefits upon hire. Disability retirement benefits are determined in the same manner as retirement benefits but are payable immediately without an actuarial reduction. Death benefits are a fixed amount and range from \$4,000 to \$10,000. An employee who leaves service may withdraw his or her contributions plus any accumulated interest.

Retirement benefits for fire employees (hired after July 1, 2011) are calculated as 1.0 percent of the employee's final 3-year average salary times the employee's years of service. Normal retirement age is 55 with early retirement at 50 with 25 years of service. The vesting period is 10 years. Employees are eligible for nonduty disability benefits after 10 years of service and for duty-related disability benefits upon hire. Disability retirement benefits are determined in the same manner as retirement benefits but are payable immediately without an actuarial reduction. Death benefits are a fixed amount and range from \$4,000 to \$10,000. An employee who leaves service may withdraw his or her contributions plus any accumulated interest.

Benefit terms do not provide for annual cost of living adjustments to each employee's retirement allowance subsequent to the employee's retirement date.

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

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

Inactive employees or beneficiaries currently receiving benefits	229
Inactive employees entitled to, but not yet receiving benefits	20
Active employees	<u>85</u>
	<u>334</u>

Contributions – The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by MERS Retirement Board. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer may establish contribution rates to be paid by its covered employees. Employer contributions range from 0% to 5% based on annual payroll, and the City's annual contribution was \$5,660,331.

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

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

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

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

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

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

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

Discount rate – The discount rate used to measure the total pension liability is 7.18%. The projection of cash flows used to determine the discount rate assumes that employer and employee contributions will be made at the rates agreed upon for employees and the actuarially determined rates for employers. Based on these assumptions, the pension plans fiduciary net position was projected to be available to pay all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances as of December 31, 2024	\$ 98,445,043	\$ 52,956,090	\$ 45,488,953
Changes for the year			
Service cost	707,211	-	707,211
Interest on total pension liability	6,818,961	-	6,818,961
Experience differences	(53,732)	-	(53,732)
Changes in actuarial assumptions	(305,725)	-	(305,725)
Employer contributions	-	5,660,331	(5,660,331)
Employee contributions	-	45,949	(45,949)
Net investment income (loss)	-	3,914,867	(3,914,867)
Benefit payments and refunds	(7,654,126)	(7,654,126)	-
Administrative expense	-	(115,770)	115,770
Net changes	(487,411)	1,851,251	(2,338,662)
Balances as of December 31, 2025	\$ 97,957,632	\$ 54,807,341	\$ 43,150,291

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

	1% Decrease	Current Discount Rate	1% Increase
Net pension liability	\$ 53,304,650	\$ 43,150,291	\$ 34,554,818

Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions – For the year ended June 30, 2025 the employer recognized pension expense of \$4,820,473. The employer reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Total to Amortize
Differences in experience	\$ 488,040	\$ (35,821)	\$ 452,219
Differences in assumptions	220,602	(203,817)	16,785
Net difference between projected and actual earnings	2,017,926	-	2,017,926
Contributions subsequent to the measurement date*	2,529,305	-	-
Total	\$ 5,255,873	\$ (239,638)	\$ 2,486,930

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

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

<u>Year ended June 30,</u>	
2026	\$ 1,556,069
2027	1,377,936
2028	(409,735)
2029	<u>(37,340)</u>
	<u>\$ 2,486,930</u>

Defined Contribution Plan

The City provides a defined contribution savings plan for eligible employees. The plan is administered by the Municipal Employees' Retirement System of Michigan (MERS) and covers police and fire employees hired after July 1, 2010. General employees had the option of entering into the plan effective January 1, 2013. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Certain police and fire employees are eligible to participate from the date of employment, and general employees are eligible to participate beginning January 1, 2013. As established by city ordinance and collective bargaining agreements, the City contributes 4 percent of the employees' base wages. Employee contributions into the plan are not required. All contributions plus interest allocated to the employee's account are fully vested after five years of service.

The current year contribution was calculated based on covered payroll of \$12,564,496, resulting in an employer contribution of \$758,931 and employee contributions of \$226,597.

Note 11 - Retiree Health Care Plan

Plan description – The City of Eastpointe administers the City of Eastpointe Retiree Health Care Plan (the “OPEB plan”), a single-employer defined benefit OPEB plan that is used to provide postemployment benefits other than pensions (OPEB) for police, fire, and general employee groups of the City. The obligation to contribute and maintain the OPEB plan was established by negotiation within the City’s collective bargaining units.

The financial statements of the OPEB plan is included in these statements as the Retiree Health Care Fund.

Management of the OPEB plan is vested with the City Council, which consists of five elected members.

Benefits provided – The OPEB plan provides medical, dental, and vision benefits for retirees and their dependents. Benefits are provided through a third-party insurer, and the full cost of benefits is covered by the plan.

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

Inactive employees or beneficiaries currently receiving benefits	265
Inactive employees entitled to, but not yet receiving benefits	1
Active employees	<u>5</u>
	<u>271</u>

Contributions – The OPEB plan’s funding policy is that the employer will make discretionary contributions. There are no long-term contracts for contributions to the plan. The plan has no legally required reserves. For the year ended June 30, 2025, the City contributed \$1,654,905.

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Investment policy – The OPEB plan’s policy in regard to the allocation of invested assets is established and may be amended by City Council by a majority vote of its members. It is the policy of City Council to pursue an investment strategy that reduces 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 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 investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best-estimate of arithmetic real rates of return for each major class included in the target asset allocation as of June 30, 2025 are summarized below along with the adopted asset allocation policy:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Global equity	60.00%	4.50%
Global fixed income	20.00%	2.16%
Private investments	20.00%	6.50%

Rate of return – For the year ended June 30, 2025, the annual money-weighted rate of return on investments, net of investment expense, was 9.20%. The money-weighted rate of return expresses investment performance, net of investment expenses, adjusted for the changing amounts actually invested.

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

Total OPEB liability	\$ 20,579,571
Plan fiduciary net position	<u>(10,284,115)</u>
Net OPEB liability	<u>\$ 10,295,456</u>

Plan fiduciary net position as a percentage of the total OPEB liability is 49.97%.

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

Inflation	2.50%
Salary increases	3.00%, average, including inflation
Investment rate of return	6.5%, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates	7.50% for 2025, decreasing .25% per year to a rate of 4.5%
Mortality rates	Pub-2010 Mortality Tables with Scale MP-2021 improvements

The actuarial assumptions used in the June 30, 2025, valuation were based on the results of an actuarial experience study for MERS from 2019 through 2023.

City of Eastpointe
Notes to the Financial Statements
June 30, 2025

Discount rate – The discount rate used to measure the total OPEB liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

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

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances as of June 30, 2024	<u>\$ 19,396,669</u>	<u>\$ 9,885,140</u>	<u>\$ 9,511,529</u>
Changes for the year			
Service cost	28,325	-	28,325
Interest on total OPEB liability	1,193,029	-	1,193,029
Experience differences	2,101,149	-	2,101,149
Changes in actuarial assumptions	(26,528)	-	(26,528)
Employer contributions	-	1,654,905	(1,654,905)
Net investment income (loss)	-	887,212	(887,212)
Benefit payments and refunds	(2,113,073)	(2,113,073)	-
Administrative expense	-	(30,069)	30,069
Net changes	<u>1,182,902</u>	<u>398,975</u>	<u>783,927</u>
Balances as of June 30, 2025	<u>\$ 20,579,571</u>	<u>\$ 10,284,115</u>	<u>\$ 10,295,456</u>

Sensitivity of the net OPEB liability to changes in the discount rate – The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1% lower (5.50%) or 1% higher (7.50%) than the current discount rate.

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Net OPEB liability	<u>\$ 12,230,966</u>	<u>\$ 10,295,456</u>	<u>\$ 8,651,332</u>

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

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
Net OPEB liability	<u>\$ 8,690,699</u>	<u>\$ 10,295,456</u>	<u>\$ 12,157,985</u>

City of Eastpointe
Notes to the Financial Statements
June 30, 2025

OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB – For the year ended June 30, 2025 the employer recognized OPEB expense of \$(2,070,372). The employer reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Total to Amortize
Differences in experience	\$ 1,878,930	\$ (4,144,118)	\$ (2,265,188.00)
Differences in assumptions	1,185,005	(11,672,700)	(10,487,695)
Net difference between projected and actual earnings	-	(87,711)	(87,711)
Total	<u>\$ 3,063,935</u>	<u>\$ (15,904,529)</u>	<u>\$ (12,840,594)</u>

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

<u>Year ended June 30,</u>	
2026	\$ (2,298,417)
2027	(2,581,106)
2028	(1,912,481)
2029	(2,016,881)
2030	(1,634,605)
Thereafter	<u>(2,397,104)</u>
	<u>\$ (12,840,594)</u>

Note 12 - Employees' Death Benefit Plan

Plan description – The City of Eastpointe administers the Employees' Death Benefit Plan (the "death benefit plan"), which was established by city ordinance on October 13, 1958 for the purpose of providing benefits for employees who elect to participate in the death benefit plan. Benefits at date of death are payable to designated beneficiaries in varying amounts. The obligation to contribute and maintain the death benefit plan was established by negotiation with the City's collective bargaining units.

The financial statements of the death benefit plan are included in these financial statements as the Employees' Death Benefit Fund.

Management of the death benefit plan is vested with the City Council, which consists of five elected members.

Benefits provided – The death benefit plan provides death benefits for survivors of participating employees. Benefits at date of death are payable to designated beneficiaries in varying amounts.

City of Eastpointe
Notes to the Financial Statements
June 30, 2025

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

Inactive employees or beneficiaries currently receiving benefits	176
Inactive employees entitled to, but not yet receiving benefits	13
Active employees	<u>74</u>
	<u>263</u>

Contributions – The death benefit plan's funding policy is that the employer will make discretionary contributions. There are no long-term contracts for contributions to the death benefit plan. Prior year contributions from the City and death benefit plan members have been determined to be sufficient to fully fund the death benefit plan at June 30, 2025.

Investment policy – The death benefit plan's policy in regard to the allocation of invested assets is established and may be amended by City Council by a majority vote of its members. It is the policy of City Council to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The death benefit 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 long-term expected rate of return on death benefit 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 investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best-estimate of arithmetic real rates of return for each major class included in the target asset allocation as of June 30, 2025, are summarized below along with the adopted asset allocation policy:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Global equity	60.00%	4.50%
Global fixed income	20.00%	2.16%
Private investments	20.00%	6.50%

Rate of return – For the year ended June 30, 2025, the annual money-weighted rate of return on investments, net of investment expense, was 10.46%. The money-weighted rate of return expresses investment performance, net of investment expenses, adjusted for the changing amounts actually invested.

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

Total OPEB liability	\$ 662,622
Plan fiduciary net position	<u>(1,504,052)</u>
Net OPEB liability (asset)	<u>\$ (841,430)</u>

Plan fiduciary net position as a percentage of the total OPEB liability is 226.98%.

City of Eastpointe
Notes to the Financial Statements
June 30, 2025

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

Inflation	2.50%
Salary increases	3.00%, average, including inflation
Investment rate of return	6.5%, net of OPEB plan investment expense, including inflation

Mortality rates were based on the Pub-2010 Mortality Tables for males or females, as appropriate, with adjustments for mortality improvements based on Scale MP-2021.

The actuarial assumptions used in the June 30, 2025, valuation were based on the results of an actuarial experience study for MERS from 2014 through 2018.

Discount rate – The discount rate used to measure the total death benefit liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the death benefit plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on death benefit plan investments was applied to all periods of projected benefit payments to determine the total death benefit liability.

Changes in the net OPEB liability (asset) during the measurement year was as follows:

	Increase (Decrease)		
	Total OPEB	Plan Fiduciary	Net OPEB
	Liability (a)	Net Position (b)	Liability (asset)
			(a) - (b)
Balances as of June 30, 2024	\$ 617,338	\$ 1,378,225	\$ (760,887)
Changes for the year			
Service cost	7,101	-	7,101
Interest on total OPEB liability	39,903	-	39,903
Experience differences	(16,166)	-	(16,166)
Changes in actuarial assumptions	28,446	-	28,446
Net investment income (loss)	-	143,327	(143,327)
Benefit payments and refunds	(14,000)	(14,000)	-
Administrative expense	-	(3,500)	3,500
Net changes	45,284	125,827	(80,543)
Balances as of June 30, 2025	\$ 662,622	\$ 1,504,052	\$ (841,430)

City of Eastpointe
Notes to the Financial Statements
June 30, 2025

Sensitivity of the net death benefit liability to changes in the discount rate – The following presents the net death benefit liability of the City, as well as what the City's net death benefit liability would be if it were calculated using a discount rate that is 1% lower (5.50%) or 1% higher (7.50%) than the current discount rate.

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Net OPEB liability (asset)	\$ <u>(758,564)</u>	\$ <u>(841,430)</u>	\$ <u>(910,504)</u>

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

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
Net OPEB liability (asset)	\$ <u>(841,430)</u>	\$ <u>(841,430)</u>	\$ <u>(841,430)</u>

Death benefit plan expense and deferred outflows of resources and deferred inflows of resources related to the death benefit plan – For the year ended June 30, 2025 the employer recognized death benefit plan expense of \$(67,856). The employer reported deferred outflows and inflows of resources related to the death benefit plan from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Total to Amortize</u>
Differences in experience	\$ 21,932	\$ (13,608)	\$ 8,324
Differences in assumptions	7,030	(14,807)	(7,777)
Net difference between projected and actual earnings	<u>-</u>	<u>(60,033)</u>	<u>(60,033)</u>
Total	\$ <u>28,962</u>	\$ <u>(88,448)</u>	\$ <u>(59,486)</u>

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

<u>Year ended June 30,</u>	
2026	10,970
2027	(29,914)
2028	(28,173)
2029	<u>(12,369)</u>
	\$ <u>(59,486)</u>

City of Eastpointe
Notes to the Financial Statements
June 30, 2025

Note 13 - Other Employee Benefit Trust Funds

The following are condensed financial statements for the individual postemployment benefit plans:

	Employees' Death Benefit	Retiree Health Care
Assets		
Cash and cash equivalents	\$ 21,092	\$ 396,343
Investments		
Interest in pooled investments	-	9,887,172
Mutual funds	1,171,704	-
fixed income	<u>311,255</u>	<u>-</u>
Receivables		
Due from other units of government	<u>-</u>	<u>600</u>
Total assets	1,504,051	10,284,115
Liabilities	<u>-</u>	<u>1,606</u>
Net position restricted for other postemployment benefits	<u>\$ 1,504,051</u>	<u>\$ 10,282,509</u>
	Employees' Death Benefit	Retiree Health Care
Additions		
Contributions	\$ -	\$ 1,654,905
Investment earnings	<u>143,326</u>	<u>887,212</u>
Total additions	<u>143,326</u>	<u>2,542,117</u>
Deductions		
Benefit payments	14,000	2,143,066
Administrative expense	<u>3,500</u>	<u>-</u>
Total deductions	<u>17,500</u>	<u>2,143,066</u>
Change in net position	125,826	399,051
Net position - beginning of year	<u>1,378,225</u>	<u>9,883,458</u>
Net position - end of year	<u>\$ 1,504,051</u>	<u>\$ 10,282,509</u>

City of Eastpointe
Notes to the Financial Statements
June 30, 2025

Note 14 - Leases

The City leases certain assets from a third party. The assets leased include vehicles. Payments are generally fixed monthly rates.

Future principal and interest payment requirements related to the City's lease liability at June 30, 2025, are as follows:

Year Ending June 30,	Governmental Activities	
	Principal	Interest
2026	\$ 178,781	\$ 24,363
2027	154,369	16,748
2028	149,365	9,785
2029	112,197	3,241
2030	20,665	278
	<u>\$ 615,377</u>	<u>\$ 54,415</u>

The City leases certain assets to various third parties. The assets leased include certain land and cellular towers. Payments are generally fixed monthly with escalation over the term of the lease. At June 30, 2025, the total leases receivable outstanding was \$2,402,686 and deferred inflows of resources related to leases were \$2,225,196.

Note 15 - Tax Abatements

The City receives reduced property tax revenue as a result of brownfield redevelopment agreements granted by the Macomb County Brownfield Redevelopment Authority. 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 \$75,139 under these programs.

There are no significant abatements made by the City.

Note 16 - Contingent Liabilities

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

City of Eastpointe
Notes to the Financial Statements
June 30, 2025

Note 17 - Change in Accounting Principle and Correction of an Error

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

The City corrected an error in the Water and Sewer Fund related to the prior period, related to grant receivables and revenues, which required a restatement of net position.

The effect of these changes is tabulated below.

	Net Position / Fund balance at June 30, 2024	Implementation of GASB 101	Prior Period Adjustment	Adjusted or restated net position / fund balance at June 30, 2024
Governmental Activities	\$ (3,916,351)	\$ (985,206)	\$ -	\$ (4,901,557)
Water and Sewer Fund	76,705,145	(49,811)	2,797,544	79,452,878
Business-Type Activities	77,223,074	(49,811)	2,797,544	79,970,807

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

	Budgeted Amounts			Actual Over (Under)
	Original	Final	Actual	Final Budget
Revenues				
Taxes				
Property taxes	\$ 11,874,133	\$ 11,874,133	\$ 11,701,753	\$ (172,380)
Penalties and interest	57,308	57,308	74,583	17,275
Licenses and permits	1,685,000	1,610,000	1,631,112	21,112
Federal grants	-	254,803	416,380	161,577
State-shared revenue	4,740,266	4,740,266	4,794,601	54,335
State grants	124,000	559,591	688,444	128,853
Local contributions	-	50,000	22,366	(27,634)
Charges for services	8,230,157	8,293,157	8,394,513	101,356
Fines and forfeitures	1,910,724	1,610,724	1,859,791	249,067
Rental income	160,000	160,000	243,250	83,250
Investment income	250,000	725,000	952,185	227,185
Other revenue	207,000	274,705	108,559	(166,146)
Total revenues	29,238,588	30,209,687	30,887,537	677,850
Expenditures				
General government				
City council	76,173	76,173	46,923	(29,250)
City manager	588,593	589,010	573,108	(15,902)
Accounting department	852,313	855,046	800,662	(54,384)
Clerk	184,364	189,788	190,448	660
Information technology	395,750	395,750	380,821	(14,929)
Treasurer	15,600	17,100	16,817	(283)
Assessor/equalization department	319,994	319,994	296,642	(23,352)
Audio visual	4,300	9,300	9,502	202
Elections	346,492	372,752	346,948	(25,804)
Attorney	323,000	323,000	362,194	39,194
Civil service	15,000	15,000	6,749	(8,251)
Personnel department	169,936	208,260	185,184	(23,076)
Citywide/city hall	1,220,750	1,644,092	1,298,881	(345,211)
Insurance	348,581	375,775	356,277	(19,498)
Total general government	4,860,846	5,391,040	4,871,156	(519,884)
Judicial				
District court	1,655,387	1,807,968	1,721,668	(86,300)
Public safety				
Police	13,294,351	13,337,506	12,482,751	(854,755)
Fire department	6,649,791	6,755,381	6,077,908	(677,473)
Building inspection department	426,700	414,700	407,087	(7,613)
Rental inspection program	314,592	349,592	337,256	(12,336)
Dog warden	254,353	274,353	201,648	(72,705)
Total public safety	20,939,787	21,131,532	19,506,650	(1,624,882)

See Accompanying Notes to Required Supplementary Information

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

	Budgeted Amounts			Actual Over (Under) Final Budget
	Original	Final	Actual	
Community and economic development				
Planning	\$ 100,880	\$ 100,880	\$ 93,018	\$ (7,862)
Economic development	104,815	104,869	93,805	(11,064)
Home demolition	35,000	35,000	-	(35,000)
Blight removal	437,932	527,932	420,540	(107,392)
Total community and economic development	678,627	768,681	607,363	(161,318)
Recreation and culture				
Parks and recreation department	1,063,526	1,099,526	956,914	(142,612)
Special events	58,516	58,516	16,822	(41,694)
Total recreation and culture	1,122,042	1,158,042	973,736	(184,306)
Debt service				
Principal retirement	235,000	235,000	444,819	209,819
Interest and fiscal charges	53,781	53,781	83,141	29,360
Total debt service	288,781	288,781	527,960	239,179
Total expenditures	29,545,470	30,546,044	28,208,533	(2,337,511)
Excess (deficiency) of revenues over expenditures	(306,882)	(336,357)	2,679,004	3,015,361
Other financing sources (uses)				
Insurance recoveries	-	-	24,273	24,273
Lease liabilities issued	-	-	223,952	223,952
Sale of capital assets	-	-	26,568	26,568
Total other financing sources (uses)	-	-	274,793	274,793
Net change in fund balance	(306,882)	(336,357)	2,953,797	3,290,154
Fund balance - beginning of year	14,933,412	14,933,412	14,933,412	-
Fund balance - end of year	\$ 14,626,530	\$ 14,597,055	\$ 17,887,209	\$ 3,290,154

See Accompanying Notes to Required Supplementary Information

City of Eastpointe
Required Supplementary Information
Budgetary Comparison Schedule
Major Streets
For the Year Ended June 30, 2025

	Budgeted Amounts			Actual Over (Under) Final Budget
	Original	Final	Actual	
Revenues				
State grants	\$ 2,916,059	\$ 2,916,059	\$ 3,191,509	\$ 275,450
Investment income	60,000	130,000	138,293	8,293
Other revenue	-	-	4,509	4,509
Total revenues	<u>2,976,059</u>	<u>3,046,059</u>	<u>3,334,311</u>	<u>288,252</u>
Expenditures				
Current				
Public works	<u>2,557,759</u>	<u>1,566,568</u>	<u>1,141,860</u>	<u>(424,708)</u>
Excess of revenues over expenditures	<u>418,300</u>	<u>1,479,491</u>	<u>2,192,451</u>	<u>712,960</u>
Other financing sources (uses)				
Transfers out	<u>(1,379,000)</u>	<u>(1,379,000)</u>	<u>(1,379,000)</u>	<u>-</u>
Net change in fund balance	(960,700)	100,491	813,451	712,960
Fund balance - beginning of year	<u>3,145,464</u>	<u>3,145,464</u>	<u>3,145,464</u>	<u>-</u>
Fund balance - end of year	<u>\$ 2,184,764</u>	<u>\$ 3,245,955</u>	<u>\$ 3,958,915</u>	<u>\$ 712,960</u>

See Accompanying Notes to Required Supplementary Information

City of Eastpointe
Required Supplementary Information
Budgetary Comparison Schedule
Local Streets
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Actual Over (Under)
	Original	Final		Final Budget
Revenues				
State grants	\$ 1,072,578	\$ 1,072,578	\$ 1,162,783	\$ 90,205
Investment income	30,000	30,000	119,463	89,463
Total revenues	1,102,578	1,102,578	1,282,246	179,668
Expenditures				
Current				
Public works	3,449,942	3,948,893	2,325,795	(1,623,098)
Excess of revenues (deficiency) over expenditures	(2,347,364)	(2,846,315)	(1,043,549)	1,802,766
Other financing sources (uses)				
Transfers in	1,379,000	1,379,000	1,379,000	-
Net change in fund balance	(968,364)	(1,467,315)	335,451	1,802,766
Fund balance - beginning of year	3,417,588	3,417,588	3,417,588	-
Fund balance - end of year	\$ 2,449,224	\$ 1,950,273	\$ 3,753,039	\$ 1,802,766

See Accompanying Notes to Required Supplementary Information

City of Eastpointe
Required Supplementary Information
Municipal Employees Retirement System of Michigan
Schedule of Changes in Net Pension Liability and Related Ratios

Fiscal year ended June 30,	2025	2024	2023	2022	2021
Total pension liability					
Service cost	\$ 707,211	\$ 696,619	\$ 681,866	\$ 695,845	\$ 749,702
Interest	6,818,961	6,743,535	6,772,583	6,796,408	6,569,248
Experience differences	(53,732)	1,464,122	(398,679)	622,591	76,098
Changes in assumptions	(305,725)	661,804	-	3,167,475	2,624,224
Benefit payments and refunds	(7,654,126)	(7,574,044)	(7,353,547)	(7,220,091)	(6,786,684)
Net change in total pension liability	(487,411)	1,992,036	(297,777)	4,062,228	3,232,588
Total pension liability - beginning	98,445,043	96,453,007	96,750,784	92,688,556	89,455,968
Total pension liability - ending (a)	\$ 97,957,632	\$ 98,445,043	\$ 96,453,007	\$ 96,750,784	\$ 92,688,556
Plan fiduciary net position					
Employer contributions	\$ 5,660,331	\$ 12,254,950	\$ 2,699,158	\$ 4,994,766	\$ 5,008,483
Employee contributions	45,949	55,880	64,975	72,787	80,492
Net investment income (loss)	3,914,867	5,159,306	(5,816,609)	6,334,220	5,749,820
Benefit payments and refunds	(7,654,126)	(7,574,044)	(7,353,547)	(7,220,091)	(6,786,684)
Administrative expense	(115,770)	(104,118)	(93,183)	(75,357)	(86,990)
Other	-	-	-	-	-
Net change in plan fiduciary net position	1,851,251	9,791,974	(10,499,206)	4,106,325	3,965,121
Plan fiduciary net position - beginning	52,956,090	43,164,116	53,663,322	49,556,997	45,591,876
Plan fiduciary net position - ending (b)	\$ 54,807,341	\$ 52,956,090	\$ 43,164,116	\$ 53,663,322	\$ 49,556,997
Net pension liability (a-b)	\$ 43,150,291	\$ 45,488,953	\$ 53,288,891	\$ 43,087,462	\$ 43,131,559
Plan fiduciary net position as a percentage of total pension liability	55.95%	53.79%	44.75%	55.47%	53.47%
Covered payroll	\$ 8,380,646	\$ 10,132,444	\$ 7,551,922	\$ 7,815,878	\$ 7,883,612
Net pension liability as a percentage of covered payroll	514.88%	448.94%	705.63%	551.28%	547.10%

See Accompanying Notes to Required Supplementary Information

City of Eastpointe
Required Supplementary Information
Municipal Employees Retirement System of Michigan
Schedule of Changes in Net Pension Liability and Related Ratios

Fiscal year ended June 30,	2020	2019	2018	2017	2016
Total pension liability					
Service cost	\$ 666,190	\$ 636,388	\$ 673,890	\$ 643,037	\$ 978,943
Interest	6,662,419	6,599,649	6,474,987	6,164,757	8,654,072
Experience differences	(192,970)	122,616	841,124	3,367,456	-
Changes in assumptions	2,718,572	-	-	4,320	3,367,892
Benefit payments and refunds	(6,690,770)	(6,487,094)	(6,338,728)	(6,295,557)	(9,485,939)
Net change in total pension liability	3,163,441	871,559	1,651,273	3,884,013	3,514,968
Total pension liability - beginning	86,292,527	85,421,018	83,769,745	79,885,732	76,370,764
Total pension liability - ending (a)	\$ 89,455,968	\$ 86,292,577	\$ 85,421,018	\$ 83,769,745	\$ 79,885,732
Plan fiduciary net position					
Employer contributions	\$ 4,814,540	\$ 7,507,440	\$ 3,492,899	\$ 3,079,778	\$ 4,449,143
Employee contributions	86,461	104,095	105,064	104,348	167,260
Net investment income (loss)	5,484,598	(1,602,428)	5,178,711	4,279,664	(779,337)
Benefit payments and refunds	(6,690,770)	(6,487,094)	(6,338,728)	(6,295,557)	(9,485,939)
Administrative expense	(93,737)	(80,662)	(82,242)	(84,573)	(81,803)
Other	-	-	-	-	1,233
Net change in plan fiduciary net position	3,601,092	(558,649)	2,355,704	1,083,660	(5,729,443)
Plan fiduciary net position - beginning	41,990,784	42,549,433	40,193,729	39,110,069	44,839,512
Plan fiduciary net position - ending (b)	\$ 45,591,876	\$ 41,990,784	\$ 42,549,433	\$ 40,193,729	\$ 39,110,069
Net pension liability (a-b)	\$ 43,864,092	\$ 44,301,793	\$ 42,871,585	\$ 43,576,016	\$ 40,775,663
Plan fiduciary net position as a percentage of total pension liability	50.97%	48.66%	49.81%	47.98%	48.96%
Covered payroll	\$ 8,232,325	\$ 7,348,992	\$ 7,471,419	\$ 7,006,112	\$ 6,903,087
Net pension liability as a percentage of covered payroll	532.83%	602.83%	573.81%	621.97%	590.69%

See Accompanying Notes to Required Supplementary Information

City of Eastpointe
Required Supplementary Information
Municipal Employees Retirement System of Michigan
Schedule of Employer Contributions

Fiscal Year Ended June 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2016	\$ 3,443,007	\$ 3,443,007	\$ -	\$ 6,453,723	53.35%
2017	3,341,277	3,341,277	-	6,903,087	48.40%
2018	3,365,414	3,365,414	-	7,006,112	48.04%
2019	3,774,474	5,919,528	(2,145,054)	7,471,419	79.23%
2020	4,503,642	4,685,302	(181,660)	7,348,992	63.75%
2021	4,473,726	5,049,506	(575,780)	8,232,325	61.34%
2022	4,974,696	5,015,439	(40,743)	7,883,612	63.62%
2023	5,108,598	5,141,607	(33,009)	7,815,878	65.78%
2024	5,317,959	6,317,959	(1,000,000)	10,132,444	62.35%
2025	5,255,880	5,660,331	(404,451)	8,380,646	67.54%

City of Eastpointe
Required Supplementary Information
Retiree Health Care Plan
Schedule of Changes in Net OPEB Liability and Related Ratios

Fiscal year ended June 30,	2025	2024	2023	2022
Total OPEB liability				
Service cost	\$ 28,325	\$ 61,432	\$ 108,171	\$ 167,875
Interest	1,193,029	1,405,006	1,581,906	2,441,709
Experience differences	2,101,149	(175,017)	47,436	(722,236)
Changes in assumptions	(26,528)	(2,013,538)	(1,573,110)	(12,628,067)
Benefit payments and refunds	(2,113,073)	(2,931,940)	(2,793,203)	(2,121,156)
Other	-	-	-	-
Net change in total OPEB liability	1,182,902	(3,654,057)	(2,628,800)	(12,861,875)
Total OPEB liability - beginning	19,396,669	23,050,726	25,679,526	38,541,401
Total OPEB liability - ending (a)	<u>\$ 20,579,571</u>	<u>\$ 19,396,669</u>	<u>\$ 23,050,726</u>	<u>\$ 25,679,526</u>
Plan fiduciary net position				
Net investment income (loss)	\$ 887,212	\$ 897,377	\$ 689,132	\$ (824,863)
Employer contributions	1,654,905	1,676,589	2,372,485	2,426,300
Benefit payments and refunds	(2,113,073)	(2,931,940)	(2,793,203)	(2,121,156)
Administrative expense	(30,069)	(28,862)	(26,439)	(26,516)
Net change in plan fiduciary net position	398,975	(386,836)	241,975	(546,235)
Plan fiduciary net position - beginning	9,885,140	10,271,976	10,030,001	10,576,236
Plan fiduciary net position - ending (b)	<u>\$ 10,284,115</u>	<u>\$ 9,885,140</u>	<u>\$ 10,271,976</u>	<u>\$ 10,030,001</u>
Net OPEB liability (a-b)	<u>\$ 10,295,456</u>	<u>\$ 9,511,529</u>	<u>\$ 12,778,750</u>	<u>\$ 15,649,525</u>
Plan fiduciary net position as a percentage of total OPEB liability	49.97%	50.96%	44.56%	39.06%
Covered payroll	\$ 469,993	\$ 586,192	\$ 1,155,844	\$ 2,109,601
Net OPEB liability as a percentage of covered payroll	2,190.56%	1,622.60%	1,105.58%	741.82%

See Accompanying Notes to Required Supplementary Information

City of Eastpointe
Required Supplementary Information
Retiree Health Care Plan
Schedule of Changes in Net OPEB Liability and Related Ratios

Fiscal year ended June 30,	2021	2020	2019	2018	2017
Total OPEB liability					
Service cost	\$ 256,487	\$ 533,834	\$ 527,552	\$ 816,371	\$ 407,493
Interest	2,583,973	2,817,940	2,744,843	2,794,145	2,615,983
Experience differences	(1,155,330)	(4,630,245)	(951,913)	(4,122,263)	399,232
Changes in assumptions	(983,269)	879,704	2,895,831	(3,051,549)	2,043,946
Benefit payments and refunds	(3,571,304)	(2,552,784)	(2,525,983)	(2,663,809)	(2,396,336)
Other	-	-	(253)	(3,106)	-
Net change in total OPEB liability	(2,869,443)	(2,951,551)	2,690,077	(6,230,211)	3,070,318
Total OPEB liability - beginning	41,410,844	44,362,395	41,672,318	47,902,529	44,832,211
Total OPEB liability - ending (a)	<u>\$ 38,541,401</u>	<u>\$ 41,410,844</u>	<u>\$ 44,362,395</u>	<u>\$ 41,672,318</u>	<u>\$ 47,902,529</u>
Plan fiduciary net position					
Net investment income (loss)	\$ 2,543,498	\$ (7,737)	\$ 75,608	\$ 585,678	\$ 645,730
Employer contributions	2,432,415	2,527,577	2,983,583	2,634,836	2,652,728
Benefit payments and refunds	(3,571,304)	(2,552,784)	(2,525,983)	(2,663,809)	(2,396,336)
Administrative expense	(24,512)	(23,151)	(62,147)	(19,924)	(18,843)
Net change in plan fiduciary net position	1,380,097	(56,095)	471,061	536,781	883,279
Plan fiduciary net position - beginning	9,196,139	9,252,234	8,781,173	8,244,392	7,361,113
Plan fiduciary net position - ending (b)	<u>\$ 10,576,236</u>	<u>\$ 9,196,139</u>	<u>\$ 9,252,234</u>	<u>\$ 8,781,173</u>	<u>\$ 8,244,392</u>
Net OPEB liability (a-b)	<u>\$ 27,965,165</u>	<u>\$ 32,214,705</u>	<u>\$ 35,110,161</u>	<u>\$ 32,891,145</u>	<u>\$ 39,658,137</u>
Plan fiduciary net position as a percentage of total OPEB liability	27.44%	22.21%	20.86%	21.07%	17.21%
Covered payroll	\$ 2,475,795	\$ 3,928,170	\$ 4,015,077	\$ 4,897,039	\$ 5,164,079
Net OPEB liability as a percentage of covered payroll	1,129.54%	820.09%	874.46%	671.65%	767.96%

See Accompanying Notes to Required Supplementary Information

City of Eastpointe
Required Supplementary Information
Retiree Health Care Plan
Schedule of Employer Contributions

Fiscal Year Ending June 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2016	\$ 2,852,737	\$ 3,066,262	\$ (213,525)	\$ 4,250,532	72.14%
2017	2,634,835	2,652,728	(17,893)	5,164,079	51.37%
2018	2,696,182	2,634,836	61,346	4,897,039	53.80%
2019	2,097,749	2,983,583	(885,834)	4,015,077	74.31%
2020	2,345,166	2,527,577	(182,411)	3,928,170	64.34%
2021	2,760,634	2,432,415	328,219	2,475,795	98.25%
2022	2,367,283	2,426,300	(59,017)	2,109,601	115.01%
2023	1,356,181	2,372,485	(1,016,304)	1,155,844	205.26%
2024	1,094,605	1,676,589	(581,984)	586,192	286.01%
2025	1,094,605	1,654,905	(560,300)	469,993	352.11%

City of Eastpointe
Required Supplementary Information
Retiree Health Care Plan
Schedule of Investment Returns

Fiscal Year Ended June 30,	Money-weighted Rate of Return
2017	9.50%
2018	0.53%
2019	2.61%
2020	-5.22%
2021	29.33%
2022	-9.36%
2023	8.60%
2024	9.30%
2025	9.20%

City of Eastpointe
Required Supplementary Information
Death Benefits Plan
Schedule of Changes in Net OPEB (Asset) and Related Ratios

Fiscal year ended June 30,	2025	2024	2023	2022
Total OPEB liability				
Service cost	\$ 7,101	\$ 7,386	\$ 8,350	\$ 11,034
Interest	39,903	38,667	36,976	36,022
Experience differences	(16,166)	(17,408)	(10,242)	4,467
Changes in assumptions	28,446	-	2,407	-
Benefit payments and refunds	(14,000)	(5,000)	(17,000)	(54,000)
Net change in total OPEB liability	45,284	23,645	20,491	(2,477)
Total OPEB liability - beginning	617,338	593,693	573,202	575,679
Total OPEB liability - ending (a)	\$ 662,622	\$ 617,338	\$ 593,693	\$ 573,202
Plan fiduciary net position				
Net investment income (loss)	\$ 143,327	\$ 159,783	\$ 97,953	\$ (121,502)
Benefit payments and refunds	(14,000)	(5,000)	(17,000)	(54,000)
Administrative expense	(3,500)	(3,188)	(3,000)	(3,000)
Other	-	-	-	-
Net change in plan fiduciary net position	125,827	151,595	77,953	(178,502)
Plan fiduciary net position - beginning	1,378,225	1,226,630	1,148,677	1,327,179
Plan fiduciary net position - ending (b)	\$ 1,504,052	\$ 1,378,225	\$ 1,226,630	\$ 1,148,677
Net OPEB liability (asset) (a-b)	\$ (841,430)	\$ (760,887)	\$ (632,937)	\$ (575,475)
Plan fiduciary net position as a percentage of total OPEB liability	226.98%	223.25%	206.61%	200.40%
Covered payroll	\$ 6,557,714	\$ 5,424,287	\$ 5,723,694	\$ 6,343,755
Net OPEB liability (asset) as a percentage of covered payroll	(12.83%)	(14.03%)	(11.06%)	(9.07%)

See Accompanying Notes to Required Supplementary Information

City of Eastpointe
Required Supplementary Information
Death Benefits Plan
Schedule of Changes in Net OPEB (Asset) and Related Ratios

Fiscal year ended June 30,	2021	2020	2019	2018	2017
Total OPEB liability					
Service cost	\$ 4,136	\$ 4,565	\$ 5,130	\$ 4,945	\$ 4,724
Interest	38,211	36,902	31,899	30,766	29,422
Experience differences	(917)	-	87,541	-	18,399
Changes in assumptions	(44,054)	(41,407)	-	-	-
Benefit payments and refunds	<u>(15,000)</u>	<u>(39,000)</u>	<u>(43,000)</u>	<u>(10,000)</u>	<u>(29,000)</u>
Net change in total OPEB liability	(17,624)	(38,940)	81,570	25,711	23,545
Total OPEB liability - beginning	<u>593,303</u>	<u>632,243</u>	<u>550,673</u>	<u>524,962</u>	<u>501,417</u>
Total OPEB liability - ending (a)	<u>\$ 575,679</u>	<u>\$ 593,303</u>	<u>\$ 632,243</u>	<u>\$ 550,673</u>	<u>\$ 524,962</u>
Plan fiduciary net position					
Net investment income (loss)	\$ 302,912	\$ (63,510)	\$ 29,674	\$ 8,620	\$ 102,326
Benefit payments and refunds	(15,000)	(39,000)	(43,000)	(2,500)	-
Administrative expense	(1,000)	(2,500)	-	-	-
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>(10,000)</u>	<u>(29,000)</u>
Net change in plan fiduciary net position	286,912	(105,010)	(13,326)	(3,880)	73,326
Plan fiduciary net position - beginning	<u>1,040,267</u>	<u>1,145,277</u>	<u>1,158,603</u>	<u>1,162,483</u>	<u>1,089,157</u>
Plan fiduciary net position - ending (b)	<u>\$ 1,327,179</u>	<u>\$ 1,040,267</u>	<u>\$ 1,145,277</u>	<u>\$ 1,158,603</u>	<u>\$ 1,162,483</u>
Net OPEB liability (asset) (a-b)	<u>\$ (751,500)</u>	<u>\$ (446,964)</u>	<u>\$ (513,034)</u>	<u>\$ (607,930)</u>	<u>\$ (637,521)</u>
Plan fiduciary net position as a percentage of total OPEB liability	230.54%	175.33%	181.15%	210.40%	221.44%
Covered payroll	\$ 5,744,640	\$ 4,249,615	\$ 5,596,514	\$ 4,897,039	\$ 5,164,079
Net OPEB liability (asset) as a percentage of covered payroll	(13.08%)	(10.52%)	(9.17%)	(12.41%)	(12.35%)

See Accompanying Notes to Required Supplementary Information

City of Eastpointe
Required Supplementary Information
Death Benefits Plan
Schedule of Employer Contributions

Fiscal Year Ending June 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2016	\$ -	\$ -	\$ -	\$ 4,250,532	- %
2017	-	-	-	5,164,079	- %
2018	-	-	-	4,897,039	- %
2019	-	-	-	5,596,514	- %
2020	-	-	-	4,249,615	- %
2021	-	-	-	5,744,640	- %
2022	-	-	-	6,343,755	- %
2023	-	-	-	5,723,694	- %
2024	-	-	-	5,424,287	- %
2025	-	-	-	6,557,714	- %

See Accompanying Notes to Required Supplementary Information

City of Eastpointe
Required Supplementary Information
Death Benefits Plan
Schedule of Investment Returns

Fiscal Year Ended June 30,	Money-weighted Rate of Return
2017	9.50%
2018	0.53%
2019	2.61%
2020	-5.22%
2021	29.33%
2022	-9.36%
2023	8.60%
2024	13.07%
2025	10.46%

City of Eastpointe
Notes to the Required Supplementary Information
June 30, 2025

Budgetary Information

The City is legally subject to the budgetary control requirements of State of Michigan P.A. 2 of 1968 (the Uniform Budgeting and Accounting Act). The following statements represent a brief synopsis of the major provisions of this act:

1. Budgets must be adopted for the General Fund and special revenue funds.
2. The budgets must be balanced. The balanced budget may include a contribution to or appropriation from fund balance.
3. The budgets must be amended when necessary.
4. Debt cannot be entered into unless permitted by law.
5. Expenditures cannot exceed budget appropriations.
6. Expenditures cannot be made unless authorized in the budget.
7. A public hearing must be held before budget adoptions.

The City adopts its budget by budgetary center, which is in accordance with the State's legal requirement and is the level of classification detail at which expenditures may not legally exceed appropriations. The City follows these procedures in establishing the budget reflected in the financial statements:

1. The city manager, on or before 60 days prior to the commencement of the fiscal and budgetary year (July 1), shall prepare and submit to the City Council a complete itemized proposed budget before the next fiscal year.
2. A public hearing on the budget shall be held before its final adoption, at such time and place as the City Council shall direct, and notice of the public hearing shall be published at least 10 days in advance thereof by the clerk.
3. The City Council shall, on or before 30 days prior to the commencement of the next fiscal year, adopt a budget for the ensuing fiscal year.

The annual budget is prepared by the city manager and adopted by the City Council; subsequent amendments are approved by the City Council. Budgeted amounts of the revenue and expenditures presented for the General Fund and special revenue funds are as amended by the City Council. Budget appropriations lapse at year end; encumbrances are not included as expenditures. The amount of encumbrances outstanding at June 30, 2025, has not been calculated. During the current year, the budget was amended in a legally permissible manner. A comparison of the budget with statements of actual revenue and expenditures, including budget variances, for the General Fund and special revenue funds is presented in the required and other supplementary information. The budget has been prepared in accordance with accounting principles generally accepted in the United States of America. A reconciliation of the budgetary comparison schedule to the fund-based statement of revenue, expenses, and changes in fund balances is as follows:

	Total Revenue	Total Expenditures	Other Financing Sources (Uses)	Change in Fund Balance
General Fund				
Amount per operating statement	\$ 31,097,018	\$ 28,337,181	\$ 274,793	\$ 3,034,630
Tax Reversion Fund budgeted separately from the General Fund	(117,983)	(32,624)	-	(85,359)
General Agency Fund budgeted separately from the General Fund	(91,025)	(91,025)	-	-
Additional Pension Fund budgeted separately from the General Fund	(473)	(4,999)	-	4,526
	<u>\$ 30,887,537</u>	<u>\$ 28,208,533</u>	<u>\$ 274,793</u>	<u>\$ 2,953,797</u>
Amount per budget statement				

City of Eastpointe
Notes to the Required Supplementary Information
June 30, 2025

During the year, the City of Eastpointe incurred expenditures that were in excess of the amounts budgeted as follows:

Expenditures in Excess of Appropriations:

	<u>Appropriations</u>	<u>Actual</u>	<u>Budget Variance</u>
General Fund			
General government			
Clerk	\$ 189,788	\$ 190,448	\$ 660
Audio visual	9,300	9,502	202
Attorney	323,000	362,194	39,194
Debt service			
Principal retirement	235,000	444,819	209,819
Interest and fiscal charges	53,781	83,141	29,360
Street Lighting SAD Fund	646,186	655,369	9,183
Drug Law Enforcement Fund	42,400	46,281	3,881

Pension Information

Notes to the Schedule of Changes in Net Pension Liability and Related Ratios – MERS

In 2015, the pension plan was transferred to MERS. There were several changes in assumptions. The discount rate was increased from 7.68 to 8.00 percent. Salary increases were increased from 3.65 to 3.75 percent. Inflation was decreased from 3.5 to 2.5 percent. Furthermore, the mortality tables were updated from the RP-2000 Mortality Table (set forward three years for males and one year for females) to the RP-2014 Mortality Tables.

In 2020, the discount rate in the pension valuation was decreased from 8.0 percent to 7.6 percent.

In 2021, mortality, retirement, and termination dates were updated as a result of the most recent experience study. In addition, mortality tables were updated from RP-2014 tables to Pub-2010 tables.

In 2022, the discount rate in the pension valuation was decreased from 7.6 percent to 7.25 percent.

In 2024, the discount rate in the pension valuation was decreased from 7.25 percent to 7.18 percent.

Notes to the Schedule of Employer Contributions – MERS

- Valuation date: December 31, 2022
- Actuarially determined contribution rates are calculated as of December 31 that is 18 months prior to the beginning of the fiscal year for which the contributions are presented.

Methods and assumptions used to determine contribution rates:

- Actuarial cost method: Entry age normal level percent of pay
- Amortization method: Level percentage of payroll, open
- Remaining amortization period: 17 years
- Asset valuation method: Market value of assets
- Inflation: 2.5 percent
- Salary increase: 3.0 percent

City of Eastpointe
Notes to the Required Supplementary Information
June 30, 2025

- Investment rate of return: 7.0 percent net of pension plan investment expense, including inflation
- Mortality rates: Pub-2010 Healthy Annuitant Mortality Tables – 50% male and 50% female blend

OPEB Information

Notes to the Schedule of Changes in Net OPEB Liability and Related Ratios – Retiree Health Care Plan

In 2018, the discount rate for the retiree health care plan was increased from 6.00 to 6.75 percent.

In 2019, the discount rate was decreased from 6.75 to 6.50 percent. There were certain changes of assumptions that affected the measurement of the total OPEB liability since the prior measurement date for the OPEB plan. The single discount rate, retirement rates, mortality tables, withdrawal rates, and the salary scale were updated based on the data available at the June 30, 2020 measurement date. Also, the federal Cadillac tax, a provision from the Affordable Care Act, was removed from the most recent valuation given recent changes in the law.

In 2021, the health care cost trend rate was decreased from 8.25 percent to 7.50 percent based on current experience.

In 2022, the City eliminated older post-65 plans (plans 7, 15, and 17). The majority of retirees in these plans were moved to a plan with lower premiums.

In 2023, Scale MP-2021 improvements were applied to the Pub-2010 Mortality Tables for both the retiree health care plan. Also, the annual claims costs were updated to reflect experience since the previous valuation.

Notes to the Schedule of Employer Contributions – Retiree Health Care Plan

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

Methods and assumptions used to determine contribution rates:

- Actuarial cost method: Individual entry age
- Amortization method: Level dollar
- Remaining amortization period: 25 years
- Asset valuation method: Fair value
- Healthcare inflation rate: Pre-Medicare 7.25% graded down to 4.50% by .25% per year
- Inflation: 2.5 percent
- Salary increase: 3.0 percent
- Investment rate of return: 6.5 percent net of pension plan investment expense, including inflation
- Mortality rates: Pub-2010 Healthy Annuitant Mortality Tables

Notes to the Schedule of Changes in Net OPEB Liability (Asset) and Related Ratios – Death Benefits Plan

In 2019, the discount rate of the death benefit plan used to measure the total OPEB liability increased to 6.5 percent.

In 2021, the mortality tables of the death benefit plan were updated to the Pub-2010 Mortality Tables.

In 2023, Scale MP-2021 improvements were applied to the Pub-2010 Mortality Tables for the death benefit plan. Also, the annual claims costs were updated to reflect experience since the previous valuation.

City of Eastpointe
Other Supplementary Information
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2025

	Special Revenue Funds				
	Street Lighting SAD	Indigent Defense	Federal Forfeitures	Drug Law Enforcement	Library
Assets					
Cash and cash equivalents	\$ 234,201	\$ 1,217,768	\$ 31,101	\$ 79,425	\$ 591,443
Investments	-	-	-	-	793,199
Receivables					
Special assessments	-	-	-	-	-
Restricted assets					
Cash and cash equivalents	-	-	-	-	-
Total assets	\$ 234,201	\$ 1,217,768	\$ 31,101	\$ 79,425	\$ 1,384,642
Liabilities					
Accounts payable	\$ 88,254	\$ 128,243	\$ -	\$ 13,801	\$ 68,787
Payroll and other liabilities	-	-	-	-	19,451
Unearned revenue	-	1,089,525	-	-	-
Total liabilities	88,254	1,217,768	-	13,801	88,238
Deferred inflows of resources					
Unavailable revenue - special assessments	-	-	-	-	-
Fund balances					
Restricted for					
Street lighting	145,947	-	-	-	-
Drug law enforcement	-	-	31,101	65,624	-
Library	-	-	-	-	1,296,404
Debt service	-	-	-	-	-
Capital projects	-	-	-	-	-
Total fund balances	145,947	-	31,101	65,624	1,296,404
Total liabilities, deferred inflows of					
Total liabilities and fund balances	\$ 234,201	\$ 1,217,768	\$ 31,101	\$ 79,425	\$ 1,384,642

City of Eastpointe
Other Supplementary Information
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2025

	Special Revenue Fund	Capital Projects Funds			Total Nonmajor Governmental Funds
	Community Development Block Grant	Capital Improvement	District Court Building	Brownfield Capital Project	
Assets					
Cash and cash equivalents	\$ -	\$ 33,086	\$ 88,671	\$ -	\$ 2,275,695
Investments	-	-	264,608	-	1,057,807
Receivables					
Special assessments	-	168,239	-	-	168,239
Restricted assets					
Cash and cash equivalents	-	-	-	164,492	164,492
Total assets	<u>\$ -</u>	<u>\$ 201,325</u>	<u>\$ 353,279</u>	<u>\$ 164,492</u>	<u>\$ 3,666,233</u>
Liabilities					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 299,085
Payroll and other liabilities	-	-	-	5,318	24,769
Unearned revenue	-	-	-	-	1,089,525
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,318</u>	<u>1,413,379</u>
Deferred inflows of resources					
Unavailable revenue - special assessments	-	166,609	-	-	166,609
Fund balances					
Restricted for					
Street lighting	-	-	-	-	145,947
Drug law enforcement	-	-	-	-	96,725
Library	-	-	-	-	1,296,404
Debt service	-	-	-	159,174	159,174
Capital projects	-	34,716	353,279	-	387,995
Total fund balances	<u>-</u>	<u>34,716</u>	<u>353,279</u>	<u>159,174</u>	<u>2,086,245</u>
Total liabilities, deferred inflows of					
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ 201,325</u>	<u>\$ 353,279</u>	<u>\$ 164,492</u>	<u>\$ 3,666,233</u>

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

	Special Revenue Funds				
	Street Lighting SAD	Indigent Defense	Federal Forfeitures	Drug Law Enforcement	Library
Revenues					
Taxes	\$ 568,818	\$ -	\$ -	\$ -	\$ 1,139,294
Federal grants	-	-	-	-	-
State grants	-	871,818	-	-	44,610
Charges for services	-	-	-	-	1,872
Fines and forfeitures	-	-	31,021	96,832	41,301
Investment income	-	9,120	80	460	51,861
Total revenues	568,818	880,938	31,101	97,292	1,278,938
Expenditures					
Current					
Judicial	-	880,938	-	-	-
Public safety	-	-	-	46,281	-
Public works	655,369	-	-	-	-
Community and economic development	-	-	-	-	-
Recreation and culture	-	-	-	-	956,140
Capital outlay	-	-	-	-	-
Debt service					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	655,369	880,938	-	46,281	956,140
Excess (deficiency) of revenues over expenditures	(86,551)	-	31,101	51,011	322,798
Fund balances - beginning of year	232,498	-	-	14,613	973,606
Fund balances - end of year	\$ 145,947	\$ -	\$ 31,101	\$ 65,624	\$ 1,296,404

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

	Special Revenue Fund	Capital Projects Funds			Total Nonmajor Governmental Funds
	Community Development Block Grant	Capital Improvement	District Court Building	Brownfield Capital Project	
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 1,708,112
Federal grants	264,012	-	-	-	264,012
State grants	-	-	-	-	916,428
Charges for services	-	5,779	-	-	7,651
Fines and forfeitures	-	-	152,379	-	321,533
Investment income	-	5	10,078	-	71,604
	<u>-</u>	<u>5</u>	<u>10,078</u>	<u>-</u>	<u>71,604</u>
Total revenues	<u>264,012</u>	<u>5,784</u>	<u>162,457</u>	<u>-</u>	<u>3,289,340</u>
Expenditures					
Current					
Judicial	-	-	-	-	880,938
Public safety	-	-	-	-	46,281
Public works	-	-	-	-	655,369
Community and economic development	264,012	-	-	-	264,012
Recreation and culture	-	-	-	-	956,140
Capital outlay	-	1,556	-	-	1,556
Debt service					
Principal retirement	-	-	-	44,961	44,961
Interest and fiscal charges	-	-	-	3,474	3,474
	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,474</u>	<u>3,474</u>
Total expenditures	<u>264,012</u>	<u>1,556</u>	<u>-</u>	<u>48,435</u>	<u>2,852,731</u>
Excess (deficiency) of revenues over expenditures	-	4,228	162,457	(48,435)	436,609
Fund balances - beginning of year	-	30,488	190,822	207,609	1,649,636
Fund balances - end of year	<u>\$ -</u>	<u>\$ 34,716</u>	<u>\$ 353,279</u>	<u>\$ 159,174</u>	<u>\$ 2,086,245</u>

City of Eastpointe
Other Supplementary Information
Budgetary Comparison Schedule
Chapter 20 Drain Debt
For the Year Ended June 30, 2025

	Budgeted Amounts			Actual Over (Under) Final Budget
	Original	Final	Actual	
Revenues				
Taxes	\$ 3,300,756	\$ 3,300,756	\$ 3,314,314	\$ 13,558
State grants	32,000	32,000	24,220	(7,780)
Investment income	26,000	26,000	32,826	6,826
Total revenues	3,358,756	3,358,756	3,371,360	12,604
Expenditures				
Current				
Public works	3,016,599	3,016,599	3,012,654	(3,945)
Debt service				
Principal retirement	421,708	421,708	-	(421,708)
Interest and fiscal charges	71,303	71,303	-	(71,303)
Total expenditures	3,509,610	3,509,610	3,012,654	(496,956)
Excess of revenues (deficiency) over expenditures	(150,854)	(150,854)	358,706	509,560
Other financing sources (uses)				
Transfers out	-	-	(493,085)	493,085
Net change in fund balance	(150,854)	(150,854)	(134,379)	16,475
Fund balance - beginning of year	445,273	445,273	445,273	-
Fund balance - end of year	\$ 294,419	\$ 294,419	\$ 310,894	\$ 16,475

City of Eastpointe
Other Supplementary Information
Budgetary Comparison Schedule
Street Lighting SAD
For the Year Ended June 30, 2025

	Budgeted Amounts			Actual Over (Under) Final Budget
	Original	Final	Actual	
Revenues				
Taxes	\$ 572,721	\$ 572,721	\$ 568,818	\$ (3,903)
Expenditures				
Current				
Public works	<u>616,186</u>	<u>646,186</u>	<u>655,369</u>	<u>9,183</u>
Net change in fund balance	(43,465)	(73,465)	(86,551)	(13,086)
Fund balance - beginning of year	<u>232,498</u>	<u>232,498</u>	<u>232,498</u>	<u>-</u>
Fund balance - end of year	<u>\$ 189,033</u>	<u>\$ 159,033</u>	<u>\$ 145,947</u>	<u>\$ (13,086)</u>

City of Eastpointe
Other Supplementary Information
Budgetary Comparison Schedule
Indigent Defense
For the Year Ended June 30, 2025

	Budgeted Amounts			Actual Over (Under) Final Budget
	Original	Final	Actual	
Revenues				
State grants	\$ 1,562,795	\$ 1,562,795	\$ 871,818	\$ (690,977)
Investment income	<u>(2,500)</u>	<u>(2,500)</u>	<u>9,120</u>	<u>11,620</u>
Total revenues	1,560,295	1,560,295	880,938	(679,357)
Expenditures				
Current				
Judicial	<u>1,565,295</u>	<u>1,565,295</u>	<u>880,938</u>	<u>(684,357)</u>
Net change in fund balance	(5,000)	(5,000)	-	5,000
Fund balance - beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - end of year	<u>\$ (5,000)</u>	<u>\$ (5,000)</u>	<u>\$ -</u>	<u>\$ 5,000</u>

City of Eastpointe
Other Supplementary Information
Budgetary Comparison Schedule
Federal Forfeitures
For the Year Ended June 30, 2025

	Budgeted Amounts			Actual Over (Under) Final Budget
	Original	Final	Actual	
Revenues				
Fines and forfeitures	\$ 10,000	\$ 10,000	\$ 31,021	\$ 21,021
Investment income	-	-	80	80
Total revenues	10,000	10,000	31,101	21,101
Expenditures				
Current				
Public safety	10,000	10,000	-	(10,000)
Net change in fund balance	-	-	31,101	31,101
Fund balance - beginning of year	-	-	-	-
Fund balance - end of year	\$ -	\$ -	\$ 31,101	\$ 31,101

City of Eastpointe
Other Supplementary Information
Budgetary Comparison Schedule
Drug Law Enforcement
For the Year Ended June 30, 2025

	Budgeted Amounts			Actual Over (Under) Final Budget
	Original	Final	Actual	
Revenues				
Fines and forfeitures	\$ 50,000	\$ 50,000	\$ 96,832	\$ 46,832
Investment income	<u>1,000</u>	<u>1,000</u>	<u>460</u>	<u>(540)</u>
Total revenues	51,000	51,000	97,292	46,292
Expenditures				
Current				
Public safety	<u>42,400</u>	<u>42,400</u>	<u>46,281</u>	<u>3,881</u>
Net change in fund balance	8,600	8,600	51,011	42,411
Fund balance - beginning of year	<u>14,613</u>	<u>14,613</u>	<u>14,613</u>	<u>-</u>
Fund balance - end of year	<u>\$ 23,213</u>	<u>\$ 23,213</u>	<u>\$ 65,624</u>	<u>\$ 42,411</u>

City of Eastpointe
Other Supplementary Information
Budgetary Comparison Schedule
Library
For the Year Ended June 30, 2025

	Budgeted Amounts			Actual Over (Under) Final Budget
	Original	Final	Actual	
Revenues				
Taxes	\$ 1,169,135	\$ 1,169,135	\$ 1,139,294	\$ (29,841)
State grants	36,000	36,000	44,610	8,610
Charges for services	1,000	1,000	1,872	872
Fines and forfeitures	27,000	27,000	41,301	14,301
Investment income	25,000	25,000	51,861	26,861
Total revenues	1,258,135	1,258,135	1,278,938	20,803
Expenditures				
Current				
Recreation and culture	1,220,044	1,222,033	956,140	(265,893)
Net change in fund balance	38,091	36,102	322,798	286,696
Fund balance - beginning of year	973,606	973,606	973,606	-
Fund balance - end of year	\$ 1,011,697	\$ 1,009,708	\$ 1,296,404	\$ 286,696

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

	Budgeted Amounts			Actual Over (Under) Final Budget
	Original	Final	Actual	
Revenues				
Federal grants	\$ 300,000	\$ 300,000	\$ 264,012	\$ (35,988)
Expenditures				
Current				
Community and economic development	<u>300,000</u>	<u>300,000</u>	<u>264,012</u>	<u>(35,988)</u>
Net change in fund balance	-	-	-	-
Fund balance - beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

City of Eastpointe
Other Supplementary Information
Budgetary Comparison Schedule
Capital Improvement
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Actual Over (Under) Final Budget
	Original	Final		
Revenues				
Charges for services	\$ 450,000	\$ 450,000	\$ 5,779	\$ (444,221)
Investment income	<u>-</u>	<u>-</u>	<u>5</u>	<u>5</u>
Total revenues	450,000	450,000	5,784	(444,216)
Expenditures				
Capital outlay	<u>447,265</u>	<u>447,265</u>	<u>1,556</u>	<u>(445,709)</u>
Net change in fund balance	2,735	2,735	4,228	1,493
Fund balance - beginning of year	<u>30,488</u>	<u>30,488</u>	<u>30,488</u>	<u>-</u>
Fund balance - end of year	<u>\$ 33,223</u>	<u>\$ 33,223</u>	<u>\$ 34,716</u>	<u>\$ 1,493</u>

City of Eastpointe
Other Supplementary Information
Budgetary Comparison Schedule
District Court Building
For the Year Ended June 30, 2025

	Budgeted Amounts			Actual Over (Under) Final Budget
	Original	Final	Actual	
Revenues				
Fines and forfeitures	\$ 85,000	\$ 85,000	\$ 152,379	\$ 67,379
Investment income	-	-	10,078	10,078
Total revenues	85,000	85,000	162,457	77,457
Expenditures				
Capital outlay	10,000	10,000	-	(10,000)
Net change in fund balance	75,000	75,000	162,457	87,457
Fund balance - beginning of year	190,822	190,822	190,822	-
Fund balance - end of year	<u>\$ 265,822</u>	<u>\$ 265,822</u>	<u>\$ 353,279</u>	<u>\$ 87,457</u>

City of Eastpointe
Other Supplementary Information
Budgetary Comparison Schedule
Brownfield Capital Project
For the Year Ended June 30, 2025

	Budgeted Amounts			Actual Over (Under) Final Budget
	Original	Final	Actual	
Revenues				
Taxes	\$ 75,979	\$ 75,979	\$ -	\$ (75,979)
Expenditures				
Debt service				
Principal retirement	44,961	44,961	44,961	-
Interest and fiscal charges	3,582	3,582	3,474	(108)
Total expenditures	48,543	48,543	48,435	(108)
Net change in fund balance	27,436	27,436	(48,435)	(75,871)
Fund balance - beginning of year	207,609	207,609	207,609	-
Fund balance - end of year	\$ 235,045	\$ 235,045	\$ 159,174	\$ (75,871)

City of Eastpointe
Other Supplementary Information
Fiduciary Funds
Combining Statement of Fiduciary Net Position
June 30, 2025

	Other Postretirement Benefits Trust Funds		
	Employees' Death Benefit	Retiree Health Care	Total Other Postretirement Benefits Trust Funds
Assets			
Cash and cash equivalents	\$ 21,092	\$ 396,343	\$ 417,435
Investments			
Interest in pooled investments	-	9,887,172	9,887,172
Mutual funds	1,171,704	-	1,171,704
Fixed income	311,255	-	311,255
Due from other units of government	-	600	600
	<u>1,504,051</u>	<u>10,284,115</u>	<u>11,788,166</u>
Total assets			
	<u>1,504,051</u>	<u>10,284,115</u>	<u>11,788,166</u>
Liabilities			
Accrued and other liabilities	-	1,606	1,606
	<u>-</u>	<u>1,606</u>	<u>1,606</u>
Net position			
Restricted for:			
Postemployment benefits other than pension	1,504,051	10,282,509	11,786,560
Individuals, organizations and other governments	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total net position	<u>\$ 1,504,051</u>	<u>\$ 10,282,509</u>	<u>\$ 11,786,560</u>

City of Eastpointe
Other Supplementary Information
Fiduciary Funds
Combining Statement of Fiduciary Net Position
June 30, 2025

	Custodial Funds				
	<u>Tax Collection</u>	<u>District Court</u>	<u>Private Contributions</u>	<u>Memorial Library Trust</u>	<u>Total Custodial Funds</u>
Assets					
Cash and cash equivalents	\$ (537)	\$ 56,172	\$ 3,853	\$ -	\$ 59,488
Investments					
Interest in pooled investments	-	-	-	-	-
Mutual funds	-	-	-	-	-
Fixed income	-	-	-	-	-
Due from other units of government	<u>537</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>537</u>
Total assets	<u>-</u>	<u>56,172</u>	<u>3,853</u>	<u>-</u>	<u>60,025</u>
Liabilities					
Accrued and other liabilities	-	-	-	-	-
Net position					
Restricted for:					
Postemployment benefits other than pension	-	-	-	-	-
Individuals, organizations and other governments	<u>-</u>	<u>-</u>	<u>3,853</u>	<u>-</u>	<u>3,853</u>
Total net position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,853</u>	<u>\$ -</u>	<u>\$ 3,853</u>

City of Eastpointe
Other Supplementary Information
Fiduciary Funds
Combining Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2025

	Other Postretirement Benefits		Trust Funds
	Employees' Death Benefit	Retiree Health Care	Total Other Postretirement Benefits Trust Funds
Additions			
Contributions			
Employer	\$ -	\$ 1,654,905	\$ 1,654,905
Investment earnings			
Interest, dividends and other	143,326	887,212	1,030,538
Property tax collections for other governments	-	-	-
Court fines and fees	-	-	-
Miscellaneous	-	-	-
Total additions	143,326	2,542,117	2,685,443
Deductions			
Benefits paid to participants or beneficiaries	14,000	2,143,066	2,157,066
Administrative expense	3,500	-	3,500
Payments of property tax to other governments	-	-	-
Court distributions	-	-	-
Miscellaneous expense	-	-	-
Total deductions	17,500	2,143,066	2,160,566
Change in net position	125,826	399,051	524,877
Net position - beginning of year	1,378,225	9,883,458	11,261,683
Net position - end of year	\$ 1,504,051	\$ 10,282,509	\$ 11,786,560

City of Eastpointe
Other Supplementary Information
Fiduciary Funds
Combining Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2025

	Custodial Funds				
	<u>Tax Collection</u>	<u>District Court</u>	<u>Private Contributions</u>	<u>Memorial Library Trust</u>	<u>Total Custodial Funds</u>
Additions					
Contributions					
Employer	\$ -	\$ -	\$ -	\$ -	\$ -
Investment earnings					
Interest, dividends and other	-	-	-	2	2
Property tax collections for other governments	45,022,108	-	-	-	45,022,108
Court fines and fees	-	684,233	-	-	684,233
Miscellaneous	-	-	748	-	748
Total additions	<u>45,022,108</u>	<u>684,233</u>	<u>748</u>	<u>2</u>	<u>45,707,091</u>
Deductions					
Benefits paid to participants or beneficiaries	-	-	-	-	-
Administrative expense	-	-	-	-	-
Payments of property tax to other governments	45,022,108	-	-	-	45,022,108
Court distributions	-	684,233	-	-	684,233
Miscellaneous expense	-	-	30	397	427
Total deductions	<u>45,022,108</u>	<u>684,233</u>	<u>30</u>	<u>397</u>	<u>45,706,768</u>
Change in net position	-	-	718	(395)	323
Net position - beginning of year	-	-	3,135	395	3,530
Net position - end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,853</u>	<u>\$ -</u>	<u>\$ 3,853</u>

City of Eastpointe
Net Position by Component
Last Ten Fiscal Years
(Unaudited)

	2016	2017	2018	2019	2020
Governmental activities:					
Invested in capital assets -					
Net of related debt	\$ 24,232,653	\$ 24,446,470	\$ 24,107,496	\$ 24,777,268	\$ 25,623,616
Restricted	2,275,995	3,094,516	3,851,794	6,160,626	6,104,233
Unrestricted	<u>(23,508,088)</u>	<u>(21,634,318)</u>	<u>(59,712,195)</u>	<u>(61,013,341)</u>	<u>(61,822,243)</u>
Total governmental activities -					
Net position	<u>\$ 2,725,456</u>	<u>\$ 5,906,668</u>	<u>\$ (31,752,905)</u>	<u>\$ (30,075,447)</u>	<u>\$ (30,094,394)</u>
Business-type activities:					
Net investment in capital assets	\$ 40,653,418	\$ 42,596,789	\$ 42,545,111	\$ 43,205,709	\$ 43,821,835
Restricted	19,942	19,978	20,025	23,371	22,806
Unrestricted	<u>3,013,342</u>	<u>(428,506)</u>	<u>3,223,293</u>	<u>7,215,870</u>	<u>12,734,012</u>
Total business-type activities -					
Net position	<u>\$ 45,197,027</u>	<u>\$ 42,188,261</u>	<u>\$ 45,788,429</u>	<u>\$ 50,444,950</u>	<u>\$ 56,578,653</u>
Primary government:					
Net investment in capital assets	\$ 64,886,071	\$ 67,043,259	\$ 66,652,607	\$ 67,982,977	\$ 69,445,451
Restricted	2,295,937	3,114,494	3,871,819	6,183,997	6,127,039
Unrestricted	<u>(20,494,746)</u>	<u>(22,062,824)</u>	<u>(56,488,902)</u>	<u>(53,797,471)</u>	<u>(49,088,231)</u>
Total primary government -					
Net position	<u>\$ 46,687,262</u>	<u>\$ 48,094,929</u>	<u>\$ 14,035,524</u>	<u>\$ 20,369,503</u>	<u>\$ 26,484,259</u>

City of Eastpointe
Net Position by Component
Last Ten Fiscal Years
(Unaudited)

	2021	2022	2023	2024	2025
Governmental activities:					
Invested in capital assets -					
Net of related debt	\$ 29,870,127	\$ 31,287,864	\$ 33,089,513	\$ 34,989,053	\$ 34,715,993
Restricted	5,327,592	5,190,195	10,004,974	10,283,019	11,308,308
Unrestricted	<u>(61,061,598)</u>	<u>(57,040,569)</u>	<u>(56,493,991)</u>	<u>(49,188,423)</u>	<u>(40,057,223)</u>
Total governmental activities -					
Net position	<u>\$ (25,863,879)</u>	<u>\$ (20,562,510)</u>	<u>\$ (13,399,504)</u>	<u>\$ (3,916,351)</u>	<u>\$ 5,967,078</u>
Business-type activities:					
Net investment in capital assets	\$ 44,919,151	\$ 49,087,040	\$ 60,811,013	\$ 64,494,658	\$ 81,783,720
Restricted	22,806	22,796	22,817	111,829	121,275
Unrestricted	<u>15,613,159</u>	<u>14,806,916</u>	<u>9,429,294</u>	<u>12,616,587</u>	<u>13,690,331</u>
Total business-type activities -					
Net position	<u>\$ 60,555,116</u>	<u>\$ 63,916,752</u>	<u>\$ 70,263,124</u>	<u>\$ 77,223,074</u>	<u>\$ 95,595,326</u>
Primary government:					
Net investment in capital assets	\$ 74,789,278	\$ 80,374,904	\$ 93,900,526	\$ 99,483,711	\$ 116,499,713
Restricted	5,350,398	5,212,991	10,027,791	10,394,848	11,429,583
Unrestricted	<u>(45,448,439)</u>	<u>(42,233,653)</u>	<u>(47,064,697)</u>	<u>(36,571,836)</u>	<u>(26,366,892)</u>
Total primary government -					
Net position	<u>\$ 34,691,237</u>	<u>\$ 43,354,242</u>	<u>\$ 56,863,620</u>	<u>\$ 73,306,723</u>	<u>\$ 101,562,404</u>

City of Eastpointe
Changes in Net Position by Component
Last Ten Fiscal Years
(Unaudited)

	Fiscal Year				
	2016	2017	2018	2019	2020
Expenses:					
Governmental activities:					
General government	\$ 5,551,358	\$ 7,977,965	\$ 6,783,025	\$ 8,383,446	\$ 8,521,186
Public safety	14,435,389	12,191,454	17,765,290	17,753,993	17,153,798
Public works	5,734,993	3,612,704	3,696,829	2,503,304	3,407,150
Community and economic development	528,160	199,031	-	-	-
Recreation and culture	2,005,418	1,733,262	1,695,859	1,707,459	1,804,700
Interest on long-term debt	152,784	97,394	103,289	95,342	97,515
Total governmental activities expenses	28,408,102	25,811,810	30,044,292	30,443,544	30,984,349
Business-type activities:					
Water and sewer	14,264,533	16,199,499	12,988,645	13,216,222	11,769,344
Garbage and rubbish collection	1,991,470	1,859,287	1,177,184	2,004,998	1,883,750
Total business-type activities	16,256,003	18,058,786	14,165,829	15,221,220	13,653,094
Total primary government expenses	<u>\$ 44,664,105</u>	<u>\$ 43,870,596</u>	<u>\$ 44,210,121</u>	<u>\$ 45,664,764</u>	<u>\$ 44,637,443</u>
Program Revenue:					
Governmental activities:					
Charges for services:					
General government	\$ 2,674,865	\$ 2,308,360	\$ 2,608,043	\$ 2,184,728	\$ 1,708,100
Public safety	7,015,109	7,163,619	7,081,966	7,471,888	7,236,529
Public works	-	-	-	-	-
Community and economic development	-	-	-	-	-
Recreation and culture	246,978	256,053	44,467	43,610	43,532
Operating grants and contributions	2,955,819	2,502,202	2,792,357	292,450	369,326
Capital grants and contributions	487,608	1,012,379	838,597	409,378	350,728
Total governmental activities program revenue	13,380,379	13,242,613	13,365,430	10,402,054	9,708,215
Business-type activities - Water and sewer:					
Charges for services					
Water and sewer	11,508,016	12,740,588	17,187,158	16,855,481	16,797,692
Garbage and rubbish collection	1,741,559	1,740,794	1,793,363	1,805,945	1,760,173
Operating grants and contributions	424,914	682,556	31,947	-	31,749
Capital grants and contributions	-	-	-	-	-
Total business-type activities program revenue	13,674,489	15,163,938	19,012,468	18,661,426	18,589,614
Total primary government program revenue	<u>\$ 27,054,868</u>	<u>\$ 28,406,551</u>	<u>\$ 32,377,898</u>	<u>\$ 29,063,480</u>	<u>\$ 28,297,829</u>
Net (Expense) Revenue:					
Governmental activities	\$ (15,027,723)	\$ (12,569,197)	\$ (16,678,862)	\$ (20,041,490)	\$ (21,276,134)
Business-type activities	(2,581,514)	(2,894,848)	4,846,639	3,440,206	4,936,520
Total primary government net expense	<u>\$ (17,609,237)</u>	<u>\$ (15,464,045)</u>	<u>\$ (11,832,223)</u>	<u>\$ (16,601,284)</u>	<u>\$ (16,339,614)</u>
General Revenue and Other Changes in Net Position:					
Governmental activities:					
Property taxes	\$ 11,541,479	\$ 11,462,578	\$ 11,839,506	\$ 13,990,374	\$ 13,585,140
State-shared revenue	3,808,921	3,947,067	3,829,008	4,298,152	7,346,091
Investment income	67,022	69,893	135,284	344,044	425,450
Gain (loss) on sale of capital assets	-	18,075	17,375	3,420	10,680
Other nonprogram revenue	885,471	888,840	904,268	841,314	945,803
Change in Joint Venture	-	98,406	-	-	-
Transfers	(1,000,066)	(1,009,554)	(1,071,640)	(1,064,616)	(1,055,977)
Total governmental activities expenses	15,302,827	15,475,305	15,653,801	18,412,688	21,257,187
Business-type activities:					
Investment income	69,545	54,568	51,744	148,155	140,352
Gain (loss) on sale of capital assets	-	-	-	-	-
Other nonprogram revenue	1,578	855	15,542	3,544	854
Change in Joint Venture	-	331,430	-	-	-
Transfers	1,000,066	1,009,554	1,071,640	1,064,616	1,055,977
Total business-type activities	1,071,189	1,396,407	1,138,926	1,216,315	1,197,183
Total primary government	<u>\$ 16,374,016</u>	<u>\$ 16,871,712</u>	<u>\$ 16,792,727</u>	<u>\$ 19,629,003</u>	<u>\$ 22,454,370</u>
Change in Net Position:					
Governmental activities	\$ 275,104	\$ 2,906,108	\$ (1,025,061)	\$ (1,628,802)	\$ (18,947)
Business-type activities	(1,510,325)	(1,498,441)	5,985,565	4,656,521	6,133,703
Total primary government	<u>\$ (1,235,221)</u>	<u>\$ 1,407,667</u>	<u>\$ 4,960,504</u>	<u>\$ 3,027,719</u>	<u>\$ 6,114,756</u>

City of Eastpointe
Changes in Net Position by Component
Last Ten Fiscal Years
(Unaudited)

	Fiscal Year				
	2021	2022	2023	2024	2025
Expenses:					
Governmental activities:					
General government	\$ 9,679,638	\$ 8,206,270	\$ 10,038,487	\$ 11,766,363	\$ 7,805,136
Public safety	17,057,687	15,564,140	17,614,704	14,033,675	13,956,559
Public works	1,121,628	3,691,655	2,986,279	8,009,571	6,628,565
Community and economic development	-	-	-	-	855,953
Recreation and culture	2,229,065	1,867,491	2,106,701	2,015,544	2,267,549
Interest on long-term debt	89,879	100,135	165,967	82,048	83,837
Total governmental activities expenses	30,177,897	29,429,691	32,912,138	35,907,201	31,597,599
Business-type activities:					
Water and sewer	14,441,204	15,295,835	15,184,296	11,861,644	16,570,054
Garbage and rubbish collection	1,870,941	1,710,845	1,975,041	2,419,393	2,200,068
Total business-type activities	16,312,145	17,006,680	17,159,337	14,281,037	18,770,122
Total primary government expenses	<u>\$ 46,490,042</u>	<u>\$ 46,436,371</u>	<u>\$ 50,071,475</u>	<u>\$ 50,188,238</u>	<u>\$ 50,367,721</u>
Program Revenue:					
Governmental activities:					
Charges for services:					
General government	\$ 1,399,255	\$ 2,439,792	\$ 2,234,632	\$ 2,991,672	\$ 3,228,600
Public safety	8,152,856	8,320,335	8,786,334	8,445,582	9,054,106
Public works	-	-	-	193,277	294,925
Community and economic development	-	-	-	-	-
Recreation and culture	44,243	40,918	42,148	83,051	96,788
Operating grants and contributions	1,678,444	664,350	3,735,422	11,736,106	7,070,729
Capital grants and contributions	566,220	566,495	492,463	-	-
Total governmental activities program revenue	11,841,018	12,031,890	15,290,999	23,449,688	19,745,148
Business-type activities - Water and sewer:					
Charges for services					
Water and sewer	17,365,305	17,246,725	17,381,207	18,023,046	18,758,431
Garbage and rubbish collection	1,839,745	1,865,794	1,895,906	2,643,340	2,630,821
Operating grants and contributions	-	-	-	10,000	-
Capital grants and contributions	-	-	2,000,000	-	12,214,731
Total business-type activities program revenue	19,205,050	19,112,519	21,277,113	20,676,386	33,603,983
Total primary government program revenue	<u>\$ 31,046,068</u>	<u>\$ 31,144,409</u>	<u>\$ 36,568,112</u>	<u>\$ 44,126,074</u>	<u>\$ 53,349,131</u>
Net (Expense) Revenue:					
Governmental activities	\$ (18,336,879)	\$ (17,397,801)	\$ (17,621,139)	\$ (12,457,513)	\$ (11,852,451)
Business-type activities	2,892,905	2,105,839	4,117,776	6,395,349	14,833,861
Total primary government net expense	<u>\$ (15,443,974)</u>	<u>\$ (15,291,962)</u>	<u>\$ (13,503,363)</u>	<u>\$ (6,062,164)</u>	<u>\$ 2,981,410</u>
General Revenue and Other Changes in Net Position:					
Governmental activities:					
Property taxes	\$ 14,111,019	\$ 14,394,800	\$ 15,074,209	\$ 15,961,652	\$ 16,830,992
State-shared revenue	7,632,164	8,937,167	10,069,501	4,778,766	4,830,751
Investment income	74,807	(132,104)	465,175	1,077,607	1,389,462
Gain (loss) on sale of capital assets	12,130	-	-	-	37,046
Other nonprogram revenue	1,819,093	604,179	1,269,389	95,252	125,920
Change in Joint Venture	-	-	-	-	-
Transfers	(1,059,404)	(1,062,335)	(1,563,253)	(503,487)	(493,085)
Total governmental activities expenses	22,589,809	22,741,707	25,315,021	21,409,790	22,721,086
Business-type activities:					
Investment income	22,867	58,848	330,474	392,623	295,760
Gain (loss) on sale of capital assets	-	-	-	3,360	1,508
Other nonprogram revenue	3,219	7,418	-	-	305
Change in Joint Venture	-	-	-	-	-
Transfers	1,059,404	1,062,335	1,563,253	503,487	493,085
Total business-type activities	1,085,490	1,128,601	1,893,727	899,470	790,658
Total primary government	<u>\$ 23,675,299</u>	<u>\$ 23,870,308</u>	<u>\$ 27,208,748</u>	<u>\$ 22,309,260</u>	<u>\$ 23,511,744</u>
Change in Net Position:					
Governmental activities	\$ 4,252,930	\$ 5,343,906	\$ 7,693,882	\$ 8,952,277	\$ 10,868,635
Business-type activities	3,978,395	3,234,440	6,011,503	7,294,819	15,624,519
Total primary government	<u>\$ 8,231,325</u>	<u>\$ 8,578,346</u>	<u>\$ 13,705,385</u>	<u>\$ 16,247,096</u>	<u>\$ 26,493,154</u>

City of Eastpointe
Governmental Funds Fund Balances
Last Ten Fiscal Years
(Unaudited)

	2016	2017	2018	2019	2020
General Fund:					
Nonspendable	\$ 99,694	\$ 176,238	\$ 261,057	\$ 612,641	\$ 566,356
Restricted	-	-	-	-	-
Committed	6,367,624	6,459,629	10,333,402	9,045,755	9,426,401
Assigned	-	2,466,531	-	1,004,122	1,988,076
Unassigned	<u>2,463,626</u>	<u>1,908,736</u>	<u>1,448,759</u>	<u>1,756,414</u>	<u>163,321</u>
Total General Fund	<u>\$ 8,930,944</u>	<u>\$ 11,011,134</u>	<u>\$ 12,043,218</u>	<u>\$ 12,418,932</u>	<u>\$ 12,144,154</u>
All other governmental funds:					
Nonspendable	\$ 566,519	\$ 508,054	\$ 454,547	\$ -	\$ -
Restricted	2,183,380	2,586,462	3,397,247	6,160,626	6,104,233
Committed	-	-	-	-	-
Assigned	616,143	493,612	633,946	-	46,924
Unassigned	<u>-</u>	<u>(144,934)</u>	<u>-</u>	<u>(206,881)</u>	<u>(277,983)</u>
Total all other governmental funds	<u>\$ 3,366,042</u>	<u>\$ 3,443,194</u>	<u>\$ 4,485,740</u>	<u>\$ 5,953,745</u>	<u>\$ 5,873,174</u>

City of Eastpointe
Governmental Funds Fund Balances
Last Ten Fiscal Years
(Unaudited)

	2021	2022	2023	2024	2025
General Fund:					
Nonspendable	\$ 772,685	\$ 650,522	\$ 751,573	\$ 543,038	\$ 451,432
Restricted	-	-	-	230,539	289,538
Committed	11,022,393	10,221,816	9,691,978	10,052,616	12,630,879
Assigned	14,878	-	-	306,882	100,021
Unassigned	<u>118,019</u>	<u>2,286,808</u>	<u>2,871,009</u>	<u>3,749,092</u>	<u>4,444,927</u>
Total General Fund	<u>\$ 11,927,975</u>	<u>\$ 13,159,146</u>	<u>\$ 13,314,560</u>	<u>\$ 14,882,167</u>	<u>\$ 17,916,797</u>
All other governmental funds:					
Nonspendable	\$ 270,103	\$ 204,645	\$ 134,038	\$ -	\$ -
Restricted	4,961,205	4,980,083	9,731,946	8,657,961	10,109,093
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	<u>(125,184)</u>	<u>(78,717)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total all other governmental funds	<u>\$ 5,106,124</u>	<u>\$ 5,106,011</u>	<u>\$ 9,865,984</u>	<u>\$ 8,657,961</u>	<u>\$ 10,109,093</u>

City of Eastpointe
Changes in Governmental Funds Fund Balances
Last Ten Fiscal Years

	(Unaudited)				
	2016	2017	2018	2019	2020
Revenue					
Property taxes	\$ 11,541,479	\$ 11,462,578	11,839,506	\$ 13,990,374	\$ 13,585,140
SMORSA charge for service	6,010,192	6,212,569	6,172,605	6,513,835	6,401,722
Licenses and permits	1,389,279	1,441,874	1,367,049	1,361,117	1,244,545
Federal revenue, grants and other federal sources	619,998	160,325	132,985	292,450	369,326
State-shared revenue, grants and other local sources	6,046,173	6,072,045	6,919,164	7,604,412	7,346,091
Charges for services	424,201	371,909	587,196	415,014	245,982
Fines and forfeitures	2,306,109	1,904,406	1,857,032	1,877,157	1,411,678
Investment income	67,022	69,893	135,284	344,044	425,410
Rental income	197,932	209,409	212,742	253,189	214,608
Special assessments	499,240	880,722	706,887	550,818	195,306
Other	442,599	393,215	443,222	121,228	396,754
Total revenue	29,544,224	29,178,945	30,373,672	33,323,638	31,836,562
Expenditures					
Current:					
General government	5,199,152	5,187,034	6,079,706	6,221,512	6,452,999
Public safety	13,144,047	14,002,821	14,811,665	16,989,707	16,208,383
Public works	5,475,403	3,616,011	3,573,036	4,404,979	6,055,074
Community and economic development	528,160	199,031	-	251,080	389,179
Recreation and culture	1,688,710	1,572,150	1,541,556	1,526,387	1,681,197
General expenditures	-	-	-	-	-
Capital outlay	1,023,327	1,261,621	830,750	678,696	70,461
Debt service:					
Principal	194,000	145,000	311,453	256,420	198,182
Interest on long-term debt	154,700	79,157	97,317	89,942	91,139
Total expenditures	27,407,499	26,062,825	27,245,483	30,418,723	31,146,614
Excess of Expenditures Over Revenue	2,136,725	3,116,120	3,128,189	2,904,915	689,948
Other Financing Sources (Uses)					
Long-term financing	-	3,380,000	-	-	-
Lease liabilities issued	-	-	-	-	-
Proceeds from sale of fixed assets	-	18,075	17,375	3,420	10,680
Insurance recoveries	-	-	-	-	-
Net payments to refunded bond escrow agent and bond issuance costs	-	(3,347,299)	-	-	-
Transfers in	2,170,141	1,508,267	1,135,414	1,510,983	1,000,000
Transfers out	(3,170,207)	(2,517,821)	(2,207,054)	(2,575,599)	(2,055,977)
Total other financing sources (uses)	(1,000,066)	(958,778)	(1,054,265)	(1,061,196)	(1,045,297)
Net Change in Fund Balances	\$ 1,136,659	\$ 2,157,342	\$ 2,073,924	\$ 1,843,719	\$ (355,349)
Debt Service as a Percentage of Noncapital Expenditures	1.54%	0.95%	1.66%	1.24%	1.03%

City of Eastpointe
Changes in Governmental Funds Fund Balances
Last Ten Fiscal Years

	(Unaudited)				
	2021	2022	2023	2024	2025
Revenue					
Property taxes	\$ 14,111,019	\$ 14,394,800	\$ 15,074,209	\$ 15,383,787	\$ 16,798,762
SMORSA charge for service	6,877,375	6,793,119	7,215,523	7,580,168	8,051,967
Licenses and permits	1,426,803	1,848,136	1,776,890	1,533,212	1,631,112
Federal revenue, grants and other federal sources	1,531,820	594,331	3,727,422	292,764	680,392
State-shared revenue, grants and other local sources	7,778,788	9,007,186	10,077,501	8,378,314	10,800,351
Charges for services	208,729	198,863	192,254	8,041,343	221,881
Fines and forfeitures	1,490,607	2,327,954	2,198,587	1,835,220	2,181,324
Investment income	74,807	(132,104)	465,175	1,203,491	1,314,844
Rental income	74,725	30,801	57,443	161,096	243,250
Special assessments	745,468	491,339	567,550	568,901	128,316
Other	1,316,512	178,897	512,150	400,544	322,076
Total revenue	35,636,653	35,733,322	41,864,704	45,378,840	42,374,275
Expenditures					
Current:					
General government	7,309,869	6,746,993	7,716,536	13,169,559	7,569,786
Public safety	17,918,326	17,274,103	19,040,161	19,787,447	19,552,931
Public works	7,053,978	6,984,431	5,746,686	8,963,341	7,135,678
Community and economic development	460,323	265,616	385,106	775,400	903,999
Recreation and culture	2,151,125	1,722,159	1,921,893	1,775,677	1,929,876
General expenditures	-	-	-	-	-
Capital outlay	330,343	94,317	205,638	19,855	1,556
Debt service:					
Principal	257,361	257,997	285,369	451,178	489,781
Interest on long-term debt	84,672	94,313	84,675	82,755	86,614
Total expenditures	35,565,997	33,439,929	35,386,064	45,025,212	37,670,221
Excess of Expenditures Over Revenue	70,656	2,293,393	6,478,640	353,628	4,704,054
Other Financing Sources (Uses)					
Long-term financing	-	-	-	-	-
Lease liabilities issued	-	-	-	484,236	223,952
Proceeds from sale of fixed assets	12,130	-	-	25,207	26,568
Insurance recoveries	-	-	-	-	24,273
Net payments to refunded bond escrow agent and bond issuance costs	-	-	-	-	-
Transfers in	1,000,000	1,200,000	4,380,192	1,390,793	1,379,000
Transfers out	(2,059,404)	(2,262,335)	(5,943,445)	(1,894,280)	(1,872,085)
Total other financing sources (uses)	(1,047,274)	(1,062,335)	(1,563,253)	5,956	(218,292)
Net Change in Fund Balances	\$ (976,618)	\$ 1,231,058	\$ 4,915,387	\$ 359,584	\$ 4,485,762
Debt Service as a Percentage of Noncapital Expenditures	1.10%	1.12%	1.11%	1.24%	1.61%

City of Eastpointe
General Government Tax Revenue by Source
Last Ten Fiscal Years
(Unaudited)

Fiscal Year Ended June 30	General Fund	Special Revenue Funds			Debt Service	Total All Property Taxes
	Property Taxes	Property Taxes			Fund Property Taxes	
		Garbage and Rubbish Collection	Library	Total	Chapter 20 Drains	
2016	\$ 8,607,161	\$ -	\$ 859,789	\$ 845,774	\$ 2,074,529	\$ 11,340,904
2017	8,785,996	-	827,072	859,789	1,849,509	11,541,479
2018	8,925,924	-	843,652	827,072	2,058,930	11,462,577
2019	9,183,612	-	862,905	843,652	3,943,858	11,828,506
2020	9,444,390	-	892,957	862,905	3,247,792	13,990,375
2021	9,751,409	-	920,923	892,957	3,438,688	13,585,139
2022	9,942,173	-	938,071	920,923	3,514,554	14,111,020
2023	10,345,428	-	1,002,959	1,002,959	3,725,823	15,074,210
2024	11,158,687	-	1,082,690	1,082,690	3,124,592	15,365,969
2025	11,758,837	-	1,139,293	1,139,293	3,314,314	16,212,444

City of Eastpointe
State Equalized Values (History of Property Values)
Last Ten Fiscal Years
(Unaudited)

	2016	2017	2018	2019	2020
Total State Equalized Valuation (SEV)					
Ad valorem/Total SEV	\$ 450,981,281	\$ 494,514,870	\$ 528,098,598	\$ 547,577,799	\$ 609,061,926
Percent increase (-decrease) over prior year	6.20%	9.65%	6.79%	3.69%	11.23%
Per capita total SEV (1)	\$ 13,910	\$ 15,252	\$ 16,288	\$ 16,889	\$ 18,785
Total SEV by Use and Class					
<u>By Use:</u>					
Commercial	\$ 86,552,598	\$ 87,522,030	\$ 87,970,894	\$ 88,059,200	\$ 96,384,240
Industrial	1,858,120	2,158,030	2,196,450	2,286,200	2,319,200
Residential	329,649,433	365,963,720	398,427,964	417,198,899	470,118,586
Personal property	<u>32,921,130</u>	<u>38,871,090</u>	<u>39,503,290</u>	<u>40,033,500</u>	<u>40,239,900</u>
Total SEV by use	<u>\$ 450,981,281</u>	<u>\$ 494,514,870</u>	<u>\$ 528,098,598</u>	<u>\$ 547,577,799</u>	<u>\$ 609,061,926</u>
<u>By Class:</u>					
Real property	\$ 418,060,151	\$ 455,643,780	\$ 488,595,308	\$ 507,544,299	\$ 568,822,026
Personal property	<u>32,921,130</u>	<u>38,871,090</u>	<u>39,503,290</u>	<u>40,033,500</u>	<u>40,239,900</u>
Total SEV by class	<u>\$ 450,981,281</u>	<u>\$ 494,514,870</u>	<u>\$ 528,098,598</u>	<u>\$ 547,577,799</u>	<u>\$ 609,061,926</u>
Percent of Total SEV by Use and Class					
<u>By Use:</u>					
Commercial	19.19%	17.70%	16.66%	16.08%	15.83%
Industrial	0.41%	0.44%	0.42%	0.42%	0.38%
Residential	73.10%	74.00%	75.44%	76.19%	77.18%
Personal property	<u>7.30%</u>	<u>7.86%</u>	<u>7.48%</u>	<u>7.31%</u>	<u>6.61%</u>
Total SEV by use	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
<u>By Class:</u>					
Real property	92.70%	92.14%	92.52%	92.69%	93.39%
Personal property	<u>7.30%</u>	<u>7.86%</u>	<u>7.48%</u>	<u>7.31%</u>	<u>6.61%</u>
Total SEV by class	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

City of Eastpointe
State Equalized Values (History of Property Values)
Last Ten Fiscal Years
(Unaudited)

	2021	2022	2023	2024	2025
Total State Equalized Valuation (SEV)					
Ad valorem/Total SEV	\$ 680,403,813	\$ 742,681,059	\$ 815,874,500	\$ 946,750,400	\$ 1,083,853,561
Percent increase (-decrease) over prior year	11.71%	9.15%	9.86%	16.04%	14.48%
Per capita total SEV (1)	\$ 20,986	\$ 21,641	\$ 23,774	\$ 27,588	\$ 31,583
Total SEV by Use and Class					
By Use:					
Commercial	\$ 98,616,600	\$ 106,719,400	\$ 108,747,500	\$ 120,645,600	\$ 143,653,400
Industrial	2,869,400	2,969,600	3,430,800	3,495,000	4,055,700
Residential	537,104,413	590,457,759	659,757,100	780,416,000	892,039,565
Personal property	41,813,400	42,534,300	43,939,100	42,193,800	44,104,896
Total SEV by use	<u>\$ 680,403,813</u>	<u>\$ 742,681,059</u>	<u>\$ 815,874,500</u>	<u>\$ 946,750,400</u>	<u>\$ 1,083,853,561</u>
By Class:					
Real property	\$ 638,590,413	\$ 700,146,759	\$ 771,935,400	\$ 904,556,600	\$ 1,039,748,665
Personal property	41,813,400	42,534,300	43,939,100	42,193,800	44,104,896
Total SEV by class	<u>\$ 680,403,813</u>	<u>\$ 742,681,059</u>	<u>\$ 815,874,500</u>	<u>\$ 946,750,400</u>	<u>\$ 1,083,853,561</u>
Percent of Total SEV by Use and Class					
By Use:					
Commercial	14.49%	14.37%	13.33%	12.74%	13.25%
Industrial	0.42%	0.40%	0.42%	0.37%	0.37%
Residential	78.94%	79.50%	80.87%	82.43%	82.31%
Personal property	6.15%	5.73%	5.39%	4.46%	4.07%
Total SEV by use	<u>100.00%</u>	<u>100.00%</u>	<u>100.01%</u>	<u>100.00%</u>	<u>100.00%</u>
By Class:					
Real property	93.85%	94.27%	94.61%	95.54%	95.93%
Personal property	6.15%	5.73%	5.39%	4.46%	4.07%
Total SEV by class	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

City of Eastpointe
Assessed Taxable Values (History of Property)
Last Ten Fiscal Years
(Unaudited)

	2016	2017	2018	2019	2020
Total Taxable Value (TV)					
Ad valorem/Total TV	\$ 430,614,324	\$ 441,076,820	\$ 450,258,308	\$ 463,529,302	\$ 483,045,604
Percent increase/-decrease over prior year	1.84%	2.43%	2.08%	2.95%	4.21%
Per capita total SEV (1)	\$ 13,282	\$ 13,604	\$ 13,887	\$ 14,297	\$ 14,899
Total direct tax rate	\$ 40.9612	\$ 40.1451	\$ 40.1954	\$ 44.0746	\$ 41.8388
Total TV by Use and Class					
By Use:					
Commercial	\$ 77,323,498	\$ 78,038,230	\$ 78,916,844	\$ 79,321,539	\$ 82,916,152
Industrial	1,772,949	1,884,000	1,920,730	1,961,057	1,988,352
Residential	318,596,747	322,283,500	329,917,444	342,213,206	357,901,200
Personal property	32,921,130	38,871,090	39,503,290	40,033,500	40,239,900
Total TV by use	<u>\$ 430,614,324</u>	<u>\$ 441,076,820</u>	<u>\$ 450,258,308</u>	<u>\$ 463,529,302</u>	<u>\$ 483,045,604</u>
By Class:					
Real property	\$ 397,693,194	\$ 402,205,730	\$ 410,755,018	\$ 423,495,802	\$ 442,805,704
Personal property	32,921,130	38,871,090	39,503,290	40,033,500	40,239,900
Total TV by class	<u>\$ 430,614,324</u>	<u>\$ 441,076,820</u>	<u>\$ 450,258,308</u>	<u>\$ 463,529,302</u>	<u>\$ 483,045,604</u>
Percent of Total TV by Use and Class					
By Use:					
Commercial	17.96%	17.69%	17.53%	17.11%	17.17%
Industrial	0.41%	0.43%	0.43%	0.42%	0.41%
Residential	73.98%	73.07%	73.27%	73.83%	74.09%
Personal property	<u>7.65%</u>	<u>8.81%</u>	<u>8.77%</u>	<u>8.64%</u>	<u>8.33%</u>
Total TV by use	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
By Class:					
Real property	92.35%	91.19%	91.23%	91.36%	91.67%
Personal property	<u>7.65%</u>	<u>8.81%</u>	<u>8.77%</u>	<u>8.64%</u>	<u>8.33%</u>
Total TV by class	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

(1) See "Demographic and Economic Statistics" for population information.

Source: City of Eastpointe

City of Eastpointe
Assessed Taxable Values (History of Property)
Last Ten Fiscal Years
(Unaudited)

	2021	2022	2023	2024	2025
Total Taxable Value (TV)					
Ad valorem/Total TV	\$ 507,367,116	\$ 527,110,828	\$ 562,323,532	\$ 608,614,770	\$ 621,066,450
Percent increase/-decrease over prior year	5.04%	3.89%	6.68%	8.23%	2.05%
Per capita total SEV (1)	\$ 15,649	\$ 15,360	\$ 16,386	\$ 17,735	\$ 18,097
Total direct tax rate	\$ 41.2977	\$ 40.5190	\$ 39.5952	\$ 37.9010	\$ 36.8928

Total TV by Use and Class

By Use:

Commercial	\$ 87,892,645	\$ 88,889,652	\$ 92,269,637	\$ 98,391,540	\$ 104,905,293
Industrial	2,040,513	2,177,880	2,249,742	2,362,222	2,480,326
Residential	375,620,558	393,508,996	423,865,053	465,667,208	513,680,831
Personal property	<u>41,813,400</u>	<u>42,534,300</u>	<u>43,939,100</u>	<u>42,193,800</u>	<u>44,104,896</u>
Total TV by use	<u>\$ 507,367,116</u>	<u>\$ 527,110,828</u>	<u>\$ 562,323,532</u>	<u>\$ 608,614,770</u>	<u>\$ 665,171,346</u>

By Class:

Real property	\$ 465,553,716	\$ 484,576,528	\$ 518,384,432	\$ 566,420,970	\$ 621,066,450
Personal property	<u>41,813,400</u>	<u>42,534,300</u>	<u>43,939,100</u>	<u>42,193,800</u>	<u>44,104,896</u>
Total TV by class	<u>\$ 507,367,116</u>	<u>\$ 527,110,828</u>	<u>\$ 562,323,532</u>	<u>\$ 608,614,770</u>	<u>\$ 665,171,346</u>

Percent of Total TV by Use and Class

By Use:

Commercial	17.32%	16.86%	16.41%	16.17%	15.77%
Industrial	0.40%	0.41%	0.40%	0.39%	0.37%
Residential	74.03%	74.65%	75.38%	76.51%	77.23%
Personal property	<u>8.24%</u>	<u>8.07%</u>	<u>7.81%</u>	<u>6.93%</u>	<u>6.63%</u>
Total TV by use	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

By Class:

Real property	91.76%	91.93%	92.19%	93.07%	93.37%
Personal property	<u>8.24%</u>	<u>8.07%</u>	<u>7.81%</u>	<u>6.93%</u>	<u>6.63%</u>
Total TV by class	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

(1) See "Demographic and Economic Statistics" for population information.

Source: City of Eastpointe

City of Eastpointe
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(Unaudited)

Fiscal Year (Tax Year)	2016 (2015)		2017 (2016)		2018 (2017)		2019 (2018)		2020 (2019)	
School district:	East Detroit	South Lake	East Detroit	South Lake	Eastpointe Community	South Lake	Eastpointe Community	South Lake	Eastpointe Community	South Lake
Homestead										
City Tax										
Operating	19.1754	19.1754	19.0986	19.0986	19.0126	19.0126	18.9973	18.9973	18.7807	18.7807
Library	2.0000	2.0000	1.8789	1.8789	1.8789	1.8789	1.8683	1.8683	1.8513	1.8513
Debt service	4.7858	4.7858	4.1676	4.1676	4.5515	4.5515	8.4700	8.4700	6.6800	6.6800
Recreation Authority	1.0000	1.0000	1.0000	1.0000	0.9969	0.9969	0.9841	0.9841	0.9879	0.9879
S.M.O.R.S.A.	14.0000	14.0000	14.0000	14.0000	13.7555	13.7555	13.7549	13.7549	13.5389	13.5389
Total city tax	40.9612	40.9612	40.1451	40.1451	40.1954	40.1954	44.0746	44.0746	41.8388	41.8388
County Tax										
Macomb county	4.5735	4.5735	4.5616	4.5616	4.5292	4.5292	4.4975	4.4975	4.4592	4.4592
Intermediate School	2.9430	2.9430	2.9355	2.9355	2.9146	2.9146	2.8945	2.8945	2.8744	2.8744
Community college	1.5302	1.5302	1.4212	1.4212	1.4034	1.4034	1.4640	1.4640	1.4531	1.4531
HCM Authority	0.2146	0.2146	0.2146	0.2146	0.2140	0.2140	0.2129	0.2129	0.2117	0.2117
S.M.A.R.T.	1.0000	1.0000	0.9974	0.9974	0.9903	0.9903	1.0000	1.0000	0.9926	0.9926
Zoo Authority	0.1000	0.1000	0.0997	0.0997	0.0989	0.0989	0.0985	0.0985	0.0977	0.0977
Veterans operations	0.0400	0.0400	0.0398	0.0398	0.0682	0.0682	0.0676	0.0676	0.0674	0.0674
D.I.A.	0.2000	0.2000	0.1994	0.1994	0.1979	0.1979	0.1965	0.1965	0.1950	0.1950
Martha T. Berry	-	-	-	-	-	-	-	-	-	-
Total county tax	10.6013	10.6013	10.4642	10.4642	10.4165	10.4165	10.4315	10.4315	10.3511	10.3511
School Tax										
State education tax	6.0000	6.0000	6.0000	6.0000	6.0000	6.0000	6.0000	6.0000	6.0000	6.0000
School district tax	7.0000	12.0316	7.0000	6.6500	7.0000	7.0000	7.0000	7.0000	7.0000	7.0000
Total school tax	13.0000	18.0316	13.0000	12.6500	13.0000	13.0000	13.0000	13.0000	13.0000	13.0000
Total homestead	64.5625	69.5941	63.6093	63.2593	63.6119	63.6119	67.5061	67.5061	65.1899	65.1899
Non-Homestead -										
School district tax	18.0000	12.9400	17.8992	17.7538	17.6946	17.5639	17.7648	17.4436	17.5871	17.3999
Total non-homestead	82.5625	82.5341	81.5085	81.0131	81.3065	81.1758	85.2709	84.9497	82.7770	82.5898

SMORSA (South Macomb Oakland Regional Services Authority) is a joint collaborative public financing organization founded by the cities of Eastpointe and Hazel Park to utilize funding options that are available for emergency services, as outlined in Public Act 57 of 1988.

City of Eastpointe taxable valuation is based on 88.53 percent for Eastpointe Community Schools and 11.47 percent for South Lake Schools for the year ended June 30, 2018.

East Detroit Public Schools changed their name to Eastpointe Community Schools effective July 1, 2017.

City of Eastpointe
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(Unaudited)

Fiscal Year (Tax Year)	2021 (2020)		2022 (2021)		2023 (2022)		2024 (2023)		2025 (2024)	
School district:	Eastpointe		Eastpointe		Eastpointe		Eastpointe		Eastpointe	
	Community	South Lake	Community	South Lake	Community	Lake	Community	Lake	Community	Lake
Homestead										
City Tax										
Operating	18.4914	18.4914	18.1567	18.1567	17.6882	17.6882	17.5873	17.5873	17.0930	17.0930
Library	1.8226	1.8226	1.7896	1.7896	1.7916	1.7916	1.7813	1.7813	1.7311	1.7311
Debt service	6.7500	6.7500	6.6500	6.6500	6.6000	6.6000	5.1000	5.1000	5.0000	5.0000
Recreation Authority	0.9724	0.9724	0.9572	0.9572	0.9402	0.9402	0.9402	0.9402	0.9251	0.9251
S.M.O.R.S.A.	<u>13.2613</u>	<u>13.2613</u>	<u>12.9655</u>	<u>12.9655</u>	<u>12.5752</u>	<u>12.5752</u>	<u>12.4922</u>	<u>12.4922</u>	<u>12.1436</u>	<u>12.1436</u>
Total city tax	41.2977	41.2977	40.5190	40.5190	39.5952	39.5952	37.9010	37.9010	36.8928	36.8928
County Tax										
Macomb county	4.4150	4.4150	4.3721	4.3721	4.3200	4.3200	4.3200	4.3200	4.2910	4.2910
Intermediate School	4.0996	4.0996	4.6845	4.6845	4.6300	4.6300	4.7100	4.7100	4.7697	4.7697
Community college	1.4387	1.4387	1.4247	1.4247	1.4077	1.4077	1.4077	1.4077	1.3982	1.3982
HCM Authority	0.2104	0.2104	0.2089	0.2089	0.2070	0.2070	0.2070	0.2070	0.2062	0.2062
S.M.A.R.T.	0.9827	0.9827	0.9731	0.9731	0.9500	0.9500	0.9500	0.9500	0.9436	0.9436
Zoo Authority	0.0967	0.0967	0.0957	0.0957	0.0945	0.0945	0.0945	0.0945	0.0938	0.0938
Veterans operations	0.0667	0.0667	0.0660	0.0660	0.0652	0.0652	0.0690	0.0690	0.0685	0.0685
D.I.A.	0.1930	0.1930	0.1911	0.1911	0.1956	0.1956	0.1956	0.1956	0.1942	0.1942
Martha T. Berry	<u>0.0990</u>	<u>0.0990</u>	-	-	-	-	-	-	-	-
Total county tax	11.6018	11.6018	12.0161	12.0161	11.8700	11.8700	11.9538	11.9538	11.9652	11.9652
School Tax										
State education tax	6.0000	6.0000	6.0000	6.0000	6.0000	6.0000	6.0000	6.0000	6.0000	6.0000
School district tax	<u>6.5000</u>	<u>7.0000</u>	<u>6.3434</u>	<u>11.4552</u>	<u>6.3249</u>	<u>8.1043</u>	<u>6.3099</u>	<u>9.1702</u>	<u>6.2216</u>	<u>9.0924</u>
Total school tax	<u>12.5000</u>	<u>13.0000</u>	<u>12.3434</u>	<u>17.4552</u>	<u>12.3249</u>	<u>14.1043</u>	<u>12.3099</u>	<u>15.1702</u>	<u>12.2216</u>	<u>15.0924</u>
Total homestead	65.3995	65.8995	64.8785	69.9903	63.7901	65.5695	62.1647	65.0250	61.0796	63.9504
Non-Homestead -										
School district tax	<u>17.3285</u>	<u>17.3999</u>	<u>17.1309</u>	<u>12.8367</u>	<u>16.8979</u>	<u>15.7500</u>	<u>16.8979</u>	<u>14.6841</u>	<u>16.4027</u>	<u>14.6438</u>
Total non-homestead	<u>82.7280</u>	<u>83.2994</u>	<u>82.0094</u>	<u>82.8270</u>	<u>80.6880</u>	<u>81.3195</u>	<u>79.0626</u>	<u>79.7091</u>	<u>77.4823</u>	<u>78.5942</u>

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City of Eastpointe taxable valuation is based on 88.53 percent for Eastpointe Community Schools and 11.47 percent for South Lake Schools for the year ended June 30, 2018.

East Detroit Public Schools changed their name to Eastpointe Community Schools effective July 1, 2017.

City of Eastpointe
Principal Property Taxpayers
Current and Nine Years Ago
(Unaudited)

Company Name	Product/Service	Year Ended June 30, 2024			Year Ended June 30, 2015		
		Taxable Value	Rank	Percent of Total City Taxable Value	Taxable Value	Rank	Percent of Total City Taxable Value
Consumers Energy	Utility	\$ 16,487,962	1	2.65	\$ 6,767,055	3	1.57
DTE Electric	Utility	10,931,261	2	1.76	9,129,128	1	2.12
ITC Transmission	Utility	7,099,000	3	1.14	8,279,160	2	1.92
Prime Storage Center, LLC	Storage facility	4,092,358	4	0.66	-		0.00
NSA HHF JV, LLC	Storage facility	2,733,242	5	0.44	-		0.00
East Brooke Commons LTD	Shopping center	1,890,242	6	0.30	1,518,138	5	0.35
Cavalier Manor Eastpointe, LLC	Rental properties	1,785,609	7	0.29	-		-
Comcast	Utility	1,639,400	8	0.26	-		-
Triple 9 Eastpointe, LLC	Rental properties	1,542,532	9	0.25	-		-
Michigan First Credit Union	Financial institution	1,418,638	10	0.23	1,139,378	8	0
American Estate and Trust	Rental properties	-		-	1,823,524	4	0.42
SS Eastpointe II LLC	Rental properties	-		-	1,420,858	6	0.33
Merollis Enterprises, Inc	Automobile	-		-	1,275,374	7	0.30
Eastpointe Investors, LLC	Rental properties	-		-	1,134,975	9	0.26
Corners Investments LLC	Rental properties	-		-	1,024,913	10	0.24
	Ten largest taxpayers	49,620,244		7.98	33,512,503		7.77
	Other taxpayers	571,446,206			397,101,821		
	Total taxable value	\$ 621,066,450			\$ 430,614,324		

Source: City of Eastpointe Treasurer's Office

City of Eastpointe
Property Tax Levies and Collections
Last Ten Fiscal Years
(Unaudited)

Tax Year	Fiscal Year Ended June 30	Total Tax Levy (1)	Collected Within the Fiscal Year of the Levy		Subsequent Collection of Delinquent Taxes	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2015	2016	\$ 11,153,434	\$ 10,032,337	89.99	\$ 1,113,990	\$ 10,969,792	99.78
2016	2017	11,063,366	10,033,977	89.95	1,023,149	11,146,327	99.94
2017	2018	11,344,790	10,303,376	90.70	1,004,569	11,057,126	99.94
2018	2019	13,474,762	12,217,497	90.82	1,241,551	11,307,945	99.68
2019	2020	13,173,043	12,024,493	90.67	1,125,318	13,459,048	99.88
2020	2021	13,707,130	12,565,930	91.28	1,135,035	13,149,812	99.82
2021	2022	13,992,676	12,844,209	91.67	1,113,469	13,700,965	99.96
2022	2023	14,626,109	13,523,296	92.46	1,076,807	14,600,103	99.82
2023	2024	14,874,245	13,702,183	92.12	1,145,127	14,847,310	99.82
2024	2025	15,733,826	14,561,248	92.55	1,092,579	15,653,827	99.49

(1) Includes operating, drain debt and library taxes, but does not include penalty and interest on late payment of taxes.

Source: City of Eastpointe Treasurer's Office

City of Eastpointe
Schedule of Ratios of Debt by Type
Last Ten Fiscal Years
(Unaudited)

Fiscal Year Ended June 30	Governmental Activities		Business-type Activities			Total Primary Government	Percentage of Personal Income (1)	Population	Per Capita
	General Obligation Bonds	MDEQ Brownfield Redevelopmen Loan	Revenue - Revolving Loan Funds	County Issued					
				Special Assessment Bonds	State Revolving Loan Funds				
2016	\$ 3,525,000	\$ 571,000	\$ 3,488,745	\$2,309,978	\$6,356,961	\$ 16,251,684	2.38%	32,442	\$ 500.95
2017	3,535,000	571,000	3,318,745	2,187,134	6,993,816	16,605,695	2.36%	32,442	511.86
2018	3,340,000	454,547	3,148,745	2,058,896	5,973,304	14,975,492	2.13%	32,442	461.61
2019	3,140,000	398,127	2,973,745	1,929,114	5,304,764	13,745,749	1.95%	32,442	423.70
2020	2,935,000	404,945	2,793,745	1,842,054	4,574,128	12,549,872	1.73%	32,442	386.84
2021	2,720,000	362,583	2,608,745	1,729,850	3,829,808	11,250,986	1.41%	34,318	327.85
2022	2,505,000	319,587	2,418,745	1,556,990	3,063,772	9,864,094	1.20%	34,318	287.43
2023	2,285,000	275,945	3,014,703	1,378,575	2,278,380	9,232,603	1.08%	34,318	269.03
2024	2,055,000	231,649	6,831,358	1,195,582	2,039,435	12,353,024	1.36%	34,318	359.96
2025	1,820,000	186,688		7,288,745	1,005,761	12,108,743	1.28%	34,318	352.84

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(1) See the schedule of demographic and economic statistics for personal income data.

City of Eastpointe
Ratios Net of General Bond Debt
Last Ten Fiscal Years
(Unaudited)

Fiscal Year Ended June 30	Governmental Activities			Business-type Activities		Percentage of Estimated Total Taxable Value of Property (1)	Population	Per Capita
	General Obligation Bonds	Brownfield Bonds	Amounts Available in Debt Service Funds	Revenue Bonds	Total Primary Government			
2016	\$ 3,525,000	\$ 571,000	\$ -	\$ 3,488,745	\$ 7,584,745	1.7614	32,442	\$ 233.79
2017	3,535,000	571,000	-	3,318,745	7,424,745	1.6833	32,442	228.86
2018	3,340,000	454,547	-	3,148,745	6,943,292	1.5421	32,442	214.02
2019	3,140,000	398,127	-	2,973,745	6,511,872	1.4048	32,442	200.72
2020	2,935,000	404,945	-	2,793,745	6,133,690	1.2698	32,442	189.07
2021	2,720,000	362,583	-	2,608,745	5,691,328	1.0797	34,318	165.84
2022	2,505,000	319,587	-	2,418,745	5,243,332	0.9947	34,318	152.79
2023	2,285,000	275,945	-	3,014,703	5,575,648	0.9915	34,318	162.47
2024	2,055,000	231,649	-	6,831,358	9,118,007	1.4681	34,318	265.69
2025	1,820,000	186,688	-	7,288,745	9,295,433	1.4967	34,318	270.86

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(1) See the schedule of assessed taxable value for property value data.

City of Eastpointe
Direct and Overlapping Debt
(Unaudited)

Direct Debt			
General Obligation			
1/30/2014	MDEQ Brownfield Redevelopment Loan	\$	186,688
11/22/2016	City Hall, 2016 Refunding	\$	1,820,000
Revenue Bonds			
9/18/2012	Water & Sewer System, Series 2012		1,818,745
6/15/2023	Water & Sewer System, Series 2023		5,470,000
Indirect Debt			
Share of County-issued Drain Bonds			
	MID District - 2019 Drain Refunding	427,217	
	MID District - 2019 Drain Refunding	241,017	
	MID District - 2020 Drain Refunding	337,527	1,005,761
Total direct and indirect debt outstanding			10,301,194
Less	Revenue bonds	7,288,745	
	MID District Special Assessments	<u>1,005,761</u>	<u>8,294,506</u>
Net direct and indirect debt outstanding			2,006,688
Overlapping Debt			
	79.91% Eastpointe Community Schools		17,914,090
	10.03% South Lake School District		4,663,950
	1.75% Macomb County		3,464,212
	1.71% Macomb ISD		1,549,175
	1.75% Macomb Community College		-
Total overlapping debt			<u>27,591,427</u>
Net direct and overlapping debt			<u>\$ 37,892,621</u>

Source: Municipal Advisory Council of Michigan, Southfield, Michigan

City of Eastpointe
Legal Debt Margin
(Unaudited)

Valuation for debt limit:	
2023 state equalized value (2024 fiscal year)	\$ 1,083,853,561
Addback of assessed value equivalent - 2023 SEV of Act 198 exemptions	<u>-</u>
Total valuation for debt limit	<u>\$ 1,083,853,561</u>
Debt limit (10 percent of state equalized valuation and equivalent) (1)	\$ 108,385,356
Debt applicable to limit:	
Amount of total direct outstanding debt	<u>2,006,688</u>
Legal debt margin	<u>\$ 106,378,668</u>

(1) Debt limit set forth in Section 4a, Act 279 of 1909 and Act 202, P.A. 1943, as amended by Act 42, P.A. 1960

City of Eastpointe
Legal Debt Margin Information
Last Ten Fiscal Years
(Unaudited)

	Fiscal Year				
	2016	2017	2018	2019	2020
Debt limit	\$ 45,098,128	\$ 49,451,487	\$ 52,809,860	\$ 54,757,780	\$ 60,906,193
Total net debt applicable to limit	(4,096,000)	(4,106,000)	(3,794,547)	(3,538,127)	(3,339,945)
Legal debt margin	<u>\$ 38,175,490</u>	<u>\$ 41,002,128</u>	<u>\$ 45,345,487</u>	<u>\$ 51,219,653</u>	<u>\$ 57,566,248</u>
Total net debt applicable to the limit as a percentage of debt limit	9.08%	8.30%	7.19%	6.46%	5.48%

City of Eastpointe
Legal Debt Margin Information
Last Ten Fiscal Years
(Unaudited)

	Fiscal Year				
	2021	2022	2023	2024	2025
Debt limit	\$ 68,040,381	\$ 74,268,106	\$ 81,587,450	\$ 94,675,040	\$ 108,385,356
Total net debt applicable to limit	(3,082,583)	(2,824,587)	(2,560,945)	(2,286,649)	(2,006,688)
Legal debt margin	<u>\$ 64,957,798</u>	<u>\$ 71,443,519</u>	<u>\$ 79,026,505</u>	<u>\$ 106,378,668</u>	<u>\$ 106,378,668</u>
Total net debt applicable to the limit as a percentage of debt limit	4.53%	3.80%	3.14%	2.42%	1.85%

City of Eastpointe
Pledged Revenue Coverage
Last Ten Fiscal Years
(Unaudited)

Water Revenue Bonds							
Fiscal Year Ended	Utility Service Charges	Less:	Net	Debt Service			Coverage
		Operating Expenses	Available Revenue	Principal	Interest	Total	
2016	\$11,508,011	\$11,363,193	\$ 144,818	\$ 165,000	\$ 88,928	\$ 253,928	0.570
2017	12,740,557	11,263,881	1,476,676	170,000	87,084	257,084	5.744
2018	17,187,159	11,214,324	5,972,835	170,000	82,969	252,969	23.611
2019	16,962,785	11,707,530	5,255,255	175,000	77,625	252,625	20.803
2020	16,920,995	11,765,381	5,155,614	180,000	73,219	253,219	20.360
2021	17,381,332	12,077,227	5,304,105	185,000	68,687	253,687	20.908
2022	17,305,568	12,318,653	4,986,914	190,000	65,219	255,219	19.540
2023	17,599,402	13,103,999	4,495,403	195,000	60,469	255,469	17.597
2024	18,289,781	12,409,722	5,880,059	245,000	58,021	303,021	19.405
2025	18,904,507	13,299,953	5,604,554	460,000	157,867	617,867	9.071

Notes: Details regarding the city's outstanding debt can be found in the notes to the financial statements. Operating expenses do not include interest, depreciation, or amortization expense.

City of Eastpointe
Demographics and Economic Statistics
Last Ten Fiscal Years
(Unaudited)

Fiscal Year Ended	Estimated Population	Median Age	Education		Per Capita Income	Income (in thousands)	Number of Households	Median Household Income	Unemployment Rate
			Age 25 or Older (2)						
			High School Graduate	Bachelor's Degree					
June 30	(1 & 2)	(2)	or Higher	or Higher	(2)	(4)	(1 & 2)	(1)	(3)
2016	32,422	36	84.1%	12.3%	21,086	683,650	13,796	45,157	7.6%
2017	32,601	36	87.3%	15.1%	21,616	704,703	13,796	45,157	6.4%
2018	32,601	36	87.3%	15.1%	21,616	704,703	13,796	45,157	5.9%
2019	32,601	36	87.3%	15.1%	21,616	704,703	13,796	45,157	6.5%
2020	32,576	36	86.6%	14.7%	22,328	727,357	12,483	45,157	6.5%
2021	34,318	37	87.5%	15.4%	23,292	799,335	12,676	49,849	6.6%
2022	34,318	38	88.1%	16.7%	24,010	823,975	12,856	49,800	6.3%
2023	34,318	38	72.4%	15.2%	24,895	854,347	13,373	52,269	5.2%
2024	33,676	36	87.1%	14.9%	27,019	909,892	13,232	57,953	4.1%
2025	34,003	36	87.7%	14.8%	27,884	948,140	13,400	58,196	10.4%

Sources:

- (1) United States Census Bureau - 2020 & 2010 Census and 2021 American Community Survey 5 Year Estimates
- (2) Southeast Michigan Council of Governments (SEMCOG) - Detailed Data and 2017-21 ACS 5 Year Estimates
- (3) Michigan Department of Career Development, Employment Security Agency, Office of Labor Market Information
- (4) "Estimated Population" times "Per Capita Income"
- (5) Michigan Bureau of Labor Market Information and Strategic Initiatives

City of Eastpointe
Miscellaneous Demographics
(Unaudited)

Population

2020 U.S. Census	34,318
2010 U.S. Census	32,442
2000 U.S. Census	34,077
1990 U.S. Census	35,283
1980 U.S. Census	38,280
1970 U.S. Census	45,920
1960 U.S. Census	45,756

Housing Tenure

Types	2021	2010	2000
Owner occupied	9,157	9,802	11,970
Renter occupied	4,216	2,755	1,625
Vacant:			
Seasonal/migrant	46	22	23
Other vacant units	736	1,217	347
Total	14,155	13,796	13,965

Household Characteristics

Types	2021	2010	2000
With seniors 65+	3,528	2,963	4,246
Without seniors	9,845	9,594	9,349
Two or more without children	5,461	4,567	5,188
Live alone, over 65	1,474	1,345	1,878
Live alone, under 65	2,562	2,263	2,041
With children	3,876	4,382	4,488
Total households	13,373	12,557	13,595

Age Statistics

Years	2021	2010	2000
Under 5	5.3%	6.6%	6.4%
5 to 19	20.8%	22.1%	20.3%
20 to 24	5.7%	5.8%	5.3%
25 to 44	28.1%	28.5%	32.3%
45 to 64	26.9%	25.7%	19.2%
Over 64	12.6%	11.3%	16.5%

Poverty

	2021	2010	2000
Persons in poverty	5,799	4,242	2,174
Percentage	17.1%	12.9%	6.4%
Percentage point change	4.2	6.5	
Households in poverty	2,134	1,414	930
Percentage	16.0%	10.9%	6.8%
Percentage point change	3.4	4.1	

Labor Characteristics

By Industry:	Number of Employees
Natural resources and mining	623
Manufacturing	221
Wholesale trade, transportation and warehousing	218
Retail trade	1,331
Transportation, warehousing & utilities	496
Services to Households & Firms	2,421
Education and healthcare services	1,822
Leisure and hospitality	884
Public Administration	412
Other	904
Total	9,332

Educational Characteristics

Highest Level - for population age 25 and over	2021
Graduate/Professional degree	5.7%
Bachelor's degree	9.5%
Associate degree	8.4%
Some college, no degree	29.4%
High school graduate	34.6%
Did not graduate high school	12.4%

Income Characteristics

5-Yr ACS Household Income	Number of Households
Less than \$14,999	1,493
\$15,000 - \$34,999	2,642
\$35,000 - \$49,999	2,331
\$50,000 - \$99,999	4,540
\$100,000 - \$149,999	1,666
\$150,000 or more	701

Source: United States Census Bureau - 2000/2010 Census; SEMCOG 2017-2021, Michigan Department of Community Health-Vital Statistics and ACS 2017-21 Five Year Estimates.

City of Eastpointe
Principal Employers (Major Employers)
(Unaudited)

		Year Ended June 30, 2025			Year Ended June 30, 2016		
Company Name	Product/Service	Employees	Rank	Total City Employment	Employees	Rank	Total City Employment
Eastpointe Community Schools (1)	Education	250	1	2.68%	321	1	4.11%
Olive Garden	Restaurant	239	2	2.56%	136	3	1.74%
City of Eastpointe	Municipal government	173	3	1.85%	221	2	2.83%
McCoy Maintenance	Janitorial services	167	4	1.79%	50	7	0.64%
Kem-Tec	Surveying & Engineering	100	5	1.07%	-		0.00%
Genesis Chevrolet	Automobile dealership	93	6	1.00%	-		0.00%
Taco Bell	Fast food restaurant	80	7	0.86%	-		0.00%
Pep Boys	Automotive parts/service	66	8	0.71%	-		0.00%
Ace Real Estate	Real estate agent	65	9	-	-		0.00%
Cloverleaf Bar and Restaurant	Restaurant	65	10	0.70%	-		0.00%
Rite Aid	Retail drug store	21	-	0.23%	75	4	0.96%
Fresh Choice	Grocery Store	31	-	-	-		0.00%
Merollis Chevrolet	Automobile dealership	-	-	-	67	6	0.86%
Eastpointe Post Office	Automotive parts/service	26	-	-	70	5	0.90%
Easton Academy	Education	-	-	-	40	8	0.51%
CVS	Retail drug store	-	-	-	36	9	0.46%
Porsche of the Motor City	Automobile dealership	-	-	-	35	10	0.45%
	Ten largest employers	1,376		14.74%	1,051		13.45%
	Other employers	7,956		85.26%	6,762		86.55%
	Total employment (2)	9,332			7,813		

(1) East Detroit Public Schools changed their name to Eastpointe Community Schools effective July 1, 2017

(2) Southeast Michigan Council of Governments

Source: City of Eastpointe, Economic Development Office
Macomb County Department of Planning and Economic Development

City of Eastpointe
Full-Time Equivalent City Government Employees by Function
Last Ten Fiscal Years
(Unaudited)

	Full-time Equivalents as of June 30									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<u>Activities:</u>										
General government	48.5	47.5	48.0	49.5	47.5	48.0	50.0	51.5	53.0	50.0
Public safety	77.0	77.5	78.0	79.0	86.0	84.0	83.5	84.5	85.0	87.0
Public works	22.0	21.5	22.5	24.5	22.0	22.5	22.5	23.0	23.0	23.0
Recreation and culture	9.5	9.5	9.5	9.5	10.0	10.0	11.0	11.0	11.0	11.0
Total	<u>151.5</u>	<u>149.0</u>	<u>151.0</u>	<u>155.5</u>	<u>159.0</u>	<u>161.0</u>	<u>164.0</u>	<u>170.0</u>	<u>172.0</u>	<u>171.0</u>

Source: City of Eastpointe Budget

City of Eastpointe
Operating Indicators by Function
Last Ten Fiscal Years
(Unaudited)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Government - data										
City Council										
Regular meetings	24	24	24	24	24	24	24	24	24	24
Special meetings	3	2	22	28	10	11	28	28	7	8
Public hearings held	4	3	3	3	5	5	3	3	8	3
Ordinances and amendments adopted	4	10	15	10	19	19	10	10	2	10
Show cause hearings held	7	7	5	7	4	2	7	7	-	7
Assessing										
Assessment notices	14,800	14,652	14,656	14,658	14,658	14,644	14,200	14,200	14,680	14,758
Property transfers	1,800	1,198	1,313	1,308	1,219	1,030	1,200	1,200	948	1,200
Homestead affidavits	2,000	449	519	574	553	543	500	500	704	750
Homestead rescinds	500	464	497	457	444	396	500	500	425	500
Deeds and land contacts	2,500	1,747	1,831	1,804	1,656	384	1,750	1,750	1,275	1,750
Board of Review appeals	350	183	187	223	220	224	225	225	134	225
Tax tribunal hearings	90	16	4	2	1	16	5	5	6	5
Clerk										
Dog Licenses	1,528	3,095	1,809	1,662	1,293	1,641	3,000	2,000	1,061	2,000
Business registrations	796	788	792	777	772	799	800	800	831	855
Elections	2	2	2	2	2	2	1	2	2	3
Absentee ballot requests	2,550	6,482	4,096	5,593	12,342	18,704	7,000	12,000	10,562	14,500
Registered voters	24,405	22,740	23,928	23,554	27,994	27,932	27,000	28,100	28,220	26,000
New voter registrations	2,500	3,658	2,048	3,562	2,976	3,553	3,000	3,000	3,282	3,500
Voter history updates	9,563	11,553	5,368	14,367	30,686	25,328	9,000	18,000	4,355	3,500
Finance										
Payroll payments processed	5,140	5,194	5,036	4,684	5,314	5,315	4,800	4,800	4,530	4,800
Accounts payable invoices processed	3,504	3,423	7,672	7,969	7,712	8,553	8,100	8,100	8,464	8,500
Transactions processed by cashiers	129,879	133,808	140,700	152,778	153,888	142,087	153,000	153,000	153,859	153,000
Water and sewer bills issued	162,856	162,252	164,232	162,276	162,240	162,239	162,300	162,300	162,084	162,850
Properties billed - summer taxes	15,087	15,215	15,302	15,406	15,533	15,634	15,406	15,665	14,684	15,375
Miscellaneous billings	2,145	3,757	2,854	2,657	1,551	1,662	2,600	2,600	901	2,600
Public Safety - data										
Police Protection										
Total calls for service	27,000	24,450	26,067	26,269	26,118	23,728	24,991	26,200	26,554	28,200
Total arrests	2,550	2,456	1,687	1,609	1,609	1,516	1,489	1,650	1,318	1,300
Total violations issued	13,580	10,577	12,093	9,621	9,621	11,963	9,786	12,050	7,167	9,000
Total traffic accidents	600	740	550	613	613	582	507	615	682	650
Total felony warrants obtained	1,100	1,061	504	508	512	468	586	520	972	700
Total crimes reported	2,300	2,555	3,122	2,711	2,711	2,720	3,004	2,995	3,055	3,400
Building Department										
Permits issued	2,300	2,016	2,016	1,925	1,925	2,986	2,000	2,750	1,756	2,750
Code enforcement cases	7,500	10,907	12,319	9,321	9,321	4,581	10,000	4,000	4,380	4,000
Rental inspections	3,800	4,901	4,813	3,898	3,898	4,651	4,000	4,750	3,894	4,750
Vacant structure inspections	350	286	302	260	260	290	300	300	111	300
Rental certificates issued	1,500	1,760	1,910	1,904	1,904	1,692	1,900	1,950	1,191	1,950
Planning Commission applications	10	15	13	11	11	14	12	13	11	13
Zoning Board of Appeals applications	4	3	8	5	5	4	6	5	-	5
Dangerous Building Board cases	40	58	65	36	36	21	35	10	-	10

City of Eastpointe
Operating Indicators by Function
Last Ten Fiscal Years
(Unaudited)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Public Works - data										
Major & Local Streets Division										
Miles of roads in city	99.78	99.78	99.78	99.78	99.78	99.78	99.78	99.78	99.78	99.78
After hours snow removal occurrences	19	19	26	26	20	20	13	13	13	13
Pothole patching (tons)	200	200	258	258	258	150	200	200	104	200
Right-of-way mowing (miles)	4.25	4.25	4.25	4.25	4.25	4.25	4.25	4.25	4.25	4.25
Recreation and Culture - data										
Library										
Attendance	91,731	84,573	95,394	89,548	54,680	59,724	100,000	100,000	50,817	60,000
Circulation:										
Physical Items	88,511	88,118	79,411	88,468	63,446	70,707	90,000	90,000	33,950	60,000
Overdrive (downloadable books)	2,000	2,838	2,614	3,554	4,608	10,115	5,000	13,000	6,032	8,000
Internet use (hours)	7,500	6,352	5,962	5,268	3,694	3,860	6,000	6,000	4,651	5,000
Program attendance:										
Children	2,500	1,378	1,533	1,840	1,840	360	2,500	2,500	333	500
Adult	1,000	1,166	982	1,243	615	496	2,000	1,500	1,400	1,500
Current card holders	16,070	16,784	16,584	18,696	18,696	12,273	19,000	14,000	12,139	13,000
Water and Sewer Services - data										
Residents Served	32,442	32,442	32,442	32,442	32,442	34,318	34,318	34,318	34,318	34,318
Active water accounts	13,553	13,552	13,550	13,550	13,514	13,514	13,577	13,565	13,565	13,565
Sewer inspections	125	100	49	49	77	77	60	60	50	36
Water main breaks	65	26	47	47	35	72	50	-	35	54
Water shut-offs	691	700	800	800	113	53	100	-	464	300
Water turn-ons	738	739	911	911	114	94	100	-	226	59

U = Unavailable

Source: City of Eastpointe

City of Eastpointe
Capital Assests Statistics by Function
Last Ten Fiscal Years
(Unaudited)

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Government										
Buildings										
City Center Commons	1	1	1	1	1	1	1	1	1	1
38th District Court	1	1	1	1	1	1	1	1	1	1
Public Safety										
Fire Protection										
Stations	1	1	1	1	1	1	1	1	1	1
Vehicles - Extinguishment	3	3	3	3	3	3	3	3	3	3
Police Protection										
Stations	1	1	1	1	1	1	1	1	1	1
Vehicles - Marked	19	19	19	19	19	19	19	19	19	19
Vehicles - Unmarked	12	12	12	12	10	10	10	10	10	10
Public Works										
Streets and Sidewalks										
Miles of City:										
Primary streets	20	20	20	20	20	20	20	20	20	20
Secondary streets	80	80	80	80	80	80	80	80	80	80
Sidewalks	200	200	200	200	200	200	200	200	200	200
Buildings	4	4	4	4	4	4	4	4	4	4
Street lights-electric	1,322	1,322	1,322	1,322	1,322	1,322	1,333	1,333	1,391	1,300
Street lights-solar	-	-	-	-	-	-	-	-	16	35
Snow removal vehicles	14	14	14	14	14	14	14	14	14	14
Recreation and Culture										
Library										
Buildings	1	1	1	1	1	1	1	1	1	1
Parks and Recreation										
Acres	76	76	76	76	76	76	76	76	76	76
Developed parks	3	3	3	3	4	5	6	6	6	6
Undeveloped parks	5	5	5	5	4	3	2	2	2	2
Buildings	4	4	4	4	4	4	4	4	4	4
Water and Sewer Services										
Fire hydrants	903	918	918	918	918	918	918	918	938	938
Miles of water mains	110	110	110	110	110	110	110	110	110	110
Miles of sanitary sewers	108	108	108	108	108	108	108	108	108	108

Source: City of Eastpointe

City of Eastpointe
Maximum Property Tax Rates
(Unaudited)

Purpose	Maximum Millage Authorized	Maximum Millage to be levied	Expiration Date of Millage
Operating:			
General Operating	19.1754	17.0930	In perpetuity
Refuse	3.0000	-	In perpetuity
Library Fund	1.0000	0.7898	In perpetuity
Library 2017	<u>1.0000</u>	<u>0.9413</u>	2027
Total operating	24.1754	18.8241	
Debt	N/A	<u>5.0000</u>	
Total tax rate levied		<u><u>23.8241</u></u>	

**City of Eastpointe
State-Shared Revenue
Last Ten Fiscal Years
(Unaudited)**

Fiscal Year Ended June 30	Modified Accrual Basis of Accounting			Accrual Basis of Accounting	
	Constitutional Revenues	Statutory Revenues	Total	Total	
2016	\$ 2,469,486	\$ 810,867	\$ 3,280,353	\$	3,280,353
2017	2,611,815	709,509	3,321,324		3,422,682
2018	2,680,800	938,567	3,619,367		3,518,009
2019	2,807,431	832,707	3,640,138		3,640,138
2020	2,800,335	713,605	3,513,940		3,513,940
2021	3,175,273	856,331	4,031,604		4,031,604
2022	3,689,909	938,408	4,628,317		4,628,317
2023	3,695,241	925,865	4,621,106		4,621,106
2024	3,762,636	981,329	4,743,965		4,743,965
2025	3,698,684	1,095,917	4,794,601		4,794,601

December 15, 2025

Honorable Mayor, City Council, and Management
City of Eastpointe
Eastpointe, Michigan

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 Eastpointe (the City) as of and for the year ended June 30, 2025. We are required to communicate certain matters to you in accordance with generally accepted auditing standards that are related to internal control and the audit.

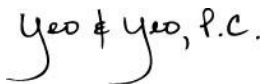
Our communication includes the following:

- I. Auditors' Communication of Significant Matters with Those Charged with Governance
- II. Communication of Internal Control Matters Identified During the Audit

Matters for management's consideration are not required to be communicated but we believe are valuable for management.

We discussed these matters with various personnel in the City during the audit and with management. We would also be pleased to meet with you to discuss these matters at your convenience.

This information is intended solely for the information and use 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.



Troy, Michigan

Appendix I

Auditors' Communication of Significant Matters with Those Charged with Governance

Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards* and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you dated July 15, 2025. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in the footnotes of the financial statements. The City has adopted the following Governmental Accounting Standards Board Statements effective July 1, 2024:

- Statement No. 101, *Compensated Absences*, updates the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.
- Statement No. 102, *Certain Risk Disclosures*, requires governments to provide users of the financial statements with essential information about risks related to the government's vulnerabilities due to certain concentrations or constraints.

We noted no transactions entered into by the City during the year for which there is lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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 City's financial statements were:

- The useful lives of its capital assets. Useful lives are estimated based on the expected length of time during which the asset is able to deliver a given level of service.
- Leases receivable and the related deferred inflows of resources. The estimate is based on management's assessment of the likelihood of exercising renewal options and utilizing interest and discount rates.
- Right to use assets and lease liabilities. The estimate is based on management's assessment of the likelihood of exercising renewal options and utilizing interest and discount rates.
- Net pension liability, and related deferred outflows of resources and deferred inflows of resources. The estimate is based on an actuarial report.
- Net other postemployment benefits (OPEB) liability, and related deferred outflows of resources and deferred inflows of resources. The estimate is based on an actuarial report.
- Compensated Absences. Management's estimate is based pay rates in effect at the end of the reporting period and the likelihood that employees will use or be paid out for earned time.

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

Disclosures in the financial statements are neutral, consistent and clear.

Auditors are required to use professional judgment to identify areas of the audit that have a significant risk of material misstatement and perform special audit consideration in those areas. Within our audit, we focused additional consideration on the following areas:

- Improper revenue recognition
- Implementation of new accounting standards
- Management override of controls

Accounting Standards and Regulatory Updates

The Governmental Accounting Standards Board has released additional Statements. Details regarding these Statements are described in the footnotes of the financial statements.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing 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 clearly trivial and communicate them to the appropriate level of management. Management has corrected all such misstatements.

The following material misstatements were detected as a result of our audit procedures and corrected by management:

- Receivables and revenues of nearly \$2.8 million were not recorded as of June 30, 2024. Therefore, a prior period adjustment has been posted to correct this error.

There were no known uncorrected misstatements that were more than trivial.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated as of the date of the audit report.

Management's Consultations with Other 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 auditors' 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.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to 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 to our retention.

Emphasis of Matters in Independent Auditors' Report

Our report will include the following emphasis of matters paragraphs:

Adoption of New Accounting Standard

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

Correction of an Error

As discussed in Note 17 to the financial statements, during the year ended June 30, 2025, the City corrected an error, resulting in a restatement of the Water and Sewer Fund's beginning net position. Our opinions are not modified with respect to this matter.

Other Reports

Other information that is required to be reported to you is included in the: Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*; Independent Auditors' Report on Compliance For Each Major Federal Program; Independent Auditors' Report on Internal Control Over Compliance; and Independent Auditors' Report on Schedule of Expenditures of Federal Awards Required by the Uniform Grant Guidance; and the Schedule of Findings and Questioned Costs. Please read all information included in those reports to ensure you are aware of relevant information.

Report on Required Supplementary Information

We applied certain limited procedures to management's discussion and analysis and the remaining required supplementary information (RSI) as described in the table of contents of the financial statements that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Report on Other Supplementary Information

We were engaged to report on other supplementary information as described in the table of contents of the financial statements, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Annual Comprehensive Financial Report

The City's audited financial statements are included in their annual comprehensive financial report. Our responsibility for the other information contained in the annual comprehensive financial report does not extend beyond the financial information identified in our audit report. We do not have an obligation to perform any procedures to corroborate the other information contained in the introductory section and statistical section. However, we read the other information and considered whether such information, or the manner of its presentation, was materially inconsistent with information, or the manner of its presentation, appearing in the financial statements. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, was materially inconsistent with the information, or manner of its presentation, appearing in the financial statements.

Appendix II

Matters for Management's Consideration

In planning and performing our audit of the financial statements of the City as of and for the year ended June 30, 2025, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

However, during our audit we became aware of the following matters for management's consideration that are opportunities for improving compliance with state laws. This letter does not affect our report dated December 15, 2025, on the financial statements of the City.

Federal Policies and Procedures

The City's written procedures specific to the federal awards need to be updated to comply with the federal Uniform Guidance. We recommend that management review the requirements under the Uniform Guidance and implement the prescribed written procedures. These procedures should specifically encompass written procedures for financial management systems, payments, allowable costs, period of performance, matching or cost sharing, program income, procurement, equipment and real property, supplies, copyrights, subawards to debarred and suspended parties, monitoring and reporting program performance, financial reporting, retention and access requirements for records. In addition, cash management, conflict of interest and federal timekeeping. These procedures should be implemented as soon as possible. To assist with the City's implementation, we have provided a sample to the Finance Director.

State Mandated Policies/Resolution

As part of our audit, we review policies and procedures to ensure that they are in compliance with the laws and regulations of the State of Michigan. During our review of these policies and procedures, we identified that the City does not have an approved policy for electronic transactions. We recommend the City draft and approve this policy immediately to ensure compliance with state laws and regulations. These will require a resolution by City Council to approve the electronic transactions of public funds policy. Further information of the requirements of this resolution and policy may be found at the following link:

Electronic Transactions of Public Funds

<https://www.legislature.mi.gov/Laws/MCL?objectName=MCL-ACT-738-OF-2002>

City of Eastpointe

Single Audit

June 30, 2025



YEO & YEO

**BUSINESS SUCCESS
PARTNERS**

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Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards

Independent Auditors' Report

To the Honorable Mayor and
Members of the City Council

City of Eastpointe
Eastpointe, Michigan

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Eastpointe as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City of Eastpointe's basic financial statements, and have issued our report thereon dated December 15, 2025. Our report includes a reference to other auditors who audited the financial statements of South East Regional Emergency Services Authority as described in our report on the City of Eastpointe's financial statements. The financial statements of South East Regional Emergency Services Authority were not audited in accordance with *Government Auditing Standards*.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Eastpointe's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Eastpointe's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Eastpointe's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2025-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Eastpointe's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective

of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

City of Eastpointe's Response to Findings and Corrective Action Plan

Government Auditing Standards requires the auditor to perform limited procedures on the City of Eastpointe's response to the finding identified in our audit and described in the accompanying schedule of findings and questioned costs and corrective action plan. The City of Eastpointe's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Yeo & Yeo, P.C.

Troy, Michigan
December 15, 2025

Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

Independent Auditors' Report

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Eastpointe's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City of Eastpointe's major federal programs for the year ended June 30, 2025. The City of Eastpointe's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City of Eastpointe complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City of Eastpointe and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City of Eastpointe's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or agreements applicable to the City of Eastpointe's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City of Eastpointe's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City of Eastpointe's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City of Eastpointe's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City of Eastpointe's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City of Eastpointe's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

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 Eastpointe, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City of Eastpointe's basic financial statements. We issued our report thereon dated December 15, 2025, which contained an unmodified opinion on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Yeo & Yeo, P.C.

Troy, Michigan
December 15, 2025

City of Eastpointe
Schedule of Expenditures of Federal Awards
For The Year Ended June 30, 2025

Federal Grantor Pass-Through Grantor Program or Cluster Title	Grant/ Project Number	Federal Assistance Listing Number	Current Year Expenditures
U.S. Department of Agriculture			
Passed through the Michigan Department of Natural Resources Tree Inventory - Urban Canopy	UIRA 24-03	10.727	\$ 30,000
Passed through the Macomb County Department of Planning and Economic Development Trees - USDA Forestry	23-DG-11094200-349	10.730	<u>8,050</u>
Total U.S. Department of Agriculture			<u>38,050</u>
U.S. Department of Housing and Urban Development			
Passed through the Macomb County Planning and Economic Development Community Development Block Grant Entitlement Cluster			
CDBG Solar Streetlight	B-21-UC-26-0005	14.218	114,012
Sprenger Street - Virginia to Boulder	B-23-UC-26-0005	14.218	<u>150,000</u>
Total U.S. Housing and Urban Development			<u>264,012</u>
U.S. Department of Justice			
Direct Programs			
2024 Bullet Proof Vest Grant	RZRG2-A-II	16.067	5,700
Edward Byrne Memorial Justice Assistance Grant	2023-15PBJA-23G03499JAG	16.738	<u>6,652</u>
Total U.S. Department of Justice			<u>12,352</u>
Federal Highway Administration			
Passed through the Michigan Department of Natural Resources Economic Development and Placemaking Strategy	2024-0009	20.205	<u>12,463</u>
National Highway Traffic Safety Administration			
Passed through Macomb County OHSP Safe Stop and Traffic	2025-PT-00-50	20.600	<u>4,642</u>
U.S. Department of Treasury			
Passed through the Michigan State Court Administrator Office COVID-19 - Virtual Backlog Response Docket	SLFRP0127	21.027	<u>176,145</u>
Passed through the Michigan Department of Environment, Great Lakes, and Energy COVID-19 - Lead Service Line Replacements	EM-003	21.027	4,421,773
COVID-19 - Water Main and Lead Service Line	A7732-01	21.027	<u>7,315,209</u>
			<u>11,913,127</u>
BIL Loan Water Main and LSLR	A7732-01	66.468	<u>869,410</u>
Total U.S. Department of Treasury			<u>12,782,537</u>
U.S. Election Assistance Commission			
Passed through the Michigan Department of State - Bureau of Elections 2024 Federal Election Security Grant	2024-2025	90.404	<u>13,261</u>
Total Federal Financial Assistance			<u>\$ 13,127,317</u>

See Accompanying Notes to the Schedule of Expenditures of Federal Awards

City of Eastpointe
Notes to the Schedule of Expenditures of Federal Awards
June 30, 2025

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of City of Eastpointe under programs of the federal government for the year ended June 30, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of City of Eastpointe, it is not intended to and does not present the financial position, changes in net position, or cash flows of City of Eastpointe.

Note 2 - Summary of Significant Accounting Policies

Expenditures

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, where certain types of expenditures are not allowable or are limited as to reimbursement.

Indirect Cost Rate

The City of Eastpointe has elected not to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Note 3 - Reconciliation to the Financial Statements

Federal revenue per financial statements - governmental funds	\$ 680,392
Federal revenue per financial statements - proprietary funds	12,214,731
Deferred inflows of resources	10,000
Revenues related to the prior year	(169,466)
SRF loan expenses that are not revenues in the financial statements	391,660
Expenditures per schedule of expenditures on federal awards	<u><u>\$ 13,127,317</u></u>

Note 4 - Subrecipients

No amounts were provided to subrecipients.

City of Eastpointe
Schedule of Findings and Questioned Costs
June 30, 2025

Section I – Summary of Auditors’ Results

Financial Statements

Type of report the auditor issued on whether the financial statements were prepared in accordance with Generally Accepted Accounting Principles: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? X yes no
- Significant deficiency(ies) identified? yes X none reported

Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? yes X no
- Significant deficiency(ies) identified? yes X none reported

Type of auditors’ report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? X yes no

Identification of major federal programs:

<i>Assistance Listing Number(s)</i>	<i>Name of Federal Program or Cluster</i>
21.027	State & Local Fiscal Recovery Funds (ARPA)

Dollar threshold used to distinguish between type A and type B programs: \$ 750,000

Auditee qualified as low-risk auditee? yes X no

City of Eastpointe
Schedule of Findings and Questioned Costs
June 30, 2025

Section II – Government Auditing Standards Findings

2025-001 Material Weakness in Internal Control Over Financial Reporting – Prior Period Adjustment

Criteria – Management is responsible for maintaining its accounting records in accordance with generally accepted accounting principles (GAAP), including the proper recognition of revenues and receivables in the correct reporting period.

Condition – During the audit, it was identified that federal ARPA revenues and receivables totaling approximately \$2.8 million were not recorded as of June 30, 2024.

Cause – The omission occurred because federal revenues were recorded when reimbursement was requested, rather than when the related expenses were incurred, resulting in a misstatement of the prior year's financial position.

Effect – A prior period adjustment was posted to properly reflect the receivable and revenue, increasing the beginning net position by \$2.8 million.

Recommendation – We recommend grants be reconciled timely and careful attention is made to accruals at year end.

View of Responsible Officials – Management agrees with the finding.

Corrective Action Plan – See attached corrective action plan from management.

Section III – Federal Award Findings

There were no findings or questioned costs for Federal Awards for the year ended June 30, 2025.

City of Eastpointe
Summary Schedule of Prior Audit Findings
June 30, 2025

Section IV – Prior Audit Findings

Government Auditing Standards Findings

2024-001 Material Weakness and Material Noncompliance – Late Single Audit

Criteria – A single audit is required when federal expenditures exceed \$750,000 in a single year.

Status – Corrected.

Federal Award Findings

There were no findings or questioned costs for Federal Awards for the year ended June 30, 2024.



CITY of EASTPOINTE

FINANCE DEPARTMENT
(586) 445-3661 • FAX (586) 445-4392

MUNICIPAL OFFICES
23200 GRATIOT AVENUE
EASTPOINTE, MI 48021

December 3, 2025

Yeo & Yeo, CPAs
880 W. Long Lake Road
Troy MI, 48098

RE: Corrective action to findings

Please note the following corrective action plan relating to the material weakness in the City's internal control as a result of the audit as of June 30, 2025.

2025-001 – Material Weakness – Prior Period Adjustment

Corrective Action Plan: The issue was caused by limited information on a grant that turned out to be Federal ARPA funds passed through the State of Michigan. The City's Finance personnel did not become aware of this until working on this year's single audit. Going forward the City's Finance personnel will coordinate with grant writers and submitters more diligently to ensure staff is aware of funding sources in a timely manner to ensure postings are in the proper accounting periods.

Anticipated Completion Date: December 31, 2025

Thank you for your attention to this matter.

Very Truly Yours,

Randall Blum, Finance Director
City of Eastpointe

**GENERAL FUND FINANCIAL STATEMENTS
OF THE CITY OF EASTPOINTE
FOR 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 Eastpointe Audited Financial Reports for the fiscal years ended June 30, 2025, 2024, and 2023. These Audited Financial Reports 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 Financial Reports in the Preliminary Official Statement nor the final Official Statement and have not conducted any subsequent review of such Audited Financial Reports or the information presented in this Appendix.

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

ASSETS	2025	2024	2023
Cash and cash equivalents	\$ 1,540,469	\$ 2,941,867	\$ 2,778,294
Investments	11,911,090	12,102,741	10,160,956
Receivables:			
Accounts receivable	757,443	804,623	142,849
Property taxes	79,998	62,859	65,533
Leases receivable	2,402,686	1,974,790	1,706,389
Other receivables			493,685
Due from other governmental units	1,032,462	1,035,386	994,864
Due from other funds	4,700,000		150,000
Advances to other funds	450,000	541,252	480,365
Assets held for sale	226,084	238,222	268,364
Prepaid items	1,432	1,786	2,844
TOTAL ASSETS	<u>23,101,664</u>	<u>19,703,526</u>	<u>17,244,143</u>
LIABILITIES			
Accounts payable	1,055,325	1,505,121	1,011,196
Contracts payable - retainage	8,230	8,230	
Accrued liabilities and other	803,939	668,440	759,814
TOTAL LIABILITIES	<u>1,867,494</u>	<u>2,181,791</u>	<u>1,771,010</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - taxes	79,998	47,768	56,732
Unavailable revenue - receivables	1,012,179	737,638	480,626
Lease related deferred inflows	2,225,196	1,854,162	1,621,215
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>3,317,373</u>	<u>2,639,568</u>	<u>2,158,573</u>
FUND BALANCES			
Nonspendable:			
Assets held for sale	-	-	268,364
Prepaid items	1,432	1,786	2,844
Long-term receivable	450,000	541,252	480,365
Restricted:			
Health care	289,538	230,539	96,914
Committed:			
Budget stabilization reserve	2,805,489	2,579,098	2,424,211
Operating reserve	1,234,415	1,134,803	1,066,653
Emergency reserve	280,549	257,910	242,421
Unfunded pension liability	4,738,773	4,546,122	4,266,077
Unfunded retiree OPEB liability	1,571,653	1,534,683	1,621,733
Police/court building reserve	2,000,000	-	-
Additional pension contribution	-	-	70,883
Assigned:			
Subsequent year's budget	100,021	306,882	-
Unassigned	4,444,927	3,749,092	2,774,095
TOTAL FUND BALANCES	<u>17,916,797</u>	<u>14,882,167</u>	<u>13,314,560</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES	<u>\$ 23,101,664</u>	<u>\$ 19,703,526</u>	<u>\$ 17,244,143</u>

Source: City of Eastpointe Comprehensive Annual Financial Reports

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

	2025	2024	2023
REVENUES			
Taxes	\$ 11,776,336	\$ 11,176,187	\$ 10,345,428
Licenses and permits	1,631,112	1,533,212	1,776,890
Federal grants	416,380	142,764	3,412,422
State grants	5,483,045	10,975,145	5,390,043
Local contributions	22,366	26,278	8,000
Charges for services	8,394,513	8,009,050	191,052
Fines and forfeitures	1,859,791	1,696,602	2,045,913
Investment income	952,658	832,773	275,920
Rental income	243,250	161,096	
Other revenue	317,567	400,133	478,011
SMORSA charge for service			7,215,523
TOTAL REVENUES	<u>31,097,018</u>	<u>34,953,240</u>	<u>31,139,202</u>
EXPENDITURES			
Current:			
General government	4,967,180	10,713,678	5,729,582
Judicial / District court	1,721,668	1,763,534	1,522,855
Public safety	19,506,650	19,475,801	18,749,214
Public works			26,386
Recreation and culture	973,736	813,459	983,951
Community and economic development	639,987	625,400	70,106
Debt Service:			
Principal retirement	444,820	406,882	241,727
Interest and fiscal charges	83,140	78,616	79,775
TOTAL EXPENDITURES	<u>28,337,181</u>	<u>33,877,370</u>	<u>27,403,596</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>2,759,837</u>	<u>1,075,870</u>	<u>3,735,606</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	-	-	(3,580,192)
Insurance recoveries	24,273	-	-
Lease liabilities issued	223,952	484,236	-
Sale of capital assets	26,568	7,501	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>274,793</u>	<u>491,737</u>	<u>(3,580,192)</u>
NET CHANGE IN FUND BALANCES	<u>3,034,630</u>	<u>1,567,607</u>	<u>155,414</u>
FUND BALANCE AT BEGINNING OF YEAR	<u>14,882,167</u>	<u>13,314,560</u>	<u>13,159,146</u>
FUND BALANCE AT END OF YEAR	<u>\$ 17,916,797</u>	<u>\$ 14,882,167</u>	<u>\$ 13,314,560</u>

Source: City of Eastpointe Comprehensive Annual Financial Reports

FORM OF APPROVING OPINION

Founded in 1852
by Sidney Davy Miller



Miller, Canfield, Paddock and Stone, P.L.C.
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Detroit, Michigan 48226
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UKRAINE
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FORM OF APPROVING OPINION

City of Eastpointe
County of Macomb
State of Michigan

We have acted as bond counsel to the City of Eastpointe, 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 Capital Improvement Bonds (Limited Tax General Obligation) (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, with the option of redemption prior to maturity in the manner, at the times and at the prices specified in the Bonds.

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. The Issuer has pledged its limited tax full faith and credit for the payment of the Bonds and, in order to make such payment, the Issuer is obligated to provide, as a first budget obligation, sufficient general fund moneys in its annual budget and, if necessary, to levy sufficient ad valorem taxes upon all taxable property within its boundaries, subject to applicable constitutional, statutory and charter tax rate limitations.
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

MILLER, CANFIELD, PADDOCK AND STONE, P.L.C.

City of Eastpointe

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Form of Approving Opinion

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,

FORM OF CONTINUING DISCLOSURE UNDERTAKING

CONTINUING DISCLOSURE UNDERTAKING

This Continuing Disclosure Undertaking (the “Undertaking”) is executed and delivered by the City of Eastpointe, County of Macomb, State of Michigan (the “Issuer”), in connection with the issuance of its 2026 Capital Improvement Bonds (Limited Tax General Obligation) (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 statement 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 seventh month after the end of the fiscal year of the Issuer, the following annual financial information and operating data, commencing with the fiscal year ended 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 in the Official Statement as described below:

- a. History of Property Valuations – State Equalized Valuation and Taxable Values;
- b. Major Taxpayers;
- c. Tax Rates (Per \$1,000 of Taxable Value);
- d. Tax Rate Limitations;
- e. Tax Levies and Collections;
- f. Revenues from the State of Michigan;
- g. Other Post Employment Benefits;
- h. General Fund - Fund Balance;
- i. Debt Statement – Direct Debt; and
- j. Statement of Legal Debt Margin;

(2) The Audited Financial Statements; provided, however, that if the Audited Financial Statements are not available by the date specified above, they shall be provided when available and unaudited financial statements will be filed by such date and the Audited Financial Statements will be filed as soon as 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 or 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) *Identifying Information.* All documents provided to the MSRB through EMMA shall be accompanied by the identifying information prescribed by the MSRB.

(g) *Termination of Reporting Obligation.* The obligation of the Issuer to provide annual financial information and notices of material events, as set forth above, shall be terminated if and when the Issuer no longer remains an “obligated person” with respect to the Bonds within the meaning of the Rule, including upon legal defeasance of all Bonds.

(h) *Benefit of Bondholders.* The Issuer agrees that its undertaking pursuant to the Rule set forth in this Undertaking 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 EASTPOINTE
County of Macomb, State of Michigan

By _____

Its

Dated: _____, 2026

50946162.3/025632.00024

APPENDIX G

NOTICE OF SALE

OFFICIAL NOTICE OF SALE
\$10,000,000*
CITY OF EASTPOINTE
COUNTY OF MACOMB, STATE OF MICHIGAN

2026 CAPITAL IMPROVEMENT BONDS
(LIMITED TAX GENERAL OBLIGATION)

***Subject to adjustment as set forth in this Official Notice of Sale**

BID OPENING: Bids for the purchase of the above bonds will be received in the manner described in this Official Notice of Sale on June 30, 2026 until 11:00 a.m., prevailing Eastern Time, at which time and place the bids will be publicly opened and read. The award or rejection of the bids will occur on that date.

ELECTRONIC BIDS: 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. Each bidder bears all risks associated with the submission, transmission and delivery of its bid.

BOND DETAILS: 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 initial 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 October in each of the years as follows:

<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>
2027	\$230,000	2040	\$400,000
2028	240,000	2041	415,000
2029	250,000	2042	435,000
2030	260,000	2043	455,000
2031	270,000	2044	470,000
2032	285,000	2045	495,000
2033	295,000	2046	515,000

2034	310,000	2047	535,000
2035	320,000	2048	560,000
2036	335,000	2049	585,000
2037	350,000	2050	610,000
2038	365,000	2051	635,000
2039	380,000		

***ADJUSTMENT OF TOTAL PAR AMOUNT OF BONDS AND PRINCIPAL MATURITIES:** 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.

***ADJUSTMENT TO PURCHASE PRICE:** 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.

INTEREST RATE AND BIDDING DETAILS: 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.

PRIOR REDEMPTION OF THE BONDS: Bonds maturing in the years 2027 to 2035, inclusive, shall not be subject to optional redemption prior to maturity. Bonds or portions of bonds 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 by lot within any maturity, on any date on or after October 1, 2035, at par and 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 the bond or portion thereof.

TERM BOND OPTION: The initial purchaser of the bonds may designate any one or more maturities from October 1, 2027 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 October 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 multiple thereof. 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 are authorized for the purpose of paying the cost of acquiring and constructing various capital improvements for the City. The bonds will be a first budget obligation of the City, payable from the general funds of the City including the collection of ad valorem taxes on all taxable property in the City subject to applicable constitutional, statutory and charter tax rate limitations. 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 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 July 21, 2026 (the anticipated delivery date), in an amount equal to the price bid, excluding accrued interest, if any. Each bidder shall state in its bid the true interest cost to the City, computed in the manner specified above.

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 any taxing authority within the State of Michigan except estate taxes and taxes on gains realized from the sale, payment or other disposition thereof.

“NOT QUALIFIED TAX-EXEMPT OBLIGATIONS”: The City will not designate 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.

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 H-1 or Appendix H-2 of the preliminary Official Statement for the bonds, 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 Official 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 Official Notice of Sale.

Any bid submitted pursuant to this Official 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 (5th) 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 (5th) 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 Official 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., attorneys of 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 the 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: It is anticipated that CUSIP identification 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: An electronic copy of the 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 advisors to the City, at the address and telephone listed under REGISTERED MUNICIPAL ADVISORS 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 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 of the insurance. 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, (i) on or prior to the last day of the seventh month after the end of each fiscal year 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.

REGISTERED MUNICIPAL ADVISORS: 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.

Ryan Madis, City Clerk
City of Eastpointe

50950238.2/025632.00024

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 EASTPOINTE
COUNTY OF MACOMB, STATE OF MICHIGAN
2026 CAPITAL IMPROVEMENT BONDS
(LIMITED TAX GENERAL OBLIGATION)

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 Eastpointe, 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).

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.

(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].

(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)

50946278.1/025632.00024

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 EASTPOINTE
COUNTY OF MACOMB, STATE OF MICHIGAN
2026 CAPITAL IMPROVEMENT BONDS
(LIMITED TAX GENERAL OBLIGATION)

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 Eastpointe, 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 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] [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)

50946282.1/025632.00024

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

CITY OF EASTPOINTE

MICHAEL KLINEFELT
Mayor

CITY COUNCIL

ROBERT BAKER
MARGARET PODSIADLIK

HARVEY CURLEY
KAREN SCOTT

ADMINISTRATION

RYAN MADIS
City Manager

RANDALL BLUM
Finance Director

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



17000 Kercheval Ave. Suite 230 Grosse Pointe, Michigan 48230