PRELIMINARY OFFICIAL STATEMENT DATED AUGUST 4, 2026

This Preliminary Official Statement and the information contained herein are subject to completion and 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 the Bonds, in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. As of this date, this Preliminary Official Statement has been deemed "final" by the Authority for purposes of SEC Rule 15c2-12(b)(1) except for the omission of certain information permitted by SEC Rule 15c2-12(b)(1).

NEW ISSUE – **Book-Entry-Only**

RATINGS†[1]: S&P Global Ratings
Assured Guaranty Insured Rating: AA
Underlying Rating: AA-

In the opinion of Miller, Canfield, Paddock and Stone, P.L.C., Bond Counsel, under existing law, assuming compliance with certain covenants by the Authority, the interest on the Bonds is excludable from gross income for federal income tax purposes and the Bonds and interest thereon are exempt from all taxation by the State of Michigan or by any taxing authority within the State of Michigan, except estate taxes and taxes on gains realized from the sale, payment or other disposition thereof. See "TAX MATTERS" and "Appendix F - 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.

$45,000,000*
TAX INCREMENT FINANCE AUTHORITY OF THE CITY OF ROMULUS
County of Wayne, State of Michigan
TAX INCREMENT BONDS, SERIES 2026
(Limited Tax General Obligation)

Dated: Date of Delivery **Due: As shown on inside cover page**

The Tax Increment Bonds, Series 2026 (Limited Tax General Obligation) (the "Bonds") are being issued by the Tax Increment Finance Authority of the City of Romulus, County of Wayne, State of Michigan (the "Authority"), pursuant to Act 57, Public Acts of Michigan, 2018, as amended ("Act 57") and a bond resolution adopted by the Authority on July 23, 2026 (the "Resolution") for the purposes of (i) financing the costs of acquiring, constructing, furnishing and equipping a new public safety headquarters located in the Development Area (as defined herein), together with all related site improvements (the "Project"), and (ii) paying the costs of issuing the Bonds.

The Bonds are payable in the first instance from certain tax increment revenues ("Tax Increment Revenues") to be collected by the Authority. See "TAX INCREMENT FINANCE AUTHORITY OF THE CITY OF ROMULUS – Explanation of Tax Increment Revenues" and Appendix A herein. As additional security for the payment of the principal and interest on the Bonds, the City of Romulus (the "City") has pledged its limited tax full faith and credit and resources for the prompt payment of the Bonds. Should the Tax Increment Revenues be insufficient at any time to pay the principal of and interest on the Bonds as the same become due, the City shall, each year budget the amount of the debt service coming due in the next fiscal year on the principal of and interest on the Bonds and shall advance as a first budget obligation from its general fund available therefor, or, if necessary, levy taxes upon all taxable property in the City, subject to applicable constitutional, statutory and charter tax rate limitations, such sums as may be necessary to pay such debt service in said fiscal year. See "SECURITY FOR THE BONDS" herein.

The Bonds are issuable only as fully registered bonds without coupons and, when issued, 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. Purchases of beneficial interests in the Bonds will be made in book-entry-only form in the denomination of $5,000 or any integral multiple thereof. Purchasers of beneficial interests in the Bonds (the "Beneficial Owners") will not receive certificates representing their beneficial interest in Bonds purchased. So long as Cede & Co. is the Bondholder, as nominee of DTC, references herein to the Bondholders or registered owners shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners of the Bonds. See "THE BONDS – Book-Entry-Only System" herein.

Principal of and interest on the Bonds will be paid by the corporate trust office of UMB Bank, N.A., Grand Rapids, Michigan (the "Transfer Agent"). So long as DTC or its nominee, Cede & Co., is the Bondholder, such payments will be made directly to such Bondholder. Disbursement of such payments to DTC's Direct Participants is the responsibility of DTC and disbursement of such payments to the Beneficial Owners is the responsibility of DTC's Direct Participants and Indirect Participants, as more fully described herein. Interest will be payable semiannually on May 1 and November 1, commencing May 1, 2027, to the Bondholders of record as of the applicable record dates as stated in the Bonds.

The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Bonds by ASSURED GUARANTY INC.

ASSURED GUARANTY®

THE BONDS WILL MATURE ON THE DATES AND IN THE AMOUNTS AS SHOWN ON THE INSIDE FRONT COVER.

THE BONDS OR PORTIONS OF THE BONDS MATURING ON OR AFTER NOVEMBER 1, 2037* ARE SUBJECT TO OPTIONAL REDEMPTION PRIOR TO MATURITY BEGINNING NOVEMBER 1, 2036* IN THE MANNER AND AT THE TIMES DESCRIBED HEREIN. See "THE BONDS – Optional Redemption" herein.

The Bonds will be offered when, as and if issued by the Authority and accepted by the Underwriter subject to the approving legal opinion of Miller, Canfield, Paddock and Stone, P.L.C., Detroit, Michigan, Bond Counsel. Certain legal matters will be passed upon for the Underwriter by Varnum LLP, Grand Rapids, Michigan. It is expected that the Bonds will be available for delivery through DTC on or about September ___, 2026.

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 investment decision.

RAYMOND JAMES®	CALDWELL SUTTER CAPITAL™ FOCUSED ON VALUE (EST. 1982)	Sudsina & Associates, LLC Registered Municipal Advisors
UNDERWRITER	**CO-MUNICIPAL ADVISOR**	**CO-MUNICIPAL ADVISOR**

The date of this Official Statement is August __, 2026.

† For an explanation of the rating, see "RATINGS" herein.
[1] As of the date of delivery.
§ CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services ("CGS") is managed on behalf of the American Bankers Association by FactSet Research Systems, Inc. Copyright© 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 Authority, the Underwriter or its agents or counsel assume responsibility for the accuracy of such numbers.
* Preliminary, subject to change.

$45,000,000*
TAX INCREMENT FINANCE AUTHORITY
OF THE CITY OF ROMULUS
County of Wayne, State of Michigan

TAX INCREMENT BONDS, SERIES 2026
(Limited Tax General Obligation)

MATURITY SCHEDULE

(Base CUSIP§: 776200)

Maturity November 1*	Amount*	Interest Rate	Yield	CUSIP§
2027	$1,140,000			
2028	1,580,000			
2029	1,645,000			
2030	1,710,000			
2031	1,780,000			
2032	1,855,000			
2033	1,930,000			
2034	2,005,000			
2035	2,085,000			
2036	2,170,000			
2037	2,255,000			
2038	2,350,000			
2039	2,440,000			
2040	2,540,000			
2041	2,640,000			
2042	2,745,000			
2043	2,855,000			
2044	2,970,000			
2045	3,090,000			
2046	3,215,000			

$_________ ____% Term Bonds due November 1, 20___, Yield ______%, CUSIP§ _____

*Preliminary, subject to change.

No dealer, broker, salesperson or other person has been authorized to give any information or to make any representation other than as contained in this Official Statement in connection with the offer made hereby and, if given or made, such other information or representation must not be relied upon as having been authorized by the Authority or the Underwriter. This Official Statement and the information contained herein are subject to completion and amendment. These securities may not be sold nor may an offer to buy these securities be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds, in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

Information herein has been obtained from the Authority, The Depository Trust Company and other sources believed to be reliable. The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information (except for information under the section captioned "UNDERWRITING" which was obtained from the Underwriter).

Assured Guaranty Inc. ("AG") makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, AG has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AG supplied by AG and presented under the heading "BOND INSURANCE" and "APPENDIX H – Specimen Municipal Bond Insurance Policy."

Upon issuance, the Bonds will not be registered under the Securities Act of 1933, as amended, or any state securities law and will not be listed on any stock or other securities exchange. Neither the Securities and Exchange Commission nor any other federal, state, municipal or other governmental entity or agency will have passed upon the adequacy of this Official Statement, or, except for the Authority and the Department of Treasury of the State of Michigan, approved the Bonds for sale.

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE INFORMATION PRESENTED IN THIS OFFICIAL STATEMENT CONCERNING THE AUTHORITY AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. THESE SECURITIES HAVE NOT BEEN RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

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TAX INCREMENT FINANCE AUTHORITY OF THE CITY OF ROMULUS OFFICIALS

Chairperson
Matthew Raftary

Vice-Chairperson
Michael P. Hoffman

Secretary
Dean J. Trudeau

Board Members[1]

Julie A. Allison	Carole Bales	Yolanda Brown-Ali
Issam Fakhoury	Suzy Francoeur	Emery J. Long
	Jonathan Yono	

Director
Kevin Krause

Treasurer
Gary Harris

CITY OF ROMULUS OFFICIALS

Mayor
Robert A. McCraight

Clerk
Ellen L. Craig-Bragg

Treasurer
Stacy Paige

City Council

Tina M. Talley, Mayor Pro Tem

Kathleen Abdo	James Bullock	David Jones
Celeste Roscoe	William Wadsworth	Mark R. Walhide

City Adminstration

Julie Wojtylko, Chief of Staff
Gary Harris, Interim Finance Director

BOND COUNSEL

Miller, Canfield, Paddock and Stone, P.L.C.
Detroit, Michigan

CO-MUNICIPAL ADVISORS

Caldwell Sutter Capital, Inc.
Grosse Pointe Park, Michigan

Sudsina & Associates LLC
Gypsum, Ohio

TRANSFER AGENT AND REGISTRAR

UMB Bank, N.A.
Grand Rapids, Michigan

(1) There are currently three vacant positions on the Authority's Board.

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TABLE OF CONTENTS

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OFFICIAL STATEMENT
relating to
$45,000,000*
TAX INCREMENT FINANCE AUTHORITY
OF THE CITY OF ROMULUS
County of Wayne, State of Michigan

TAX INCREMENT BONDS, SERIES 2026
(Limited Tax General Obligation)

INTRODUCTION

The purpose of this Official Statement, which includes the cover page and Appendices, is to furnish information in connection with the issuance and sale by the Tax Increment Finance Authority of the City of Romulus, County of Wayne, State of Michigan (the "Authority") of its Tax Increment Bonds, Series 2026 (Limited Tax General Obligation) (the "Bonds") in the amount of $45,000,000*.

AUTHORITY AND PURPOSE

The Bonds are being issued pursuant to Act 57, Public Acts of Michigan, 2018, as amended ("Act 57") and a bond resolution adopted by the Authority on July 23, 2026 (the "Resolution") for the purposes of (i) financing the costs of acquiring, constructing, furnishing and equipping a new public safety headquarters located in the Development Area (as defined herein), together with all related site improvements (the "Project"), and (ii) paying the costs of issuing the Bonds.

SECURITY FOR THE BONDS

The Bonds shall be payable from the tax increment revenues received pursuant to the Plan (as defined herein) from the Development Area and as defined in Act 57 (the "Tax Increment Revenues") which Tax Increment Revenues are anticipated to be in amounts sufficient to pay the principal of and interest on the Bonds. The Authority hereby creates a first lien on the Tax Increment Revenues as security for the Bonds, and the Bonds shall be of equal standing and priority of lien with the Authority's outstanding 2016 Tax Increment Refunding Bonds (Limited Tax General Obligation) (the "Authority 2016 Bonds"). The Authority reserves the right to issue additional bonds payable from Tax Increment Revenues of equal standing and priority of lien as to the Tax Increment Revenues with the Bonds and the Authority 2016 Bonds to the extent permitted by law.

As additional security for the Bonds, the City Council adopted a resolution on June 8, 2026 pledging the City's limited tax full faith and credit to support the Bonds in accordance with Section 315(2) of Act 57. Should the Tax Increment Revenues at any time be insufficient to pay principal of and interest on the Bonds as they become due, then the City shall advance as a first budget obligation from any funds available therefor, or, if necessary, levy taxes upon all taxable property in the City subject to applicable constitutional, statutory and charter tax rate limitations, such sums as may be necessary to pay said principal and interest. The City, however, does not have the power to levy any taxes for the payment of the Bonds in excess of its constitutional, statutory and charter tax rate limitations. The City shall be reimbursed for any such advance by the Authority from Tax Increment Revenues thereafter collected.

TAX INCREMENT FINANCE AUTHORITY OF THE CITY OF ROMULUS

Pursuant to Act 450, Public Acts of Michigan, 1980, as amended (which has since been recodified as Act 57), the City on October 22, 1984 established the Authority and designated the boundaries of the Authority district (the "District"), with the objective of stimulating and encouraging economic development activities within the District. The Authority is governed by a 13-member board appointed by the Mayor and confirmed by the City Council. The board members serve 4-year staggered terms.

*Preliminary, subject to change

The Authority and the City originally created three development areas within the District, designated as District I, District II and District III, pursuant to a Development Plan and Tax Increment Financing Plan for each development area. The Development Plan and Tax Increment Financing Plan for District I terminated in 2000, and the one for District III terminated in 2001.

The Development Plan and Tax Increment Financing Plan for District II was originally adopted in 1984, and was subsequently amended in 1986, 1989 and 1993. In 2004, the Authority and the City approved an Amended and Restated Development Plan and Tax Increment Financing Plan (District II) (the "2004 Plan") to update the scope of projects for the development area, expand the boundaries of the development area to include a portion of the property which was previously in District I and District III and extend the duration of the 2004 Plan through 2033. In 2009, the Authority and the City approved an amendment and restatement to the 2004 Plan (the "2009 Plan") to add additional projects within the development area. In 2012, the 2009 Plan was amended to expand the boundaries of the development area to include a portion of property consisting of right-of-way along I-94 and Shook Road and the Vining Road interchange to facilitate the implementation of projects that were identified in the Plan. In 2020, the 2009 Plan was amended to update the project list and corresponding data tables and maps. In January 2026, the 2009 Plan was amended to expand the boundaries of the development area to include 12 parcels within the District and extend the term of the Plan through 2055.

For purposes of this Official Statement (including the Appendices), the 2009 Plan as amended in 2012, 2020 and 2026 is referred to as the "Plan" and the original development area for District II as expanded in 2004, 2012 and 2026 is referred to as the "Development Area."

For additional information regarding the Authority see "Appendix A – Information Regarding the Tax Increment Finance Authority of the City of Romulus."

Explanation of Tax Increment Financing

Act 57 allows the Authority a broad range of improvement activities intended to contribute to economic growth and prevent property value deterioration. These improvement activities include, but are not necessarily limited to, rehabilitation, restoration or reconstruction of public facilities, existing buildings, multi-family dwellings and development of long range plans. These improvement activities must be set forth in a development and tax increment financing plan, such as the Plan, and must be approved by the governing body of the incorporating municipality as the Plan has been.

Tax increment financing permits the Authority to capture tax revenues attributable to increases in value of real and personal property located within the Development Area. The increase in value may be a result of new construction, rehabilitation, remodeling, alterations, additions, inflation or other factors the City Assessor may deem appropriate.

When property is added to the Development Area, whether through the original adoption of the Plan or a subsequent amendment, its Assessed Value at such time is recorded as the "Initial Assessed Value." For property added before January 1, 1995, the Initial Assessed Value is based on the state equalized valuation ("SEV"). For property added after December 31, 1994, the Initial Assessed Value is based on the taxable value as determined under Section 27a of the General Property Tax Act (MCL 211.27a).

Any increase in the Assessed Value of the Development Area above the Initial Assessed Value during the Plan is called the "Captured Assessed Value". Certain taxes paid on the Captured Assessed Value constitute "Tax Increment Revenues" and, subject to certain limitations, will be received by the Authority for use on projects described in the Plan.

The Authority is permitted to capture tax increment revenues from certain taxing units, including the City, Wayne County, Wayne County Community College and Huron Clinton Metropolitan Authority (the "Taxing Jurisdictions"). The Authority is not permitted to capture tax increment revenues from the State Education Tax, local school district, intermediate school district, Wayne County Zoological Authority or Wayne County

Art Institute Authority. The municipal and county treasurers are required to transmit Tax Increment Revenues to the Authority.

The following terms are defined in Act 57 as follows:

"Assessed Value" means one of the following:

(i) For valuations made before January 1, 1995, the state equalized valuation as determined under the general property tax act, 1893 PA 206, MCL 211.1 to 211.155,

(ii) For valuations made after December 31, 1994, taxable value as determined under section 27a of the general property tax act, 1893 PA 206, MCL 211.27a.

"Initial Assessed Value" means:

> "the assessed value, as equalized, of all the taxable property within the boundaries of the development area at the time the resolution establishing the tax increment financing plan is approved as shown by the most recent assessment roll of the municipality for which equalization has been completed at the time the resolution is adopted. Property exempt from taxation at the time of the determination of the initial assessed value shall be included as zero. For the purpose of determining initial assessed value, property for which a specific local tax is paid in lieu of a property tax, shall not be considered property that is exempt from taxation. The initial assessed value of property for which a specific tax was paid in lieu of a property tax shall be determined as provided in [the definition of specific tax]."

"Captured Assessed Value" means:

> "the amount in any 1 year by which the current assessed value of the development area, including the assessed value of property for which specific local taxes are paid in lieu of property taxes as determined in subdivision(w), exceeds the initial assessed value. The state tax commission shall prescribe the method for calculating captured assessed value."

"Specific Local Tax" means:

> "…a tax levied under 1974 PA 198, MCL 207.551 to 207.572, the commercial redevelopment act, 1978 PA 255, MCL 207.651 to 207.668, the technology park development act, 1984 PA 385, MCL 207.701 to 207.718, and 1953 PA 189, MCL 211.181 to 211.182. The initial assessed value or current assessed value of property subject to a specific local tax shall be the quotient of the specific local tax paid divided by the ad valorem millage rate." However, after 1993, the state tax commission shall prescribe the method for calculating the initial assessed value and current assessed value of property for which a specific local tax was paid in lieu of a property tax.

"Tax Increment Revenues" means

> "...the amount of ad valorem property taxes and specific local taxes attributable to the application of the levy of all taxing jurisdiction upon the captured assessed value of real and personal property in the development area, subject to the following requirements:
>
> (i) Tax increment revenues include ad valorem property taxes and specific local taxes attributable to the application of the levy of all taxing jurisdictions other than the state pursuant to the state education tax act, 1993 PA 331, MCL 211.901 to 211.906, and local or intermediate school districts upon the captured assessed value of real and personal property in the development area for any purpose authorized by [Part 3 of Act 57].
>
> (ii) Tax increment revenues include ad valorem property taxes and specific local taxes attributable to the application of the levy of the state pursuant to 1993 PA 331, MCL 211.901 to 211,906, and local or intermediate school districts upon the captured assessed value of real and personal property in the development area in an amount equal to the amount necessary, without regard to subparagraph (i), to repay eligible advances, eligible obligations and other protected obligations.

(iii) Tax increment revenues do not include any of the following:

(A) Ad valorem property taxes attributable either to a portion of the captured assessed value shared with taxing jurisdictions within the jurisdictional area of the authority or to a portion of value of property that may be excluded from captured assessed value or specific local taxes attributable to such ad valorem property taxes.

(B) Ad valorem property taxes excluded by the tax increment financing plan of the authority from the determination of the amount of tax increment revenues to be transmitted to the authority or specific local taxes attributable to such ad valorem property taxes.

(C) Ad valorem property taxes levied under 1 or more of the following or specific local taxes attributable to those ad valorem property taxes:

(i) The zoological authorities act, 2008 PA 49, MCL 123.1161 to 123.1183.

(ii) The art institute authorities act, 2010 PA 296, MCL 123.1201 to 123.1229.

(iii) Except as otherwise provided in section 303(6), ad valorem property taxes or specific local taxes attributable to those ad valorem property taxes levied for a separate millage for public library purposes approved by the electors after December 31, 2016.

Tax Increment Revenue Projections

The "Projected Tax Increment Revenues" for the fiscal years ending June 30, 2027 through June 30, 2047 can be found in "Appendix A – Information Regarding the Tax Increment Finance Authority of the City of Romulus."

THERE IS NO ASSURANCE THAT GROWTH WILL OCCUR AS SHOWN OR THE PROJECTIONS OR THE TAX RATES WILL REMAIN IN EFFECT FOR THE DURATION OF THE PLAN. THERE IS NO ASSURANCE THAT FEDERAL AND/OR STATE LEGISLATION WILL NOT BE ADOPTED THAT WILL HAVE AN IMPACT ON THE AUTHORITY'S ABILITY TO MEET THE DEBT SERVICE ON THE BONDS. See "BONDHOLDERS' RISKS" herein.

CITY OF ROMULUS

General financial and economic information regarding the City is contained in "Appendix B – Information Regarding the City of Romulus." General Fund budget summaries are contained in "Appendix D – City of Romulus Estimated General Fund Summary for Fiscal Year Ended June 30, 2026 and Budgeted Summary for Fiscal Year Ending June 30, 2027" and the audited financial statements for the year ended June 30, 2025 are contained in "Appendix E – City of Romulus Financial Statements for the Fiscal Year Ended June 30, 2025."

BONDHOLDERS' RISKS

To estimate the Tax Increment Revenues available to pay debt service on the Bonds, the Authority has made certain assumptions with regard to the Assessed Value in the Development Area, future tax rates, tax delinquency rates and other assumptions detailed in the footnotes. The Authority believes these assumptions to be reasonable, but to the extent that the Assessed Value or the tax rates are less than the assumptions, Tax Increment Revenues available to pay debt service on the Bonds may be less than those projected herein and may under certain circumstances, be less than those necessary to pay the principal of and interest on the Bonds when due. The assumptions are based on factors beyond the Authority's control and there is no assurance that these projections will be achieved. This following risks are focused on tax increment financing and do not purport to be comprehensive or definitive.

Reduction of Assessed Value

Tax Increment Revenues captured by the Authority from the Taxing Jurisdictions are determined by the amount of incremental Assessed Value in the Development Area and the current rate or rates at which property in the Development Area is taxed. The reduction of Assessed Value of property in the Development Area caused by economic factors beyond the Authority's control, such as relocation out of the Development Area by one or more major property owners, or the complete or partial destruction of such property caused by, among other things, a natural disaster, could cause a reduction in the Tax Increment Revenues that secure the Bonds. Such reduction could have an adverse effect on the Authority's ability to make timely payments of principal of and interest on the Bonds from such source.

Levy and Collection and Tax Delinquencies

The Authority does not levy and collect its own property taxes. The tax rates of some of the Taxing Jurisdictions are subject to periodic renewal by the electors and may not be renewed. Any reduction in the tax rate or the implementation of any constitutional or legislative property tax decrease by any of the Taxing Jurisdictions could reduce the Tax Increment Revenues and, accordingly, could have an adverse impact on the ability of the Authority to pay debt service on the Bonds from such source. Likewise, delinquencies in the payment of property taxes could have an adverse effect on the Authority's ability to make timely debt service payments.

Assessment Appeals

Pursuant to Michigan law, a property owner may apply for a reduction of the property tax assessment for such owner's property by appealing the assessment to the local assessor, the local board of review and ultimately, to the Michigan Tax Tribunal. A reduction of Assessed Values of the property within the Development Area as a result of such appeals will cause a reduction in Tax Increment Revenues available to pay debt service on the Bonds.

Depreciation of Personal Property

Taxable personal property value constitutes approximately 22.75% of the total taxable property valuation of Development Area in tax year 2026. Personal property must be depreciated according to various State schedules. If personal property is depreciated and not replaced, a reduction in Tax Increment Revenues could occur. Such reduction could have an adverse effect on the Authority’s ability to pay the principal of, premium, if any, and interest on the Bonds when due.

Taxpayers are required by law to annually file a personal property statement with the City to report the original acquisition cost of all personal property, including sales tax and installation costs. When determining the value of such property for tax purposes, the City Assessor is required to apply personal property multipliers, established by the State Tax Commission, to take into account the depreciation of such property. The practice of the City Assessor has been to apply the personal property multipliers to all personal property on the ad valorem roll for those taxpayers that file the requisite personal property statement. Accordingly, the tax personal property multipliers. Such reduction may have an adverse effect on the Authority’s ability to make timely debt service payments.

Michigan Personal Property Tax Reform

Between 2012 and 2020, the Michigan Legislature enacted a series of statutes reforming personal property taxation, culminating in voter approval of a ballot proposition in August 2014 that created the Local Community Stabilization Authority (“LCSA”). The legislation established two categories of exemptions: (i) a small taxpayer exemption for commercial and industrial personal property with a combined true cash value below a specified threshold (initially $80,000, since increased to $180,000), and (ii) an eligible manufacturing personal property exemption for property used more than 50% of the time in industrial processing or direct integrated support. To offset local government revenue losses resulting from these exemptions, the LCSA is authorized to levy a local component of the statewide use tax and distribute that revenue to qualifying local units of government, including school districts, intermediate school districts, counties, cities, villages, townships, community colleges, and tax increment finance authorities. The LCSA administers the reimbursement process, including calculating and distributing payments, managing reporting deadlines, and processing correction requests.

The Legislature may in the future change the funding formulas for the types and amounts to be reimbursed by the LCSA. This may reduce the amount of Tax Increment Revenues and have an adverse effect on the Authority's ability to make timely debt service payments.

Limitations on Remedies

The remedies available to the Bondholders upon a payment default are in many respects dependent upon judicial action, which is often subject to discretion and delay under existing constitutional and statutory law and judicial decisions, including specifically Title 11 of the United States Code. The various legal opinions to be delivered concurrently with the delivery of the Bonds will be qualified as to enforceability of the various legal instruments by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally, now or hereafter in effect; to usual equity principles which shall limit the specific enforcement under laws of the State of Michigan as to certain remedies; to the exercise by the United States of America of the powers delegated to it by the United States Constitution; and to the reasonable and necessary exercise, in certain exceptional situations, of the police power inherent in the sovereignty of the State of Michigan and its governmental bodies, in the interest of serving an important public purposes.

BOND INSURANCE

Bond Insurance Policy

Concurrently with the issuance of the Bonds, Assured Guaranty Inc. ("AG") will issue its Municipal Bond Insurance Policy (the "Policy") for the Bonds. The Policy guarantees the scheduled payment of principal of and interest on the Bonds when due as set forth in the form of the Policy included as an appendix to this Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, Maryland, California, Connecticut or Florida insurance law.

Assured Guaranty Inc.

AG is a Maryland domiciled financial guaranty insurance company and an indirect subsidiary of Assured Guaranty Ltd. ("AGL" and together with its subsidiaries, "Assured Guaranty"), a Bermuda-based holding company whose shares are publicly traded and are listed on the New York Stock Exchange under the symbol "AGO." AGL, through its subsidiaries, provides credit enhancement products to the U.S. and non-U.S. public finance (including infrastructure) and structured finance markets and participates in the asset management business through ownership interests in Sound Point Capital Management, LP and certain of its investment management affiliates, and in the annuity reinsurance business through Assured Life Reinsurance Ltd. Only AG is obligated to pay claims under the insurance policies AG has issued, and not AGL or any of its shareholders or other affiliates.

AG's financial strength is rated "AA" (stable outlook) by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P"), "AA+" (stable outlook) by Kroll Bond Rating Agency, Inc. ("KBRA") and "A1" (stable outlook) by Moody's Investors Service, Inc. ("Moody's"). Each rating of AG should be evaluated independently. An explanation of the significance of the above ratings may be obtained from the applicable rating agency. The above ratings are not recommendations to buy, sell or hold any security, and such ratings are subject to revision or withdrawal at any time by the rating agencies, including withdrawal initiated at the request of AG in its sole discretion. In addition, the rating agencies may at any time change AG's long-term rating outlooks or place such ratings on a watch list for possible downgrade in the near term. Any downward revision or withdrawal of any of the above ratings, the assignment of a negative outlook to such ratings or the placement of such ratings on a negative watch list may have an adverse effect on the market price of any security guaranteed by AG. AG only guarantees scheduled principal and scheduled interest payments payable by the issuer of bonds insured by AG on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the relevant insurance policy), and does not guarantee the market price or liquidity of the securities it insures, nor does it guarantee that the ratings on such securities will not be revised or withdrawn.

Current Financial Strength Ratings

On July 27, 2026, Moody's announced that it had affirmed AG's insurance financial strength rating of "A1" (stable outlook).

On July 17, 2026, S&P announced that it had affirmed AG's financial strength rating of "AA" (stable outlook).

On August 4, 2025, KBRA announced that it had affirmed AG's insurance financial strength rating of "AA+" (stable outlook).

AG can give no assurance as to any further ratings action that S&P, Moody's and/or KBRA may take. For more information regarding AG's financial strength ratings and the risks relating thereto, see AGL's Annual Report on Form 10-K for the fiscal year ended December 31, 2025.

Capitalization of AG

At March 31, 2026:

- The policyholders' surplus of AG was approximately $3,158 million.
- The contingency reserve of AG was approximately $1,539 million.
- The net unearned premium reserves and net deferred ceding commission income of AG and its subsidiaries (as described below) were approximately $2,402 million. Such amount includes (i) 100% of the net unearned premium reserve and net deferred ceding commission income of AG, and (ii) the net unearned premium reserves and net deferred ceding commissions of AG's wholly owned subsidiary Assured Guaranty UK Limited ("AGUK") and its 99.9999% owned subsidiary Assured Guaranty (Europe) SA ("AGE").

The policyholders' surplus, contingency reserve, and net unearned premium reserves and net deferred ceding commission income of AG were determined in accordance with statutory accounting principles. The net unearned premium reserves and net deferred ceding commissions of AGUK and AGE were determined in accordance with accounting principles generally accepted in the United States of America.

Incorporation of Certain Documents by Reference

Portions of the following documents filed by AGL with the Securities and Exchange Commission (the "SEC") that relate to AG are incorporated by reference into this Official Statement and shall be deemed to be a part hereof:

(i) the Annual Report on Form 10-K for the fiscal year ended December 31, 2025 (filed by AGL with the SEC on February 27, 2026); and

(ii) the Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2026 (filed by AGL with the SEC on May 8, 2026).

All information relating to AG included in, or as exhibits to, documents filed by AGL with the SEC pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, excluding Current Reports or portions thereof "furnished" under Item 2.02 or Item 7.01 of Form 8-K, after the filing of the last document referred to above and before the termination of the offering of the Bonds shall be deemed incorporated by reference into this Official Statement and to be a part hereof from the respective dates of filing such documents. Copies of materials incorporated by reference are available over the internet at the SEC's website at http://www.sec.gov, at AGL's website at http://www.assuredguaranty.com, or will be provided upon request to Assured Guaranty Inc.: 1633 Broadway, New York, New York 10019, Attention: Communications Department (telephone 212.974.0100). Except for the information referred to above, no information available on or through AGL's website shall be deemed to be part of or incorporated in this Official Statement.

Any information regarding AG included herein under the caption "BOND INSURANCE – Assured Guaranty Inc." or included in a document incorporated by reference herein (collectively, the "AG Information") shall be modified or superseded to the extent that any subsequently included AG Information (either directly or through incorporation by reference) modifies or supersedes such previously included AG Information. Any AG Information so modified or superseded shall not constitute a part of this Official Statement, except as so modified or superseded.

Miscellaneous Matters

AG makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, AG has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AG supplied by AG and presented under the heading "BOND INSURANCE."

ESTIMATED SOURCES AND USES OF FUNDS

SOURCES	
Par Amount of the Bonds	
[Net] Original Issue Premium	
Total Sources	
USES	
Deposit to Project Fund	
Underwriter's Discount	
Estimated Costs of Issuance[1]	
Total Uses	

[1] Includes municipal bond insurance premium

THE BONDS

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 and bear interest from the date of issuance. Interest on the Bonds shall be payable semiannually each May 1 and November 1, commencing May 1, 2027. 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.

The corporate trust office of UMB Bank, N.A., Grand Rapids, Michigan, or its successor, will serve as the bond registrar and transfer agent (the "Transfer Agent"). 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. 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. For a description of transfers and exchanges on the Bonds if the Bonds cease to be held in book-entry-only form, see "Transfer Outside Book-Entry-Only System" below.

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 Authority, the Transfer Agent or Raymond James & Associates, Inc. (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 Authority, the Transfer Agent or the Underwriter to determine whether DTC is or will be financially or otherwise capable of fulfilling its obligations. Neither the Authority 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 (the "Exchange Act"). DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC 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 an S&P rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission (the "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 ("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 the 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 interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all 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 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds 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 the 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 Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of the notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such Bonds 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 MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority 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 and 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 detailed information from the Authority or the Transfer Agent, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, the Transfer Agent, or the Authority, subject to any statutoryor 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 Authority or 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 Authority 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 to DTC.

The Authority 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.

Transfer Outside Book-Entry-Only System

In the event that the book-entry-only system is discontinued, the Transfer Agent shall keep the registration books for the Bonds (the "Bond Register") at its 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 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; during the fifteen (15) days immediately preceding the date of mailing of any notice of redemption or any time following the mailing of any notice of redemption, the

Transfer Agent shall not be required to effect or register any transfer or exchange of any Bond which has been selected for such redemption, except the Bonds properly surrendered for partial redemption may be exchanged for new Bonds in authorized denominations equal in the aggregate to the unredeemed portion; the Authority 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 owners 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.

Optional Redemption

The Bonds or portions of the Bonds in multiples of $5,000 maturing on or after November 1, 2037*, are subject to redemption prior to maturity at the option of the Authority in such order as the Authority may determine and by lot within any maturity, on any date occurring on or after November 1, 2036*, at par plus accrued interest to the date fixed for redemption.

Mandatory Redemption of Term Bonds

The Bonds maturing on ____________, _____________ and _______________ (the "Term Bonds") are subject to mandatory redemption, in part, by lot, on the redemption dates and in the principal amounts set forth below and at redemption prices equal to the principal amounts thereof, without premium, together with interest thereon to the redemption dates. When Term Bonds are purchased by the Authority and delivered to the Transfer Agent for cancellation or are redeemed in a manner other than by mandatory redemption, the principal amount of the Term Bonds affected shall be reduced by the principal amount of the Bonds so redeemed or purchased in the order determined by the Authority.

Term Bonds Maturing _______________

Redemption Dates	Principal Amounts

Notice of Redemption and Manner of Selection

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

If less than all of the Bonds of any maturity shall be called for redemption prior to maturity, unless otherwise provided, the particular Bonds or portions of Bonds to be redeemed shall be selected by lot by the Transfer Agent, in the principal amounts designated by the Authority. Any Bonds selected for redemption will cease to bear interest on the date fixed for redemption, whether presented for redemption, provided funds are on hand with the Transfer Agent to redeem said Bonds. Upon presentation and surrender of such Bonds at the corporate trust office of the Transfer Agent, such Bonds shall be paid and redeemed.

So long as the book-entry-only system remains in effect, in the event of a partial redemption the Transfer Agent will give notice to Cede & Co., as nominee of DTC, only, and only Cede & Co. will be deemed to be a holder of the Bonds. DTC is expected to reduce the credit balances of the applicable DTC Participants in respect of the Bonds and in turn the DTC Participants are expected to select those Beneficial Owners whose ownership interests are to be extinguished or reduced by such partial redemption, each by such method as DTC or such DTC Participants, as the case may be, deems fair and appropriate in its sole discretion.

*Preliminary, subject to change

LITIGATION

There is no litigation pending or, to the best knowledge of Authority officials, 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 pledge of any portion of the security for payment of the Bonds, (iv) the legal existence of the Authority, or (v) the ability of the Authority to operate, or which may materially affect the financial condition of the Authority.

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 Authority 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 Authority 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 opinion assumes the accuracy of the Authority's certifications and representations and the continuing compliance with the Authority's covenants. Noncompliance with these covenants by the Authority 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 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 opinions are 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 Authority 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 Authority 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 delivery of the Bonds, which opinion will be in substantially the form set forth in Appendix F herein. The legal fees of Bond Counsel in connection with the issuance of the Bonds 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, 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.

Certain legal matters will be passed upon for the Underwriter by its counsel, Varnum LLP, Grand Rapids, Michigan.

APPROVAL BY MICHIGAN DEPARTMENT OF TREASURY

The Authority and the City have each received a letter from the Michigan Department of Treasury stating that each is in material compliance with the criteria identified in Act 34, Public Acts of Michigan, 2001, as amended for a municipality to be granted qualified status. The Authority may therefore proceed to issue the Bonds without further approval from the Michigan Department of Treasury.

RATINGS

S&P is expected to assign its municipal bond insured rating of "AA" (stable outlook) to the Bonds with the understanding that, upon issuance and delivery of the Bonds, the bond insurance Policy insuring the payment when due of the principal of and interest on the Bonds will be issued by AG.

S&P has assigned its underlying municipal bond rating of "AA-" (stable outlook) to the Bonds, without regard to the Policy.

No application has been made to any other ratings service for ratings on the Bonds. The Authority and the City furnished to S&P certain materials and information in addition to that provided herein. Generally, the rating agency bases its ratings on such information and materials, and on investigations, studies and assumptions. There is no assurance that such ratings will prevail for any given period of time or that they will not be revised downward or withdrawn entirely by S&P if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Bonds. Any ratings assigned represent only the view of S&P. Further information is available upon request from S&P Global Ratings, 55 Water Street, New York, New York 10014, 212.438.1000.

UNDERWRITING

The Underwriter has agreed, subject to the terms of the Bond Purchase Agreement, to purchase the Bonds from the Authority. The Bond Purchase Agreement provides, in part, that the Underwriter, subject to certain conditions, will purchase from the Authority the aggregate principal amount of Bonds for a purchase price as set forth therein. The Underwriter has further agreed to offer the Bonds to the public at the approximate initial offering prices as set forth on the cover hereto. The Underwriter may offer and sell the Bonds to certain dealers and others at prices lower than the offering prices stated on the cover hereto. The offering prices may be changed from time to time by the Underwriter. The aggregate underwriting fee for the Bonds equals ______ percent of the aggregate principal amount of the Bonds.

The Bond Purchase Agreement provides that the obligations of the Underwriter are subject to certain conditions, including, among other things, that (i) no event has occurred which impairs or threatens to impair the validity of the Bonds or the status of the Bonds, the interest thereon as exempt from taxation in the State and interest on the Bonds as excluded from gross income for federal income tax purposes (except as described under the heading "TAX MATTERS" herein) and (ii) proceedings relating to the Bonds are not pending or threatened by the Commission.

The Bond Purchase Agreement further provides that the Authority will provide to the Underwriter within seven business days of the date of the Bond Purchase Agreement an electronic copy of the Official Statement to enable the Underwriter to comply with the requirements of Rule 15c2-12(b)(4) under the Exchange Act.

CO-MUNICIPAL ADVISORS

The Authority has retained Caldwell Sutter Capital, Inc. and Sudsina & Associates, LLC (the "Co-Municipal Advisors"), to provide financial advice in connection with the Authority's issuance of the Bonds. The Co-Municipal Advisors are not obligated to undertake, and have not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement. Sudsina & Associates, LLC is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities. Caldwell Sutter Capital, Inc. is a registered broker dealer and a registered Municipal Advisor. Caldwell Sutter Capital, Inc. is representing the Authority and the City with regards to the Bonds solely as a Municipal Advisor.

CONTINUING DISCLOSURE

Prior to delivery of the Bonds, the Authority and 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 certain information repositories 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 G – Form of Continuing Disclosure Undertaking," to this Official Statement.

A failure by the Authority or the City to comply with its 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 Authority or the City to comply with its Undertaking must be reported by the Authority or 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 a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

Except as disclosed in this paragraph, neither the Authority nor the City has, in the previous five years, failed to comply, in any material respect, with any previous continuing disclosure undertakings executed by the Authority or the City. With respect to the Authority 2016 Bonds, the annual financial information filed for prior years did not include the ten-year projections of Tax Increment Revenues required by the continuing disclosure undertaking for such bonds. With respect to the Authority 2016 Bonds and the City's prior general obligation bond issues, the annual financial information filed for the fiscal year ended June 30, 2025 did not include the Overlapping Debt table, information regarding the Municipal Employees Retirement System, and the Other Postemployment Benefits table, each as required by the applicable continuing disclosure undertakings. The Authority and City have filed a supplement to the original filings with the Municipal Securities Rulemaking Board's Electronic Municipal Market Access system (EMMA) to provide the previously omitted information.

The Authority and City have implemented procedures to ensure timely and complete compliance with their continuing disclosure obligations on a going-forward basis and engaged a third-party to prepare and file annual reporting and material event notices.

The Authority and the City have engaged a third-party to prepare and file annual reporting and material event notices in a timely manner.

OTHER MATTERS

All information contained in this Official Statement, in all respects, is subject to the complete body of information contained in the original sources thereof. In particular, no opinion or representation is rendered as to whether any projection will approximate actual results, and all opinions, estimates and assumptions, whether or not expressly identified as such, should not be considered statements of fact.

The Authority certifies that to its best knowledge and belief, this Official Statement, insofar as it pertains to the Authority and its economic and financial condition, is true and correct as of the date of this Official Statement and does not contain, nor omit, any material facts or information which would make the statements contained herein misleading.

TAX INCREMENT FINANCE AUTHORITY
OF THE CITY OF ROMULUS
COUNTY OF WAYNE
STATE OF MICHIGAN

By: /s/
Kevin Krause
Its Director

CITY OF ROMULUS
COUNTY OF WAYNE
STATE OF MICHIGAN

By: /s/
Gary Harris
Its Interim Finance Director

APPENDIX A

INFORMATION REGARDING THE
TAX INCREMENT FINANCE AUTHORITY
OF THE
CITY OF ROMULUS

TAX INCREMENT FINANCE AUTHORITY OF THE CITY OF ROMULUS

Establishment, Adoption of Plan and Development Area

Pursuant to Act 450, Public Acts of Michigan 1980, as amended (which has since been recodified as Act 57), the City on October 22, 1984 established the Authority and designated the boundaries of the Authority district (the "District"), with the objective of stimulating and encouraging economic development activities within the District. The Authority is governed by a 13-member board appointed by the Mayor and confirmed by the City Council. The board members serve 4-year staggered terms. Currently, there are three vacant positions.

The Authority and the City originally created three development areas within the District, designated as District I, District II and District III, pursuant to a Development Plan and Tax Increment Financing Plan for each development area. The Development Plan and Tax Increment Financing Plan for District I terminated in 2000, and the one for District III terminated in 2001.

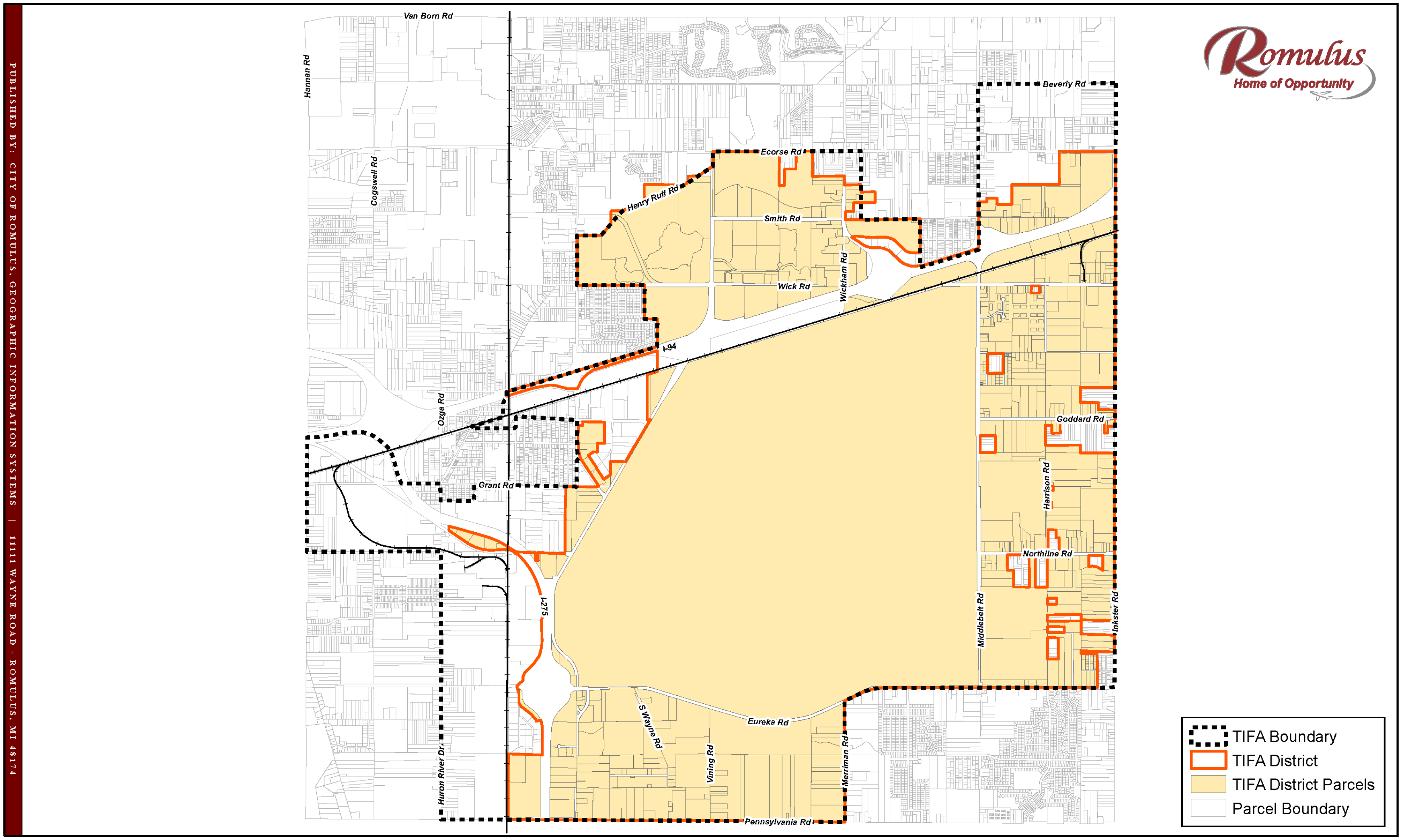
The Development Plan and Tax Increment Financing Plan for District II was originally adopted in 1984, and was subsequently amended in 1986, 1989 and 1993. In 2004, the Authority and the City approved an Amended and Restated Development Plan and Tax Increment Financing Plan (District II) (the "2004 Plan") to update the scope of projects for the development area, expand the boundaries of the development area to include a portion of the property which was previously in District I and District III and extend the duration of the 2004 Plan through 2033. In 2009, the Authority and the City approved an amendment and restatement to the 2004 Plan (the "2009 Plan") to add additional projects within the development area. In 2012, the 2009 Plan was amended to expand the boundaries of the development area to include a portion of property consisting of right-of-way along I-94 and Shook Road and the Vining Road interchange to facilitate the implementation of projects that were identified in the Plan. In 2020, the 2009 Plan was amended to update the project list and corresponding data tables and maps. In January 2026, the 2009 Plan was amended to expand the boundaries of the development area to include 12 parcels within the District and extend the term of the Plan through 2055.

For purposes of this Appendix A, the 2009 Plan as amended in 2012, 2020 and 2026 is referred to as the "Plan" and the original development area for District II as expanded in 2004, 2012 and 2026 is referred to as the "Development Area."

Area and Location

The boundaries of the Development Area of the Authority has 980 parcels and covers approximately 9,071 acres in the City. A map depicting the Development Area follows on the next page.

TAX INCREMENT FINANCE AUTHORITY OF
THE CITY OF ROMULUS
MAP OF DEVELOPMENT AREA



City of Romulus
Wayne County, Michigan

Publication Date: February 11, 2026
MAP PREPARED BY RITTER GIS | EXHIBIT ID: 2026-209

0 0.5 1 2 Miles

TIFA DEVELOPMENT AREA

Geographical data provides a spatial representation only. The City of Romulus and/or Ritter GIS do not assume any damages or liabilities due to the accuracy, availability, use or misuse of the information provided.

Breakdown of 2026 Ad Valorem Taxable Valuation of the Development Area:

By Use:		By Class:	
Commercial	68.59%	Real Property	77.03%
Industrial	8.44	Personal Property	22.97
Personal	22.97		
Total	100.00%	**Total**	100.00%

SOURCE: City of Romulus (including Act 198 parcels)

Major Taxpayers Located Within the Development Area

Taxpayer	Product or Service	2026 Ad Valorem (1) Taxable Valuation	% of 2026 Ad Valorem Taxable Valuation
Federal Express	Delivery Service	$61,590,676	9.82%
NP Lordstown 173 LLC	Warehousing	38,272,903	6.10
Amazon.Com Services LLC	Warehousing	36,878,800	5.88
AZ Romulus MI Investors	Distribution	35,065,474	5.59
Delta Airlines	Airline	30,942,785	4.93
MoProblems LLC	Warehousing	14,337,546	2.86
Sealy Harrison Road I LLC	Warehousing	14,223,651	2.27
Reep NPD Romulus II LLC	Real Estate	13,416,600	2.13
Scannell Properties LLC	Real Estate	9,218,652	1.47
Pure Hothouse Foods LLC	Warehousing	9,060,600	1.44
Total		$263,007,687	41.93%

SOURCE: City of Romulus (including Act 198 parcels)

TAX RATES FOR TAXING JURISDICTIONS IN DEVELOPMENT AREA

Taxing Jurisdictions	Fiscal Years Ended June 30 2027	2026	2025	2024	2023
City of Romulus - Operating	9.4063	9.4063	9.4063	9.4063	9.4063
City of Romulus - Sanitation	1.5500	1.5500	1.5500	1.5500	1.5500
City of Romulus - Library	0.7000	0.7000	0.7000	0.7000	0.7000
City of Romulus-Public Safety	4.0000	4.0000	4.0000	4.0000	4.0000
Wayne County Charter	5.5343	5.5913	5.6099	5.6090	5.6347
Wayne County - Operating	0.9335	0.9432	0.9464	0.9464	0.9506
Wayne County - Public Safety	0.9231	0.9327	0.9358	0.9358	0.9358
Wayne County - Parks	0.2429	0.2433	0.2442	0.2442	0.2453
Wayne County - Veterans	0.0359	0.0363	0.0365	0.0365	0.0367
Wayne County Transit Authority	0.9831	0.9916	0.9949	0.9949	0.9949
Wayne County Community College	3.1876	3.2043	3.2202	3.2202	3.2378
Huron Clinton Metropolitan Authority	0.2025	0.2062	0.2070	0.2070	0.2089
TOTALS	27.6992	27.8052	27.8512	27.8503	27.9010

SOURCE: Wayne County Assessors Office

Outstanding Debt

The Authority has one outstanding bond issue, the 2016 Tax Increment Refunding Bonds (Limited Tax General Obligation) (the "Authority 2016 Bonds"), with a total outstanding principal amount of $1,235,000 which is due and payable November 1, 2026. The Bonds will be the only outstanding debt of the Authority after the final payment on the Authority 2016 Bonds. The Authority, however, is also responsible for payment of a portion of the debt service on the City's Refunding Bonds, Series 2025B. See the "Projected Debt Service on 2025B Bonds" table herein.

Debt History

The Authority has no record of default.

Future Financing

The Authority does not anticipate additional financing in the foreseeable future. However, the Authority has reserved the right to issue additional bonds or other obligations payable from the Tax Increment Revenues on the same basis of priority as the Bonds and the Authority 2016 Bonds.

Tax Increment Revenues Projections

The following "Historical Assessed Value Growth, Tax Increment Revenues, and Debt Service Coverage," "Projected Tax Increment Revenues," "Projected Debt Service Coverage on Authority Bonds," and "Projected Debt Service on 2025B Bonds" tables sets forth the historical and projected Tax Increment Revenues of the Authority for the fiscal years ended June 30, 2017 through fiscal years ending June 30, 2047 and the debt service coverage for the years ending June 30, 2027 through 2047.

Revenues have been estimated by the Authority based upon the assumptions detailed in the table. While the Authority believes these projections to be reasonable, the assumptions are based upon factors beyond the Authority's control and therefore, no are assurances that these projections will be achieved. Many factors may prevent the projections from being achieved. These include yearly changes in the tax rates of the various taxing entities, the rate of property value inflation, the construction plans of private individuals and companies, and unpredictable legislative changes affecting assessment ratios, assessed valuation exemptions, and tax rates. Certain tax rates are subject to periodic renewal by the electors and may not be renewed. Legislative changes exempting particular types of property from taxation may cause a drop in revenues. Limitations imposed on the annual increase in valuation of each parcel of property may reduce assessment growth and capture assessed values below assumed rates and levels. Challenges to property valuations by individual taxpayers may result in a reduction in those taxes due to a reduction in valuations through the appeal process. Also, further changes by the State in the method of financing public education that would reduce property tax rates could result in a reduction in Tax Increment Revenues. See "BONDHOLDERS' RISKS" and "CITY TAXATION AND LIMITATIONS" herein.

THERE IS NO ASSURANCE THAT GROWTH WILL OCCUR AS SHOWN OR THE PROJECTIONS OR THE TAX RATES WILL REMAIN IN EFFECT FOR THE DURATION OF THE PLAN. THERE IS NO ASSURANCE THAT FEDERAL AND/OR STATE LEGISLATION WILL NOT BE ADOPTED THAT WILL HAVE AN IMPACT ON THE AUTHORITY'S ABILITY TO MEET THE DEBT SERVICE ON THE BONDS.

Historical Assessed Value Growth, Tax Increment Revenues and Debt Service Coverage

Fiscal Year Ended June 30,	Assessed Value (1)	Initial Assessed Value (Base Year) (2)	Total Captured Taxable Value (3)	Captured Tax Rates (4)	Tax Increment Revenues (5)	Debt Service On Outstanding Authority Bonds (6)	Debt Service Coverage on Authority Bonds	
2017	$246,849,554	$156,785,659	$90,063,895	60.5931	$3,197,018	$1,251,731	2.55	X
2018	266,490,540	156,785,659	109,704,881	63.1391	3,751,961	1,271,175	2.95	X
2019(7)	316,700,189	156,785,659	159,914,530	63.3385	4,266,270	1,274,475	3.35	X
2020(8)	413,782,589	156,785,659	256,996,930	46.0210	7,618,809	1,267,300	6.01	X
2021	421,675,446	156,785,659	264,889,787	27.9299	6,842,966	1,269,300	5.39	X
2022	411,974,438	156,785,659	255,188,779	27.9200	6,044,500	1,269,700	4.76	X
2023	423,550,456	156,785,659	266,764,797	27.9010	6,875,987	1,263,600	5.44	X
2024	444,314,702	156,785,659	287,529,043	27.8503	7,292,943	1,265,325	5.76	X
2025	529,847,054	156,785,659	373,061,395	27.8512	9,485,561	1,266,600	7.49	X
2026	570,518,158	156,785,659	413,732,499	27.8052	10,860,182	1,261,000	8.61	X

1) Assessed Value of the Development Area for fiscal years ended June 30, 2017 - June 30, 2026.
2) Initial Assessed Value based on property values as properties were added to the Development Area.
3) Captured Taxable Value of the Development Area for fiscal years ended June 30, 2017- June 30, 2026.
4) Captured Tax Rates - The Authority was allowed to capture school until fiscal year ended June 30, 2020.
5) Tax Increment Revenue for fiscal years ended June 30, 2017 through 2026. Revenues include capture on industrial facilities tax properties taxed at lower levels.
6) Debt Service on the 2016 Authority Bonds.
7) The increase in assessed value is the result of the opening of the Amazon distribution center.
8) This is the last year the Authority was able to capture State and school taxes for debt payments.

Projected Tax Increment Revenues

Fiscal Year Ending June 30,	Assessed Value (1)	Initial Assessed Value (Base Year) (2)	Total Captured Taxable Value (3)	Estimated Captured Tax Rate (4)	Tax Increment Revenues
2027	$576,223,340	$156,785,659	$419,437,681	27.6992	$11,618,088
2028	581,985,573	156,785,659	425,199,914	27.6992	11,777,697
2029	587,805,429	156,785,659	431,019,770	27.6992	11,938,903
2030	593,683,483	156,785,659	436,897,824	27.6992	12,101,720
2031	599,620,318	156,785,659	442,834,659	27.6992	12,266,166
2032	605,616,521	156,785,659	448,830,862	27.6992	12,432,256
2033	611,672,686	156,785,659	454,887,027	27.6992	12,600,007
2034	617,789,413	156,785,659	461,003,754	27.6992	12,769,435
2035	623,967,307	156,785,659	467,181,648	27.6992	12,940,558
2036	630,206,980	156,785,659	473,421,321	27.6992	13,113,392
2037	636,509,050	156,785,659	479,723,391	27.6992	13,287,954
2038	642,874,141	156,785,659	486,088,482	27.6992	13,464,262
2039	649,302,882	156,785,659	492,517,223	27.6992	13,642,333
2040	655,795,911	156,785,659	499,010,252	27.6992	13,822,185
2041	662,353,870	156,785,659	505,568,211	27.6992	14,003,835
2042	668,977,409	156,785,659	512,191,750	27.6992	14,187,302
2043	675,667,183	156,785,659	518,881,524	27.6992	14,372,603
2044	682,423,855	156,785,659	525,638,196	27.6992	14,559,758
2045	689,248,093	156,785,659	532,462,434	27.6992	14,748,783
2046	696,140,574	156,785,659	539,354,915	27.6992	14,939,700
2047	703,101,980	156,785,659	546,316,321	27.6992	15,132,525

1) Projected Assessed Value of the Development Area for fiscal years ending June 30, 2027 through 2047 projected at a 1.00% annual increase in assessed value.
2) Initial Assessed Value based on values as properties were added to the Development Area.
3) Projected Captured Assessed Value of the Development Area for fiscal years ending June 30, 2027 through 2047.
4) Estimated Captured Tax Rates from the Plan for the Authority, assuming such rates remain the same, but see "BONDHOLDERS' RISKS" in the front portion of this POS.

Projected Debt Service Coverage on Authority Bonds

Fiscal Year Ending June 30	Tax Increment Revenues	2016 Authority Bonds (1)	The Bonds (2)	Total Debt Service	Excess Tax Increment Revenues	Debt Service Coverage on Authority Bonds (3)
2027	$11,618,088	$1,265,875	$1,295,000	$2,560,875	$9,057,213	4.54 x
2028	11,777,697		2,917,200	2,917,200	8,860,497	4.04 x
2029	11,938,903		3,302,800	3,302,800	8,636,103	3.61 x
2030	12,101,720		3,303,300	3,303,300	8,798,420	3.66 x
2031	12,266,166		3,301,200	3,301,200	8,964,966	3.72 x
2032	12,432,256		3,301,400	3,301,400	9,130,856	3.77 x
2033	12,600,007		3,303,700	3,303,700	9,296,307	3.81 x
2034	12,769,435		3,303,000	3,303,000	9,466,435	3.87 x
2035	12,940,558		3,299,300	3,299,300	9,641,258	3.92 x
2036	13,113,392		3,297,500	3,297,500	9,815,892	3.98 x
2037	13,287,954		3,297,400	3,297,400	9,990,554	4.03 x
2038	13,464,262		3,293,900	3,293,900	10,170,362	4.09 x
2039	13,642,333		3,296,800	3,296,800	10,345,533	4.14 x
2040	13,822,185		3,291,000	3,291,000	10,531,185	4.20 x
2041	14,003,835		3,291,400	3,291,400	10,712,435	4.25 x
2042	14,187,302		3,287,800	3,287,800	10,899,502	4.32 x
2043	14,372,603		3,285,100	3,285,100	11,087,503	4.38 x
2044	14,559,758		3,283,100	3,283,100	11,276,658	4.43 x
2045	14,748,783		3,281,600	3,281,600	11,467,183	4.49 x
2046	14,939,700		3,280,400	3,280,400	11,659,300	4.55 x
2047	15,132,525		3,279,300	3,279,300	11,853,225	4.61 x
	$279,719,462	$1,265,875	$66,792,200	$68,058,075		

1) Actual debt service on the 2016 Authority Bonds.

2) Estimated debt service on the Bonds based upon an interest rate of 4.00%. Preliminary, subject to change.

3) Projected debt service coverage on the 2016 Authority Bonds and the Bonds.

Projected Debt Service on 2025B Bonds

Fiscal Year Ending June 30	Excess Tax Increment Revenues After Payment of Authority Bonds	Outstanding Bonds Partially Paid By Authority (1)	Less Debt Paid by LDFA(2)	Net Debt Service Paid By Authority (3)	Excess Tax Increment Revenues After Payment of 2025B Bonds
2027	$9,057,213	$971,125	$600,000	$371,125	$8,686,088
2028	8,860,497	945,625	600,000	345,625	8,514,872
2029	8,636,103	931,375	600,000	331,375	8,304,728
2030	8,798,420	915,125	600,000	315,125	8,483,295
2031	8,964,966	907,625	600,000	307,625	8,657,341
2032	9,130,856	989,625	600,000	389,625	8,741,231
2033	9,296,307	897,875	600,000	297,875	8,998,432
2034	9,466,435	861,000	600,000	261,000	9,205,435
2035	9,641,258	-			9,641,258
2036	9,815,892	-			9,815,892
2037	9,990,554	-			9,990,554
2038	10,170,362	-			10,170,362
2039	10,345,533	-			10,345,533
2040	10,531,185	-			10,531,185
2041	10,712,435	-			10,712,435
2042	10,899,502	-			10,899,502
2043	11,087,503	-			11,087,503
2044	11,276,658	-			11,276,658
2045	11,467,183	-			11,467,183
2046	11,659,300	-			11,659,300
2047	11,853,225	-			11,853,225
	$211,661,386	$7,419,375	$4,800,000	$2,619,375	

1) Actual debt service on the City's Refunding Bonds, Series 2025B (Limited Tax General Obligation) (the "2025B Bonds"), a portion of which is paid by the Authority for fiscal years ending June 30, 2027 through 2034.

2) Projected debt service on the 2025B Bonds to be paid by the LDFA for fiscal years ending June 30, 2027 through 2034 .

3) Projected debt service on the 2025B Bonds to be paid by the Authority for fiscal years ending June 30, 2027 through 2034 .

APPENDIX B

INFORMATION REGARDING THE CITY OF ROMULUS

CITY OF ROMULUS

Location and Description

The City of Romulus, located in the western portion of the County of Wayne, encompasses an area of approximately 36 square miles.

Form of Government

The City operates under a strong mayor form of government. The Mayor, City Clerk, City Treasurer and 7 Council members are elected for 4-year terms. The Mayor appoints the City Attorney, Assessor, Finance Director and all other department heads, who serve at the pleasure of the Mayor.

POPULATION

	City Population	Percent of Increase (Decrease)
1970 Census	22,879	-----
1980 Census	24,857	8.65%
1990 Census	22,897	(7.89)
2000 Census	22,979	0.36
2010 Census	23,989	4.40
2020 Census	25,178	4.95
2025 Estimate*	24,492	(2.70)

SOURCES: US Department of Commerce - Bureau of Census
* Southeast Michigan Council of Governments 2025 estimate

CITY TAXATION AND LIMITATIONS

Taxable Valuation

The value of taxable property in the City as of December 31 of each year is assessed by the City Assessor and then equalized by the County of Wayne (the "County") and finally by the State of Michigan (the "State"). The value as equalized by the State becomes the state equalized valuation (the "State Equalized Value" or "SEV"). Property taxpayers may appeal their assessments to the local assessor, the local board of review and ultimately to the State Tax Tribunal. The City does not anticipate any material adverse effect on its financial condition as a result of any appeals currently pending.

State statutes provide that all ad valorem taxes ("Ad Valorem Taxes") be levied upon SEV or Taxable Value, (the "Ad Valorem Tax Roll"). Article IX, Section 3, of the State of Michigan Constitution (the "State Constitution") limits the proportion of true cash value at which taxable property can be assessed to a percentage not to exceed 50%. The State of Michigan Legislature (the "State Legislature") or the electorate may at some future time change the percentage of true cash value at which property is assessed.

On March 15, 1994, the electorate of the State approved an amendment to the State Constitution permitting the State Legislature to authorize Ad Valorem Taxes on a non-uniform basis (the "1994 Amendment"). The legislation implementing the 1994 Amendment added a new measure of property value known as "Taxable Value". Beginning in 1995, taxable property will have two valuations - SEV and Taxable Value. Property taxes will be 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 all 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. The 1994 Amendment and the implementing legislation base the

Taxable Value of existing property for the year 1995 on the SEV of that property in 1994 and for the years 1996 and thereafter on the Taxable Value of the property in the preceding year. Beginning with the taxes levied in 1995, an increase, if any, in Taxable Value of existing property is limited to the lesser of the percentage net change in SEV from the preceding year to the current year, 5% or the inflation rate. 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.

The Ad Valorem Tax Value Roll does not include any value of tax-exempt property (e.g., government facilities, churches, public schools, etc.) or property granted tax abatement under Act 198 of the Public Acts of Michigan of 1974, as amended ("Act 198"). See "**CITY TAXATION AND LIMITATIONS – Industrial Facilities Tax Abatement**" herein.

Property Tax

The City's operating tax rates are limited by both State statute and City charter. Home rule cities are allowed by the Home Rule City Act, Act 279 of the Public Acts of Michigan of 1909, as amended (the "Home Rule City Act") to authorize by their charters a maximum of 20 mills (1 mill is equal to $1.00 per $1,000 of Taxable Value) for operating purposes. The City by its charter is limited to levying 10.00 mills for general operating purposes, 3.00 mills for sanitation services and 1.00 mill for library services.

In fiscal year 2026/2027, the charter limit has been reduced to 9.4063 mills due to the Amendment to the State Constitution mentioned below. The City is currently levying 9.4063 mills for City operating purposes, .03250 mills under Act 359 of the Public Acts of Michigan of 1925, as amended, 1.5500 mills for sanitation services, and .7000 mills for library services and 4.0000 mills for police and fire services. Any millage levied to meet the City's limited tax full faith and credit pledge on the Bonds is subject to charter, statutory, and constitutional limitations as described herein.

Article IX, Section 31 of the State Constitution ("Section 31") 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 reduced through a Millage Reduction Fraction unless reversed by a vote of the electorate of the local taxing unit.

Section 31 and its enabling legislation, Act 35 of Public Acts of Michigan, 1979, has had the effect of rolling back the City's maximum operating levy from 10.00 to 9.4063 for the 2026/27 fiscal year.

Legislation adopted by the State Legislature in connection with public education finance reform and voter approval of a statewide proposal on March 15, 1994, limits the annual growth of real property assessments to the lesser of the percentage change in a property's SEV, the rate of inflation or 5% until the property is subsequently sold. (See "**CITY TAXATION AND LIMITATIONS –Taxable Valuation"** herein.)

Tax Rates - Five-Year History (1)

Levied July 1	City Operating (2)	Sanitation Services (3)	PA 359	Library Services(4)	Police and Fire Services	Total
2022	9.4063	1.5500	.04258	.7000	4.0000	15.69888
2023	9.4063	1.5500	.04083	.7000	4.0000	15.69713
2024	9.4063	1.5500	.03597	.7000	4.0000	15.69227
2025	9.4063	1.5500	.03400	.7000	4.0000	15.69030
2026	9.4063	1.5500	.03250	.7000	4.0000	15.68880

(1) Per $1,000 of Taxable Valuation. Excludes taxes levied by other units of Government.

(2) The City is currently levying its maximum operating millage based upon the Amendment described on page A-3.

(3) The sanitation millage is over and above the 10.00 mill charter limit but is limited to a maximum of 3.00 mills.

(4) The library millage is over and above the 10.00 mill charter limit but is limited to a maximum of 1.00 mills.

SOURCE: City of Romulus

City Wide Millages

In addition to the City's tax rates, property owners in the City must pay taxes to the State and other units of local government. City property owners are subject to the following millage tax rates on all taxable property from local units of government for the 2026/2027 fiscal year.

Fiscal Year 2026/2027 (1)

	Principal Residence (2)	Non-Principal Residence (2)
City of Romulus Operating	9.4063	9.4063
City of Romulus Sanitation	1.5500	1.5500
City of Romulus Library	.7000	.7000
PA 359 Promotions	.0325	.0325
City of Romulus Fire & Police	4.0000	4.0000
Romulus Schools Operating (Non-Homestead)(3)	0	16.6885
Romulus Schools Operating Hold Harmless (3)	1.3115	1.3115
Romulus Schools Debt (3)	4.300	4.300
Romulus Schools Sinking Fund (3)	2.988	2.988
State Education Tax	6.0000	6.0000
Wayne County Operating	5.5343	5.5343
Wayne RESA Enhancement	1.9708	1.9708
Total Summer 2026 Levy	37.7934	54.4819
Wayne County Operating	.9335	.9335
Wayne County Parks	.2429	.2429
Wayne County Public Safety	.9231	.9231
Wayne County Veterans Relief	.0359	.0359
Wayne County Zoological Authority	.0982	.0982
Wayne County Art Institute Authority	.1968	.1968
Wayne County Transit Authority	.9831	.9831
Huron Clinton Metropolitan Authority	.2025	.2025
Wayne County Community College	3.1876	3.1876
Wayne RESA Special Ed	3.2975	3.2975
Wayne RESA Operating	.0940	.0940
2025 Winter Levy	10.1976	10.1976
Total Mills for 2026	47.9885	64.6770

(1) Per $1,000 of Taxable Value.

(2) Principal residence means a dwelling or unit in a multiple-unit dwelling subject to Ad Valorem Taxes that is owned and occupied as a principal residence by the owner of the dwelling or unit. Principal residence includes all unoccupied property classified as agricultural adjacent and contiguous to the home of the owner that is not leased or rented by the owner to another person if the gross receipts of the agricultural or horticultural operations, if any, exceed the household income of the owner. If the gross receipts of the agricultural or horticultural operations do not exceed the household income of the owner, the principal residence includes only 5 acres adjacent and contiguous to the home of the owner. Principal residence includes a life care facility registered under the Living Care Disclosure Act, Act No. 440 of the Public Acts of 1976, being sections 554.801 to 554.844 of the Michigan Compiled Laws. Principal residence also includes property owned by a cooperative housing corporation and occupied as a principal residence by tenant stockholders. Non-principal residence is property not included in the above definition.

(3) Residents of the City, not in the Romulus Community Schools District may be residents of two other school districts. Their millage rates for fiscal year 2026/2027 are: 44.8357 mills for Principal Residence and 62.8357 mills for Non-Principal Residence for Wayne Westland Community Schools and 47.3633 mills per Principal Residence and 65.3476 mills for Non-Principal Residence for Woodhaven-Brownstown School District.

SOURCE: City of Romulus

Real Property Tax Assessments

Responsibility for assessing taxable property rests with the local assessing officer of the 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, 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. Taxable Value is important 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 and calculation of debt limits.

Personal Property Tax Reform

Between 2012 and 2020, the Michigan Legislature enacted a series of statutes reforming personal property taxation in Michigan. Initial legislation passed in 2012 was amended and replaced by a package of bills enacted in 2013 and 2014, both of which were contingent on the passage of a ballot proposition in August 2014. That ballot proposition, which Michigan voters approved, authorized a new municipal entity, the Local Community Stabilization Authority ("LCSA"). Additional legislation in 2015, 2018, and 2020 refined the reimbursement framework, adjusted reporting requirements, and modified calculation methods for tax reimbursements.

The legislation includes two categories of exemptions from the personal property tax. Under the small taxpayer exemption, commercial and industrial personal property owned by taxpayers with a combined true cash value below a specified threshold in a local tax collecting unit is exempt from ad valorem taxes; the threshold was initially set at $80,000 and has since been increased by the Legislature to $180,000. Under the eligible manufacturing personal property exemption, personal property used more than 50% of the time in industrial processing or direct integrated support is exempt from taxation provided it meets other statutory eligibility requirements.

The LCSA is a municipal entity created by voter approval in August 2014. The LCSA is authorized to levy a local component of the statewide use tax and distribute that revenue to qualifying local units of government—including school districts, intermediate school districts, counties, cities, villages, townships, community colleges, and tax increment finance authorities—to offset revenue losses caused by the personal property tax exemptions. The LCSA administers the personal property tax reimbursement process, including calculating and distributing reimbursement payments, managing reporting deadlines, processing correction requests, and distributing fire protection services payments. The Michigan Department of Treasury works in coordination with the LCSA to administer these functions.

The legislation provides for reimbursement to school districts, intermediate school districts, counties, cities, villages, townships, community colleges, and tax increment finance authorities pursuant to a statutory formula. For the June 30, 2026, fiscal year, the City received PPT 100% reimbursement funds of $564,960.

Industrial Facilities Tax Abatement

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 state equalized valuation 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 new facility tax abatements, new plants and equipment are taxed at one-half of the total mills levied as ad valorem property 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. The State Treasurer may permit abatement of all, none or one-half of the mills levied under the State Education Tax Act. 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 equivalent effect of the abatements granted under Act 198 is to understate the City's Ad Valorem Taxable Value for its fiscal year ending June 30, 2027, by $60,859,082 or 3.94%.

Industrial Facilities Tax Roll

The following chart indicates the time schedule, and dollar amounts of tax abatements granted to industrial facilities within the City. Once these tax abatements expire the facilities will be added back to the City's Ad Valorem tax roll.

Year of Transfer To Ad Valorem Tax Roll	I.F.T Taxable Value Amount (1)
2027	$2,616,300
2028	34,651,482
Total	$37,267,782

(1) Represents current 2026 Taxable Value of abated property at time of assessment. Personal property will be subject to depreciation in future years.

The City's Total Taxable Valuation has increased $395,683,069 or 32.63% between 2021 and 2026 (see table following). SEV does not include any value of tax-exempt property (e.g., governmental facilities, churches, public schools, etc.) but property granted tax abatements under Act 198 has been included in the chart below (see **"CITY TAXATION AND LIMITATIONS - Tax Abatement**" herein).

SEV and Taxable Valuation – Five-Year History

Assessed Value as of December 31	Year of State Equalization and Tax Levy	Fiscal Year Ended June 30	State Equalized Valuation (1)	Ad Valorem Taxable Valuation(2)	Total Taxable Valuation (3)
2021	2022	2023	$1,620,832,400	$1,149,163,801	$1,212,284,004
2022	2023	2024	1,675,529,000	1,194,126,819	1,267,966,359
2023	2024	2025	1,827,654,500	1,362,785,469	1,426,157,370
2024	2025	2026	1,955,776,600	1,440,438,436	1,500,965,429
2025	2026	2027	2,094,126,115	1,545,330,661	1,607,967,073

Per capita 2026 Total Taxable Valuation is $63,864 and per capita 2026 SEV is $83,172 based on the 2020 US Census population of 25,178.

See "CITY TAXATION AND LIMITATIONS - Taxable Valuation" herein.

(1) Includes Ad Valorem, Act 198 – IFT and Land Bank (parcels) presented at Assessed Value
(2) Includes Ad Valorem and Land Bank Ad Valorem parcels. The Land Bank is a land bank fast track authority created by Wayne County to acquire, maintain and dispose of interests in real property and to clear or quiet title to property. Property owned by a Land Bank does not appear on the tax rolls.
(3) Includes Ad Valorem, Act 198 – IFT and Land Bank (parcels) presented at Taxable Value.

SOURCE: City of Romulus

Breakdown of 2026 Ad Valorem Taxable Valuation:

By Use:		By Class:	
Residential	38.91%	Real Property	87.38%
Commercial	16.23	Personal Property	12.62
Industrial	32.24	**Total**	100.00%
Personal	12.62		
Total	100.00%		

SOURCE: City of Romulus (including Act 198 parcels)

Property Tax Collections

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

The County of Wayne, Michigan (the "County") is responsible for the collection of real property taxes of the City which are delinquent as of March 1 of each fiscal year (the "Delinquent Real Property Taxes"). In recent years, the County has purchased from the City all Delinquent Real Property Taxes from a tax payment fund established by the County. In return, the City has assigned to the County all amounts payable to the City from the taxpayers with respect to such Delinquent Real Property Taxes. If such Delinquent Real Property Taxes remain uncollected after three years from the date on which such taxes become delinquent, the County may charge the respective amount of such taxes back to the City. The purchase by the County from the City of the Delinquent Real Property Taxes as set forth above may be dependent upon the sale by the County of delinquent tax notes for that purpose, and there can be no assurance that the County will issue such delinquent tax notes or purchase such Delinquent Real Property Taxes in any fiscal year.

Delinquent Real Property Taxes collected by the County in any fiscal year in which the County does not purchase from the City such Delinquent Real Property Taxes are paid to the City as and when collected by the County on a monthly basis following such collection.

Personal property taxes uncollected as of the end of a fiscal year have historically accounted for less than 5.00% of the City's local tax levies. Suit may be brought to collect personal property taxes and personal property may be seized and sold to satisfy the claim for unpaid taxes thereon.

Property Tax Collection Record - Five-Year History

Levied July 1	Tax Levy(1)	Collections to March 1, Year Following Levy	Percent Collected	Collections Plus Funding to June 30, Year Following Levy(2)	% Collection Plus Funding to June 30, Year Following Levy
2021	$17,206,863	$16,967,153	98.61%	$17,486,680	101.63%
2022	18,406,852	17,877,754	97.13	18,403,806	99.98
2023	19,276,882	18,716,146	97.09	19,275,359	99.99
2024	23,718,157	22,181,747	93.52	22,709,346	95.75
2025	24,463,386	23,920,213	97.79	24,668,641	100.83
2026	25,227,073	(In the Process of Collection)			

(1) Real and personal taxes combined.
(2) Includes funding from County Tax Payment Fund (see above).

SOURCE: City of Romulus

CITY DEBT

Statutory and Constitutional Debt Provisions

Section 21 of Article VII of the Michigan Constitution establishes the authority, subject to statutory and constitutional limitation, for municipalities to incur debt for public purposes:

"The legislature shall provide by general laws for the incorporation of cities and villages. Such laws shall limit their rate of ad valorem property taxation for municipal purposes and restrict the powers of cities and villages to borrow money and contract debts. Each city and village is granted power to levy other taxes for public purposes, subject to limitations and prohibitions provided by the constitution or by law."

In accordance with the foregoing authority granted to the State Legislature, the Home Rule City Act limits the amount of debt a home rule city may have outstanding at any time. Section 4a of the Home Rule City Act provides:

"The net indebtedness incurred for all public purposes may be as much as but shall not exceed the greater of the following:

(a) Ten percent of the assessed value of all the real and personal property in the city adjusted for tax abated property.

(b) Fifteen percent of the assessed value of all the real and personal property in the city if that portion of the total amount of indebtedness incurred which exceeds 10% is or has been used solely for the construction or renovation of hospital facilities."

Significant exceptions to the debt limitation have been permitted by the Home Rule City Act for certain types of indebtedness which include: special assessment bonds and Michigan Transportation Fund Bonds (formerly motor vehicle highway fund bonds), even though they are a general obligation of the City; revenue bonds payable from revenues only, whether secured by a mortgage or not; bonds issued or contract obligations or assessments incurred to comply with an order of the Water Resources Commission of the State (now, the Department of Environment Great Lakes and Energy) or a court of competent jurisdiction; obligations incurred for water supply, sewage, drainage or refuse disposal or resource recovery projects necessary to protect the public health by abating pollution; and bonds issued or assessments or contract obligations incurred for construction, improvements and replacement of a combined sewer overflow abatement facility. The resources of a sinking fund pledged for the retirement of outstanding bonds shall also be deducted from the amount of indebtedness.

Legal Debt Margin *

Pursuant to the statutory and constitutional debt provisions set forth above, the following table reflects the amount of additional debt the City may legally incur as of August 4, 2026, assuming issuance of the Bonds.

2026 SEV		$2,094,126,115
Plus: Half Assessed Value Equivalent of Act 198 Property		30,429,541
Plus: Addition for Revenue Sharing (1)		340,769,484
Plus: LCSA/PPT (2)		27,422,047
Equivalent Valuation for Debt Margin Purposes		$2,492,747,187
Debt Limit (3)		$249,274,718
Direct and Indirect Debt Outstanding (4) *	$66,576,979	
Less: Exempt Obligations (Indirect Debt)	$281,979	$66,295,000
Additional Debt which can be legally incurred		$182,979,718 *
Non-exempt debt outstanding as percentage of 2026 Equivalent Valuation		3.15%

(1) Constitutional and CVTRS State Revenue Sharing payments ($3,205,380) divided by the City's operating millage rate (9.4063 mills).

(2) The Local Community Stabilization Authority ("LCSA") was established to administer distribution of the replacement of personal property tax revenues lost by local government. Eligible reimbursements for LCSA equals Total Reimbursement less Total Qualified Loss Reimbursement divided by the City's eligible millage.

(3) 10% of 2026 SEV and Equivalent Valuations.

(4) Includes the Bonds.

* Preliminary, subject to change.

SOURCE: City of Romulus and the Municipal Advisory Council of Michigan.

Debt Statement*

The following table reflects a breakdown of the City's direct and overlapping debt as of August 4, 2026, including the Bonds. Bonds designated (LTGO) have a limited tax pledge.

City Direct Debt	Gross	Self-Supporting	Net	Net Direct Debt Per Capita	Net Direct Debt SEV
Tax Increment Bonds, Series 2026 (LTGO) (1) *	$45,000,000	$45,000,000	$-0-		
2016 Refunding Bonds (LTGO) (2)	465,000	465,000	-0-		
Refunding Bonds, Series 2025B (LTGO) (3)	6,065,000	6,065,000	-0-		
Refunding Bonds, Series 2025C (LTGO) (4)	2,250,000	2,250,000	-0-		
2025 Refunding Bonds (LTGO) (5)	11,280,000	11,280,000	-0-		
2016 Tax Increment Refunding Bonds (LTGO) (6)	1,235,000	1,235,000	-0-		
Total Direct Debt*	66,295,000	66,295,000	-0-		
Indirect Debt					
Share of County Issued Bonds (7)	281,979	281,979	0	0	0
Total Direct and Indirect Debt*	$66,576,979	$66,576,979	$0.00	$0.00	0.0%

*Preliminary, Subject to Change.

City Overlapping Debt (8)	Gross	City Share as % of Gross	Net City Share	Per (9) Capita	SEV(8)
Romulus Community Schools	$17,918,926	100.00%	$17,918,926		
Wayne-Westland Schools	123,370,000	.43	530,491		
Woodhaven-Brownstown School District	158,506,150	1.25	1,981,327		
Wayne – County at Large	521,313,075	2.39	12,459,382		
Total Overlapping Debt	$821,108,151		$32,890,126	$1,306	1.57%
Total City Direct, Indirect and Overlapping Debt	$887,685,130		$32,890,126	$1,306	1.57%

(1) The Bonds; paid from Tax Increment Revenues of the Authority.
(2) Paid from the City's Water Supply and Sewage Disposal System Fund.
(3) Paid from Tax Increment Revenues of the Authority and the Local Development Finance Authority of the Detroit Region Aerotropolis Development Corporation.
(4) Paid from the Major and Local Street Fund and Water Supply and Sewage Disposal Fund.
(5) Paid from court fees.
(6) Paid from Tax Increment Revenues of the Authority.
(7) Paid by the rates and charges from the City's Water Supply and Sewage Disposal System Fund.
(8) Overlapping debt is the portion of other taxing units debt for which a City taxpayer is responsible in addition to debt of the City.
(9) Based upon the 2020 US Census population of 25,178 and 2026 SEV of $2,094,126,115.

SOURCE: City of Romulus and the Municipal Advisory Council of Michigan.

CITY OF ROMULUS
COUNTY OF WAYNE, STATE OF MICHIGAN
Schedule of Principal and Interest Payments for the City's Outstanding General Obligation Limited Tax Debt Service and Projected Debt Service on the Bonds*

	Outstanding Bonds(1)			The Bonds			All Bonds		
Fiscal Year Ending June 30	Principal Payments	Interest Payments	Total Debt Service	Principal Payments	Interest Payments (2)	Total Debt Service	Principal Payments	Interest Payments	Total Debt Service
2027	$3,070,000	$994,375	$4,064,375	$0	$1,295,000	$1,295,000	$3,070,000	$2,289,375	$5,359,375
2028	1,415,000	882,500	2,297,500	1,140,000	1,777,200	2,917,200	2,555,000	2,659,700	5,214,700
2029	1,475,000	810,750	2,285,750	1,580,000	1,722,800	3,302,800	3,055,000	2,533,550	5,588,550
2030	1,495,000	735,875	2,230,875	1,645,000	1,658,300	3,303,300	3,140,000	2,394,175	5,534,175
2031	1,560,000	659,750	2,219,750	1,710,000	1,591,200	3,301,200	3,270,000	2,250,950	5,520,950
2032	1,635,000	580,375	2,215,375	1,780,000	1,521,400	3,301,400	3,415,000	2,101,775	5,516,775
2033	1,715,000	497,000	2,212,000	1,855,000	1,448,700	3,303,700	3,570,000	1,945,700	5,515,700
2034	1,775,000	410,125	2,185,125	1,930,000	1,373,000	3,303,000	3,705,000	1,783,125	5,488,125
2035	650,000	341,500	991,500	2,005,000	1,294,300	3,299,300	2,655,000	1,635,800	4,290,800
2036	675,000	308,375	983,375	2,085,000	1,212,500	3,297,500	2,760,000	1,520,875	4,280,875
2037	715,000	273,625	988,625	2,170,000	1,127,400	3,297,400	2,885,000	1,401,025	4,286,025
2038	745,000	237,125	982,125	2,255,000	1,038,900	3,293,900	3,000,000	1,276,025	4,276,025
2039	790,000	198,750	988,750	2,350,000	946,800	3,296,800	3,140,000	1,145,550	4,285,550
2040	830,000	158,250	988,250	2,440,000	851,000	3,291,000	3,270,000	1,009,250	4,279,250
2041	870,000	115,750	985,750	2,540,000	751,400	3,291,400	3,410,000	867,150	4,277,150
2042	920,000	71,000	991,000	2,640,000	647,800	3,287,800	3,560,000	718,800	4,278,800
2043	960,000	24,000	984,000	2,745,000	540,100	3,285,100	3,705,000	564,100	4,269,100
2044	0	0	0	2,855,000	428,100	3,283,100	2,855,000	428,100	3,283,100
2045	0	0	0	2,970,000	311,600	3,281,600	2,970,000	311,600	3,281,600
2046	0	0	0	3,090,000	190,400	3,280,400	3,090,000	190,400	3,280,400
2047	0	0	0	3,215,000	64,300	3,279,300	3,215,000	64,300	3,279,300
	$21,295,000	$7,299,125	$28,594,125	$45,000,000	$21,792,200	$66,792,200	$66,295,000	$29,091,325	$95,386,325

(1) Excludes debt service on the $281,979 County of Wayne Bonds .

(2)The estimated Interest Rate on the Bonds is 4%.

* Preliminary, subject to change.

Debt History

There is no record of a default on any obligations of the City.

Short Term Financing

The City does not utilize short-term borrowings.

Lease Obligations

The City currently has three lease obligation outstanding at this time.

Description	Amount Outstanding	Date of Final Payment
Vehicles	$130,136	June 30, 2027

Future Financings

The City does not anticipate the issuance of any bonds within the next twelve months.

Vacation and Sick Leave Liabilities

As of June 30, 2025, the accrued accumulated vacation and sick leave liability was $131,433.

Employees' Retirement System

The City maintains two Retirement Systems. One is the Police and Fire Retirement System (MERS) which is a Defined Benefit Plan and the other is General Government Employee's Retirement System which is a Defined Contribution Plan (the "Systems"). Together they cover substantially all full-time City employees. The City's contributions to MERS are determined by an actuarial valuation. For the year ended June 30, 2024, the City's contributions to the Systems were $3,055,831 and $ 752,991 respectively. The City's unfunded liability is amortized over a period between 18 and 23 years depending on division. The City's share of MERS System is 62% funded as of December 31, 2024. For more information on the Pension Plan see Appendix C Audited Financial Statements for the City of Romulus Fiscal Year Ended June 30, 2024.

General Fund Balance

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

Fiscal Year Ending June 30	
2021	$10,500,420
2022	11,445,031
2023	18,525,924
2024	20,142,628
2025	21,121,914
2026(1)	20,684,711

(1) Estimated by the City.

Other Post-Employment Benefits

The City provides healthcare benefits to eligible employees and their spouses and dependents through the City of Romulus Retiree Health Care Plan. Currently, the plan has 233 members (including employees in active service, terminated employees not yet receiving benefits, and retired employees and beneficiaries currently receiving benefits).

Cumulatively, Retiree Health Care is no longer available for new employees hired with the City of Romulus. For more information on the Pension Plan see Appendix B Audited Financial Statements for the City of Romulus Fiscal Year Ended June 30, 2025.

Employer contributions and annual OPEB cost data for the current and four preceding years were as follows:

Employer Contributions

Fiscal Year Ended	Actuarial Valuation Date	Annual Required Contribution	Actual OPEB Contribution	Percentage of ARC Contributed
6/30/21	12/31/2020	$5,739,893	$3,240,492	56.46%
6/30/22	12/31/2021	5,707,664	2,773,023	48.58
6/30/23	12/31/2022	4,564,433	2,166,908	47.47
6/30/24	12/31/2023	4,527,400	3,034,388	67.02
6/30/25	12/31/2024	3,136,264	2,520,831	80.37

The funding progress of the Plan is as follows:

Fiscal Year Ended*	Plan Fiduciary Net Position	Total OPEB Liability	Unfunded OPEB Liability	Funded Ratio (Percent)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll
6/30/21	$7,007,742	$64,299,295	$57,291,553	10.90%	$5,986,196	957.06%
6/30/22	6,738,285	51,453,603	44,715,318	13.10	5,820,852	768.19
6/30/23	6,719,241	52,876,553	46,157,312	12.71	5,064,300	911.43
6/30/24	7,884,414	34,710,408	26,825,994	22.71	4,827,652	555.67
6/30/25	8,903,938	34,599,128	25,695,190	25.73	5,014,605	512.41

Approximately $4,758,183 of the actuarial accrued liability at June 30, 2024 relates to the 34th District Court which is responsible for funding its obligation.

* OPEB Valuations are completed every year. Next Valuation date is June 30, 2026, currently in progress.

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 the 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 revenue 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 formular 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 $3,117,880 in total revenue sharing for fiscal year 2027.

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

The following table sets forth the annual revenue sharing payments and other moneys received by the City for the fiscal years ended June 30, 2021, through June 30, 2026.

Fiscal Year Ended/Ending	Constitutional Component	Statutory Revenue Sharing/CVTRS Component	Total Revenue Sharing Payments
June 30, 2021	$2,347,934	$336,696	$2,684,630
June 30, 2022	2,630,480	448,826	3,079,306
June 30, 2023	2,710,758	364,038	3,074,796
June 30, 2024	2,760,194	385,845	3,146,039
June 30, 2025	2,713,281	436,314	3,149,595
June 30, 2026 (1)	2,681,570	385,850	3,067,420

(1) Estimated Receipts – City of Romulus.

SOURCE: State of Michigan Website, City of Romulus

LABOR CONTRACTS

There are 205 full-time and 21 part-time employees 150 of which are represented by five (5) labor organizations. The following table illustrates the various labor organizations which represent City employees, the number of members as of July 1, 2026 and the expiration dates of the present contracts.

Organizations	Number of Employees as of July 1, 2026	Contract Expiration Date
Teamsters Local 214	65	June 30, 2028
P.O.L.C.	14	June 30, 2028
P.O.A.M.	40	June 30, 2028
AFSCME, Local 217	3	June 30, 2028
Romulus Fire Fighters Union Local 4126 of the International Association of Fire Fighters	28	June 30, 2027
Non-Union	55	
Total	205	

THE TAX INCREMENT FINANCE AUTHORITY AND DOWNTOWN DEVELOPMENT AUTHORITY

Tax Increment Authorities

Act 57 of the Public Acts of Michigan, 2018, as amended (the "Recodified Tax Increment Financing Act") and Act 381 of the Public Acts of Michigan, 1996, as amended (the "Brownfield Act") (together the "TIF Acts") authorize the designation of specific districts known as Tax Increment Finance Authority ("TIFA") Districts, Downtown Development Authority ("DDA") Districts, Local Development Finance Authority ("LDFA") Districts, Corridor Improvement Authority ("CIA") Districts or Brownfield Redevelopment Authority ("BRDA") Districts, which are authorized to formulate tax increment financing plans for public improvements, economic development, neighborhood revitalization, historic preservation and environmental cleanup within the district.

The Recodified Tax Increment Financing Act requires municipal and county treasurers to transmit to the TIFA and DDA captured tax revenues attributable to increases in value ("TIF Captured Value") of real and personal property located within an approved development area while any tax increment financing plans by an established district are in place. These captured revenues are used by the respective Authority and are not passed on to the local taxing jurisdictions unless surplus funds exist.

The City has one tax increment finance authority (the Authority), which has a development area with a 2026 captured taxable value of $464,273,835 or approximately 28.9% of the City's total Taxable Value. See Appendix A - INFORMATION REGARDING THE TAX INCREMENT FINANCE AUTHORITY OF THE CITY OF ROMULUS herein. The City also has a downtown development authority, which has a development area with a 2026 captured taxable value of $21,049,741 or approximately 1.74% of the City's total Taxable and a local development finance authority with a 2026 captured taxable value of $76,326,674 or approximately 1.74% of the City's total Taxable Value.

ECONOMIC PROFILE

Location and Description

The City of Romulus, located in the western portion of the County of Wayne, encompasses an area of approximately 36 square miles and is approximately 25 miles west of the City of Detroit and 25 miles east of the City of Ann Arbor.

Industrial and Commercial

Industrial and Commercial real property valuations make up approximately 32% and 16%, respectively, of the City's 2026 Total Taxable Valuation of $1,607,967,073.

Banking Services

The City has several full-service banks located within its boundaries. Located within the City's boundaries are Comerica Bank and Public Service Credit Union.

Utilities

The City buys water from the Great Lakes Water Authority and operates its own water distribution system. The City also operates its own sewage collection systems with treatment provided by the Downriver Utility Wastewater Authority. Electric services are provided by DTE Energy and natural gas is provided by DTE and Constellation Gas. Telephone and internet service is available from numerous providers.

Transportation

The City is traversed in the east-west direction by Interstate Highway 94 and in the north-south direction by Interstate 275. Detroit Metropolitan Airport, one of the busiest commercial airports in the United States, is located in the City of Romulus. As a result, the City has excellent access to highways and to train and air transportation.

Recreational and Cultural

The Romulus Parks and Recreation Department maintains four community/neighborhood parks throughout the City for the enjoyment of our residents. Parks are available for rental for private events and include the following amenities: 5 full-size basketball courts, 2 dog park areas with canine exercise equipment, 2 softball/baseball fields, horseshoe pits, archery range, sand volleyball court, and multiple playscapes, barbeque grills and picnic pavilions. Recreational offerings are always being added and include a wide variety such as youth and adult softball, soccer, golf, dance, Zumba, tai chi, chess and annual events such as the Mother/Son and Daddy/Daughter Dances.

In addition, the Romulus Downtown Development Authority (DDA) maintains two parks in the downtown area. The community park features permanent restroom facilities with running water, playscapes, barbeque grills, a large pavilion and roller/ice hockey rink. The other park, The Romulus Historical Park, is the site of The Romulus Historical Museum which includes the City's original one-room schoolhouse built in 1839, a restored house of one of the City's earliest residents built in 1855, and other historical artifacts such as a railroad freight house, caboose and windmill. These buildings, in addition to the City's largest pavilion, hosts some of the community's most cherished events including the City Easter Egg Hunt and Brunch with the Bunny, Sounds in Downtown Summer Concert Series, free movies in the park, Fall Family Fun Festival and Scarecrow Contest, Pumpkin Festival, City Christmas Tree Lighting and Dinner with Santa. These events are sponsored by either, or both, the Romulus Recreation Department and the DDA.

The City has a premier 88,000 sq. ft. Athletic Center, which consists of an aquatic center with a splash pool, lazy river and hot tub, fitness area, basketball courts and banquet facility. It is membership based with approximately 10,000 members and offers programming for all ages.

The City also has a beautiful Senior Services Center for its residents as well. The Senior Center has an on-site commercial kitchen and rooms to hold up to 120 people for special events and is available for private rentals. There is also a fitness center room, walking path and outdoor Senior community gardens. The Senior Center is open throughout the week with services, events and meals served every day for residents and visitors aged 55 and older.

Education

Three public school districts are located within or partially within the City's boundaries, Romulus Community Schools, Wayne-Westland Schools, and Woodhaven-Brownstown Schools. Romulus Community Schools operates 4 elementary schools, 1 middle school, and 1 senior high school. Romulus Community Schools currently has an enrollment of approximately 2,086 students. Wayne-Westland Schools operates 2 pre-schools, 10 elementary schools, 3 middle schools, 1 alternative ed building, and 2 senior high schools with a current total enrollment of approximately 9,620 students. Woodhaven-Brownstown Schools operates 5 elementary schools, 2 middle schools and 1 senior high school, and 1 alternative ed building with a current total enrollment of approximately 5,423 students. There are two charter schools ,Metro Charter Academy (K-8) with 560 students enrolled and Summit Academy which includes 2 elementary schools, 1 middle school, and 1 high school with enrollment of 1,600.

Higher educational opportunities are available at the following institutions, which are located within driving distance of the City residents:

Davenport College
Eastern Michigan University
Henry Ford Community College
Lawrence Technological University
Schoolcraft College
University of Detroit/Mercy
University of Michigan – Dearborn
Universal Technical Institute
Wayne County Community College
Wayne State University

Medical

The residents of the City are served by several hospitals located near the City: Corewell Health in Wayne and Taylor, and Garden City Hospital.

Building Permits (1)

	2022	2023	2024	2025	2026(2)
Residential					
Number of Permits	613	650	701	700	**813**
Dollar Value	$177,268	$211,939	$248,054	$221,354	$286,726
Commercial/Industrial					
Number of Permits	111	77	44	53	63
Dollar Value	$1,822,238	$657,705	$1,253,371	$758,032	$435,245
Airport					
Number of Permits	17	31	21	27	32
Dollar Value	$1,200,180	$1,133,835	$ 739,406	$312,000	$670,045
Total Number of Permits	741	758	773	785	908
Total Dollar Value	$3,199,716	$2,003,488	$ 1,240,842	$1,291,386	$1,392,016

(1) Includes building and zoning permits. Includes airport construction. Does not include trade permits i.e. electrical, mechanical, plumbing, fire alarm, fire suppression, tree and woodlands permits, etc.
(2) Through June 29, 2026.

SOURCE: City of Romulus

Top Ten Taxpayers

Taxpayer	Product or Service	2026 Ad Valorem (1) Taxable Valuation	% of 2026 Ad Valorem Taxable Valuation
Federal Express	Delivery Service	$66,181,376	4.28%
Amazon.Com Services LLC	Warehousing	41,261,200	2.67
NP Lordstown 173 LLC	Warehousing	38,280,217	2.48
AZ Romulus	Distribution	35,065,474	2.27
DTE Electric	Utility	29,886,221	1.93
Delta Airlines	Airline	23,118,912	1.50
NP Romulus Building I LLC	Warehousing	22,740,067	1.47
Wolverine Pipeline	Utility	14,832,700	0.96
DTE Gas	Utility	14,808,170	0.96
Moproblems (MI) LLC	Warehousing	14,337,546	0.93
Total		$300,511,883	19.45%

(1)Excludes Act 198 parcels.

SOURCE: City of Romulus

Ten Largest Employers (1)

Company	Product or Service	Employees(1)
Detroit Metro Airport	Aeronautical	16,239
Amazon	Online Retail Distribution	3,500 -5,000
General Motors	Automotive Manufacturing	750
Fedex	Commercial Freight	600
Delta	Aeronautical	590
United Airlines	Aeronautical	520
Cardinal Health	Medical Supply	475
XPO Logistics	Logistical Supply	390
United Railroad	Transportation	280
Yanfeng Automotive	Automotive Manufacturing	270
Total		23,614

(1) Estimated number of employees.

SOURCE: City of Romulus

Summary of General Housing Characteristics	Number of Units
Total Occupied Units	9,708
Owner Occupied Units	6,268
Renter Occupied Units	3.444

Estimated Value of Owner Occupied Housing Units

Specified Owner Occupied Housing Units	5,492
Less than $50,000	1,262
$50,000 to $99,999	1,213
$100,000 to $149,999	2,427
$150,000 to $199,999	1,670
$200,000 to $299,999	2,155
$300,000 to $499,999	845
$500,000 to $999,999	136
$1,000,000 or more	0

SOURCE: U.S. Department of Commerce-Bureau of Census
2023 American Community Survey 5-Year Estimates

Employment Distribution

The following tables reflect the 2015-2020 American Community Survey 5-Year Estimates and the Census Bureau's Population Estimates Program that produces and disseminates the official estimates of the population for the nation, states, counties, cities and towns.

The following tables reflect the breakdown of employment by category and industry for the City of Romulus residents and the State of Michigan.

	City of Romulus		State of Michigan	
Occupation	Number of Workers	% of Total Workers	Number of Workers	% of Total Workers
Management, Professional, and Related Occupations	2,818	26.3%	1,752,147	37.6%
Service Occupations	2,151	20.1	805,030	17.3
Sales and Office Occupations	1,810	16.9	962,900	20.6
Natural Resources, Construction, And Maintenance Occupations	1,098	10.3	366,692	7.9
Production, Transportation, and Material Moving Occupations	2,830	26.4	771,558	16.6
Total	10,707	100.0%	4,658,357	100.0%

The following table reflects employment by major industry groups for the City of Romulus residents and the State of Michigan.

	City of Romulus		State of Michigan	
Industry	Number of Workers	% of Total Workers	Number of Workers	% of Total Workers
Agriculture, Forestry, Fishing, Hunting and Mining	28	0.3%	52,768	1.1%
Construction	563	5.3	257,038	5.5
Manufacturing	2,312	21.6	865,163	18.6
Wholesale Trade	255	2.4	110,651	2.4
Retail Trade	858	8.0	499,752	10.7
Transportation, Warehousing and Utilities	1,024	9.5	207,259	4.4
Information	81	.7	62,541	1.3
Finance, Insurance, Real Estate, and Rental and Leasing	554	5.2	260,053	5.6
Professional Services	719	6.7	451,320	9.7
Educational, Health and Social Services	2,309	21.6	1,089,747	23.4
Arts, Entertainment, Recreation, Accommodation and Food Services	852	7.9	427,660	9.2
Other Services	469	4.4	213,577	4.6
Public Administration	683	6.4	160,798	3.5
Total	10,707	100.0%	4,658,357	100.0%

SOURCE: U.S. Department of Commerce-Bureau of Census

Employment Rates

Reflected below are the unadjusted employment data for the calendar years 2021 through 2025 and the monthly averages for May 2025 and 2026 for the City, the County of Wayne, and the State.

City of Romulus (1)

	2021	2022	2023	2024	2025(2)	May 2025	May 2026
Employed	10,933	11,286	11,560	11,541	11,275	11,150	11,329
Unemployed	932	566	531	681	736	693	795
Labor Force	11,865	11,852	12,091	12,222	12,011	11,843	12,124
Unemployed as % of Labor Force	7.9%	4.8%	4.4%	5.6%	6.1%	5.9%	6.6%

County of Wayne (1)

	2021	2022	2023	2024	2025(2)	May 2025	May 2026
Employed	733,913	757,439	777,298	776,041	768,377	759,853	772,020
Unemployed	61,328	37,260	35,013	44,927	49,163	46,286	53,107
Labor Force	795,241	794,699	812,311	820,968	817,540	806,139	825,127
Unemployed as % of Labor Force	7.7%	4.7%	4.3%	5.5%	6.0%	5.7%	6.4%

State of Michigan (1)

	2021	2022	2023	2024	2025(2)	May 2025	May 2026
Employed	4,493	4,653	4,802	4,824	4,771	4,794	4,637
Unemployed	272	202	196	238	236	255	256
Labor Force	4,764	4,855	4,998	5,062	5,031	5,050	4,894
Unemployed as % of Labor Force	5.7%	4.2%	3.9%	4.7%	5.2	5.1%	5.2%

(1) Numbers may not compute due to rounding. State numbers are in thousands and are not seasonally adjusted.
(2) 2025 Annual Averages are based upon eleven months due to the government shutdown.

SOURCE: Michigan Department of Labor and Economic Growth, Bureau of Labor Market Information

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TAX INCREMENT FINANCE AUTHORITY
OF THE
CITY OF ROMULUS
GENERAL FUND FINANCIAL STATEMENT SUMMARIES
FOR THE FISCAL YEARS ENDED JUNE 30, 2023, 2024 AND 2025
AND
ESTIMATED SUMMARY FOR FISCAL YEAR ENDED JUNE 30, 2026
AND BUDGETED SUMMARY FOR FISCAL YEAR ENDING JUNE 30, 2027

ASSETS	June 30, 2023	June 30, 2024	June 30, 2025
Cash and Cash Investments	14,154,174	$18,141,707	$19,980,701
Receivables	79,999	79,999	79,999
Restricted Assets	18,908	19,960	20,925
Capital Assets:			
Assets not subject to depreciation	2,986,876	2,986,876	3,584,791
Assets subject to depreciation-Net	17,435,367	16,935,855	16,803,897
Other assets	10,236	7,677	1,456
Total Assets	$34,685,560	$38,172,074	$40,471,769
Deferred Outflows of Resources			
Deferred charges on bond refunding	91,649	68,737	45,824
Deferred OPEB costs	22,324	26,993	2,648
Total deferred outflows of resources	113,973	95,730	48,472
Liabilities			
Accounts payable	66,035	756,297	278,992
Due to other governmental units	84.554	84,554	84,554
Due to primary government	84,500	1,500	1,500
Accrued liabilities and other	143,797	29,671	23,653
Noncurrent liabilities:			
Due within one year:			
Compensated Absences	14,095	16,564	21,482
Current position of long -term debt	1,128,924	1,168,924	1,203,924
Due in more than one year			
Compensated Absences	3,524	4,141	4,949
Long-term debt – net of Current portion	4,488,522	3,319,598	2,114,318
Net OPEB liability	895,277	549,336	533,077
Total Liabilities	$6,909,228	$5,930,585	$4,266,449
Deferred Inflow of Resources-			
Deferred inflows related to OPEB	105,044	225,871	19,144
Net Position			
Net investment in capital assets	14,915,354	15,522,906	17,137,195
Unrestricted	12,869,907	16,588,442	19,097,453
Total net position	$27,785,261	$32,111,348	$36,234,648

REVENUES	June 30 2023	June 30, 2024	June 30, 2025
Taxes	$6,875,987	$7,292,943	$9,485,561
Unrestricted Investment Income	340,455	792,910	950,725
Other	0	12,050	14,093
TOTAL REVENUES	$7,216,442	$8,097,903	$10,450,379
FUNCTIONS/PROGRAMS			
Public Works	1,010,454	1,876,715	5,217,385
Community Services and Outreach	900,386	1,344,001	636,760
Interest on Long Term Debt	693,745	551,100	472,934
TOTAL APPROPRIATIONS	$2,604,585	$3,771,816	$6,327,079
CHANGE IN NET POSITION	4,611,857	4,326,087	4,123,300
Net Position Beginning of Year	23,173,404	27,785,261	32,111,348
Net Position End of Year	$27,785,261	$32,111,348	$36,234,648

REVENUES	Estimated June 30, 2026	Budgeted June 30, 2027
Taxes	11,196,850	$11,929000
Unrestricted Investment Income	517,050	767,050
Other		15,260
TOTAL REVENUES	$11,713,900	$12,711,310
FUNCTIONS/PROGRAMS		
Personal Services	467,140	497,500
Supplies	115,850	110,800
Other Services and Charges	2,337,344	1,685,460
Capital Outlay	10,839,804	12,426,800
Debt Service	1,261,000	1,265,880
Other Financing Uses	352,359	298,750
TOTAL APPROPRIATIONS	$15,373,488	$16,285,290
CHANGE IN NET POSITION	(3,659,588)	(3,573,980)
Beginning Fund Balance	19,656,462	15,996,874
Net Position End of Year	$15,996,874	$14,903,652

APPENDIX D

CITY OF ROMULUS
ESTIMATED GENERAL FUND SUMMARY FOR FISCAL YEAR ENDED JUNE 30, 2026 AND BUDGETED SUMMARY FOR FISCAL YEAR ENDING JUNE 30, 2027

ESTIMATED REVENUES	Estimated June 30, 2026	Adopted Budget June 30, 2027
Property Taxes	$10,922,680	$11,214,000
Business Licenses and Permits	1,618,400	1,553,400
Federal Grants & Revenues	54,210	32,500
State Grants and Revenues	5,100,570	4,940,700
Contributions From Local Units	66,500	66,500
Charges for Services	613,410	533,850
Other Revenue	1,784,650	2,049,590
Fines and Forfeits	95,000	100,000
Interest and Rents	1,590,000	1,000,000
Other Revenues	213,340	129,400
Non-Business Licenses & Permits	465,540	510,000
TOTAL ESTIMATED REVENUES	$22,524,300	$22,129,940
APPRORIATIONS		
Personal Services	$8,558,620	$8,777,920
Supplies	375,090	430,391
Other Services & Charges	4,017,760	4,523,869
Capital Outlay	1,026,133	1,487,000
Other Financing Uses	12,306,890	11,767,940
34th District Court Funding Obligations	550,000	550,000
TOTAL APPROPRIATIONS	$26,636,020	$27,537,080
NET OF REVENUES/APPROPRIATIONS	($4,111,720)	($5,407,140)
Beginning Fund Balance	$19,912,476	$15,800,756
Restricted Fund	2,809,895	2,809,895
Assigned Fund PS	495,455	495,455
Unassigned Fund Balance	12,495,406	7,088,266
Ending Fund Balance	$15,800,756	$10,393,616

CITY OF ROMULUS
COUNTY OF WAYNE, STATE OF MICHIGAN
FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

The auditor 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 such financial documents, statements or materials. The complete audits for the City of Romulus for this fiscal year and prior fiscal years may be obtained from the State of Michigan – Department of Treasury.

Michigan Department of Treasury
Local Audit and Finance Division
Lansing, MI 48922
Telephone: (517) 373-3227
Website: http://www.michigan.gov/treasury

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City of Romulus, Michigan

Financial Report
with Supplementary Information
June 30, 2025

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Plante & Moran, PLLC
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Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

PRAXITY™ Empowering Business Globally

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

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

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

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

Required Supplementary Information

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

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 supplementary information, as identified in the table of contents, is presented for the purpose 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. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 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, 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 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.

Plante & Moran, PLLC

December 22, 2025

The following discussion and analysis of the City of Romulus, Michigan's (the "City") financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2025. Please read it in conjunction with the City's financial statements

Financial Highlights

The following represents the most significant financial highlights for the year ending June 30, 2025:

- Overall revenue within the General Fund increased by $478,578, or approximately 2 percent. Most of this increase can be attributed to federal and state grants. Property taxes increased by $681,914. This activity was offset by an increase in revenues of $22,650. The General Fund did show an overall increase in expenses of $844,128 for FY24/25.

- Property taxes are the City's single largest source of revenue for the General Fund. The City's tax revenue for fiscal year 2024-2025 was $10,526,921, which represents an increase of $681,914 from the previous fiscal year. The overall increase is due to a combination of an increase in adjusted Ad Valorem property tax values with added development and growth in the economy.

- Federal grant revenue was $435,474 as a result of the SBA Congressional Earmark Award. The City will continue to explore all federal and state grant opportunities.

- The City received its share of "City, Village and Township Revenue Sharing" (CVTRS) in fiscal year 2024-2025, as a result of meeting all the legislative requirements of accountability and transparency by demonstrating best practices.

- Investment income within the General Fund increased by $403,623 from the previous fiscal year. The City's earnings reconciliation represents the cost value, or actual cash value, of the investment transactions and is based on the current market value, the interest receipts, and maturity value of the City's investments. Earnings include coupon/interest payments (cash receipt on payment of coupons), purchased interest (the amount paid at the time of purchase of any interest accrued), and realized gains/losses (the difference between the cash received at maturity or sale and the cash paid at the time of the original purchase). The interest earned for the fiscal year is affected by changes in fixed income interest rates as rising interest rates reduce the market value of the City's investments while falling interest rates increase the market value of the City's holding. In 2024/2025 interest income and return increased the market value of the City's holdings. As overall the second half of the year the market was higher.

- Road funding through the State of Michigan's gas tax has increased for Major and Local Road Funds in fiscal year 2024-2025 by approximately 2 percent, in large part, to the implementation of changes in the Act 51 funding and formula. The fund balance in the Major Streets Fund increased to $4,964,453 which can be attributed to monies received from Act 51. The fund balance in the Local Streets Fund increased to $5,286,424 because of increased transfer activity of $2,100,000 from Major Streets to Local Streets. The City will continue to take advantage of federal, state, and county grant funding programs when available.

- The Romulus Athletic Center (the "RAC") experienced a decrease in fund balance of $116,403. The RAC saw a decrease in charges for services of $98,309. Expenditures increased by 7.34 % or $161,674 due to RAC being back to full open operations all year. The TIFA contributed funds of

$636,760 to help subsidize operating expenditures. The City will need to continue to review the overall needs of the facility in the future and adjust revenues accordingly.

- The Vehicle and Equipment Fund's net position has increased by $660,218. Expenses increased by $478,433 or 39.%. Additionally, the City continues to be conservative in purchasing capital items under the current economic conditions while being mindful of meeting health and safety needs. With the Capital Improvement Plan in place, the intent is to annually review capital needs and purchase equipment accordingly.

- The Computer and Equipment Fund's net position has increased from the 2024 fiscal year by $209,450. The City will continue to review and assess its technology infrastructure to ensure the safety and integrity of information and provide good internal and external customer service.

Using this Annual Report

This annual report consists of a series of financial statements. The statement of net position and the statement of activities provide information about the activities of the City as a whole and present a longer-term view of the City's finances. This longer-term view uses the accrual basis of accounting so that it can measure the cost of providing services during the current year, and whether the taxpayers have funded the full cost of providing government services.

The fund financial statements present a short-term view; they tell us how the taxpayers' resources were spent during the year, as well as how much is available for future spending. Fund financial statements also report city operations in more detail than the government-wide financial statements by providing information about the City's most significant funds. The fiduciary fund statements provide financial information about activities for which the City acts solely as a trustee or agent for the benefit of those outside of the government.

The City as a Whole

The following table shows, in a condensed format, the net position as of June 30, 2025 and 2024 (in thousands of dollars):

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Assets						
Current assets	$ 56,276	$ 52,017	$ 21,356	$ 19,123	$ 77,632	$ 71,140
Capital assets and other noncurrent assets	64,994	67,464	76,792	74,304	141,786	141,768
Total assets	121,270	119,481	98,148	93,427	219,418	212,908
Deferred Outflows of Resources	3,614	5,522	23	62	3,637	5,584
Liabilities						
Current liabilities	7,707	7,691	4,193	4,197	11,900	11,888
Long-term liabilities	66,833	70,623	17,365	18,574	84,198	89,197
Total liabilities	74,540	78,314	21,558	22,771	96,098	101,085
Deferred Inflows of Resources	6,874	15,304	48	321	6,922	15,625
Net Position						
Net investment in capital assets	43,960	44,837	59,079	54,881	103,039	99,718
Restricted	22,301	18,646	2,660	2,665	24,961	21,311
Unrestricted	(22,791)	(32,098)	14,826	12,851	(7,965)	(19,247)
Total net position	**$ 43,470**	**$ 31,385**	**$ 76,565**	**$ 70,397**	**$ 120,035**	**$ 101,782**

The net position of the governmental activities increased by approximately $12 million. This change is primarily related to decrease in pension cost reduction in the current year.

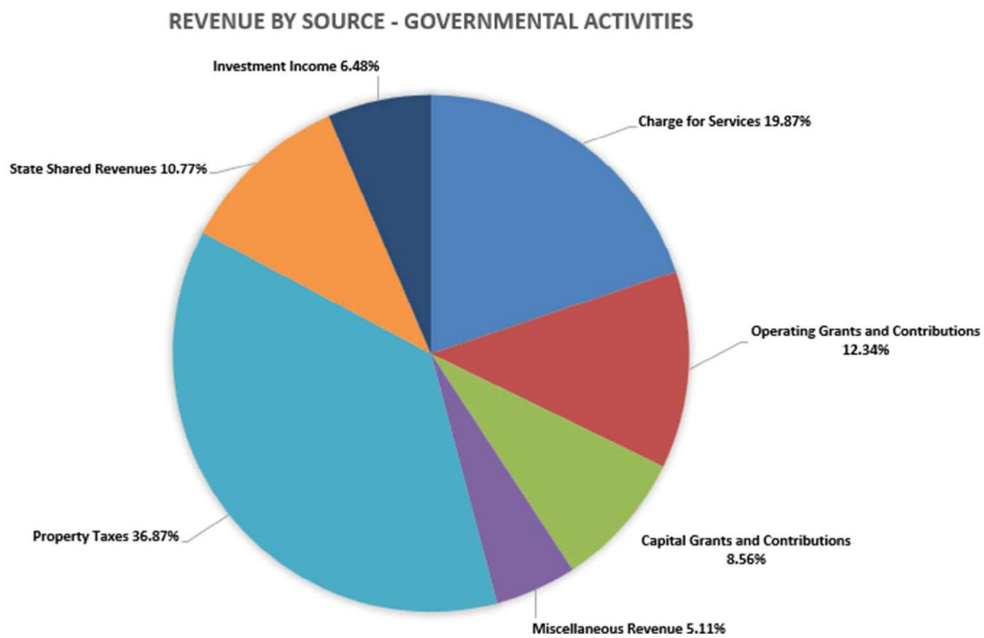
For the business-type activities there was an increase of approximately $6.1 million.

The following table shows the changes in net position during the current year (in thousands of dollars) for all governmental activities and business-type activities:

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Net Position - Beginning of year	$ 31,385	$ 12,054	$ 70,397	$ 65,760	$ 101,782	$ 77,814
Revenue						
Program revenue:						
Charges for services	9,424	9,340	16,949	15,983	26,373	25,323
Operating grants and contributions	5,854	14,508	-	-	5,854	14,508
Capital grants and contributions	4,062	1,166	4,782	2,247	8,844	3,413
General revenue:						
Property taxes:						
City	10,501	9,669	-	-	10,501	9,669
Library	704	673	-	-	704	673
Public Safety	4,013	3,780	-	-	4,013	3,780
Sanitation	1,554	1,469	-	-	1,554	1,469
Street lighting	720	762	-	-	720	762
EPA	-	-	-	2	-	2
State-shared revenue	5,110	5,014	-	-	5,110	5,014
Unrestricted investment earnings (loss)	3,072	2,554	758	611	3,830	3,165
Gain (loss) from joint venture	-	-	-	-	-	-
Miscellaneous revenue	2,422	1,995	-	-	2,422	1,995
Total revenue	47,436	50,930	22,489	18,843	69,925	69,773
Program Expenses						
General government	3,884	1,969	-	-	3,884	1,969
Public safety	17,116	14,425	-	-	17,116	14,425
Public works	9,391	10,041	-	-	9,391	10,041
Community and economic development	464	632	-	-	464	632
Community services and outreach	3,712	3,688	-	-	3,712	3,688
Interest on long-term debt	784	844	-	-	784	844
Water and sewer	-	-	16,321	14,206	16,321	14,206
Total program expenses	35,351	31,599	16,321	14,206	51,672	45,805
Change in Net Position	12,085	19,331	6,168	4,637	18,253	23,968
Net Position - End of year	**$ 43,470**	**$ 31,385**	**$ 76,565**	**$ 70,397**	**$ 120,035**	**$ 101,782**

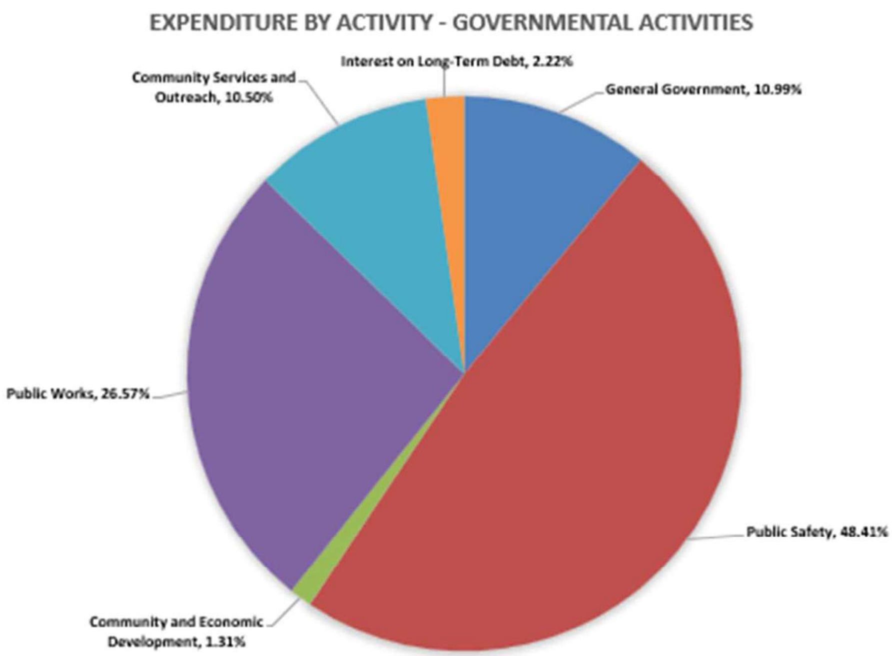
Governmental Activities

The City's total governmental revenue decreased by $3.5 million, primarily due to a decrease in operating grants and contributions.



Total program expenses increased by $3.8 million, with the most significant component being increases in General Government, and increased investment in Public Safety. In 2025, the net impact of pension and OPEB changes were significant.

The City's total Net Position has also been impacted by the increase in revenues related to property taxes.



Business-type Activities

The City's business-type activities consist of the Water and Sewer Fund. The City provides water to residents from the Detroit water system through the Great Lakes Water Authority (GLWA). The City provided sewage treatment through the Downriver Sewage Disposal System and Rouge Valley Sewage Disposal System. The excess of operating revenue over expenditures in fiscal year 2024-2025 of $1,132.241 was primarily due to increase in charges for service.

The City's Funds

The analysis of the City's major funds begins following the government-wide financial statements. The fund financial statements provide detailed information about the most significant funds, not the City as a whole. The City establishes and manages funds, in accordance with the State of Michigan Uniform Budgeting and Accounting Act (P.A. 2 of 1968), to help manage money for specific purposes as well as to show accountability for certain activities. The City's major funds for 2025 include the General Fund, Public Safety Fund, and the Water and Sewer Fund. The Water and Sewer Fund is described above.

The General Fund has historically paid for a majority of the City's governmental services, however beginning in 2020, public safety costs are primarily in a separate fund. The Public Safety Fund incurred expenses of approximately $16,273,296 million. The General Fund retained public safety costs of $3,890,834. Additionally, the General Fund incurred general government and public works expenditures of $7,735,979 and the remaining General Fund expenditures of $1,889,655 are associated with recreational and community development activities.

General Fund Budgetary Highlights

On June 27, 2018 the Governor signed new legislation that made significant changes to the Local Community Stabilization Authority and the calculation of the personal property tax (PPT) reimbursements. These included changes to the calculation of the exemption loss, changes in the millage rates to be used and changes in how municipalities are required to record and allocate the revenue. The LCSA monies provided to the city were $257,937 in 2025.

There was an additional decrease reflected in Fines and Forfeitures revenues that are distributed by the 34th District Court to the City by a total amount of $13,980 from last fiscal year. On the expenditure side, there was an increase within some general government and public safety departments, all factors contributing to a General Fund balance decrease of $20,142,628 to $19,912,476. However, funds in the total amount of $10,209,583 are considered non-spendable, restricted, committed or have been assigned for current and future years' obligations.

In December 2018, under Public Act 202 as required, the City was notified of the State's approval of the City of Romulus Public Employee Health Care Plan and Trust's Corrective Action Plan (CAP). As part of this approval, the City must implement its CAP within 180 days of approval, the CAP must be posted publicly on the City's website, continue to file Form 5572 Retirement System Annual Report annually all while the Municipal Stability Board will continue to monitor the City's compliance with the Act and its CAP.

The City was not required to submit a CAP for its Defined Benefit Plan but is required to submit Form 5572 annually under Public Act 202. The City will continue to be proactive in these areas and make every effort to review options and alternatives that will help to improve funding levels and reduce long-term obligations.

In November 2018 the citizens of Romulus approved an additional 4.0 mills for 5 (five) years, for the sole purpose of paying for police and fire services. Those additional mills generated approximately $ 5.5 million. (Net of TIFA and DDA captures) for tax year 2024 in dedicated revenues. This 4.0 millage only subsidies the overall budget of Public Safety. The total expenditures in the Public Safety Fund were $16,273,296 million in expenses. Which shows an increase of expenditures in Public Safety of $1,364,110 from last fiscal year. In August 2022 the citizens of Romulus renewed the 2018 millage of 4.0 mills for 5 (five) years, which is until June 2029.

Capital Asset and Debt Administration

As part of the Redevelopment Ready process the City has completed a Capital Improvement Plan through 2026 that will assist the City in prioritizing funding relative to capital needs and infrastructure replacement. Over the past few years' limited investment has been made for the replacement of capital and investment in infrastructure due to limitations in available funding. This planning development process has been facilitated through the use of specialized software, department coordination and will continue to be updated on an annual basis through the City's operational process.

Projects that have been completed and finalized within the current year include Wayne Ecorse Intersection, Beverly Road Phase III and Huron River Drive. There are various projects that are due to be completed in spring 2026.

On the water and sewer side, lead line investigation, and the Inkster Road Project are still on going.

Annually the City's bond rating is reviewed in relation to a specific series of outstanding debt obligations and the City's overall financial performance. During the fiscal year, the City's bond rating of 'AA-' was maintained.

Economic Factors and Next Year's Budgets and Rates

The City continues to monitor potential economic factors at the federal and state levels that would impact the City's budget and includes this analysis in its long-term financial forecasts to ensure appropriate actions are taken to maintain the City's fiscal stability. The City has implemented a monthly Departmental Financial Scorecard that will enable departments to proactively address and/or mitigate any potential financial-related variations.

The Covid-19 crisis is still having a deep impact on local governments around the world. The country has not experienced a pandemic such as this since 1918. Covid-19 is demonstrating the profound effect on local public health, socially and financially. Furthermore, in the face of these external circumstances the City of Romulus administration has been demonstrating best practices to sustain financial stability in the current economic uncertainty. This process is being monitored closely to recognize potential reduction of expenditures as necessary.

The budget plan, as approved in fiscal year 2024-2025, has General Fund annual operating revenues greater than expenditures of $9,907,056 (before transfers out). There are specific revenue and expenditure budget changes that contribute to this increase in General Fund -fund balance.

From a revenue perspective, the budget incorporates changes in reduced anticipated revenue as it relates to fines and forfeitures collected through the 34th District Court. The stabilization of building permit revenues and federally awarded grants offset by increases in personnel-related and operational costs. There are some concerns with the instability of the State's Budget and the possibility of changes that could be made to revenue estimates for the City’s share of State Revenue Sharing. Additionally, the overall impact of the legislative process in Lansing can impact City services.

Also, with full staffing implementation of the 2021 SAFER grant as of March 2023, the Public Safety Fund will incur costs related to match requirements with the addition of 6 full-time Firefighters. The bargaining agreement for the International Association of Firefighters will not expire until June 30, 2027 and any compensation changes proposed will also have an impact on the transfer from General Fund to the Public Safety Fund.

Additionally, as the host community for the 34th District Court and under Public Act 214 of 2018, the City has fully implemented the compliance standards in accordance with the Michigan Indigent Defense (MIDC) program. It has since become apparent that this program will become more costly to the State than originally anticipated and may have a future budget impact on the General Fund as it relates to the City’s required match. The amount of the local share is $55,750 and increases each year based on the State’s budget.

Contacting the City’s Management

This financial report is intended to provide our citizens, taxpayers, customers, and investors with a general overview of the City’s finances and to show the City’s accountability for the money it receives. If you have questions about this report or need additional information, we welcome you to contact the administration offices at City Hall.

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
Assets				
Cash and cash equivalents (Note 3)	$ 45,658,219	$ 15,499,193	$ 61,157,412	$ 20,915,271
Receivables - Net (Note 5)	8,917,811	3,089,035	12,006,846	90,639
Due from component units (Note 8)	1,500	-	1,500	-
Inventory	288,815	103,121	391,936	-
Prepaid expenses and other assets	103,281	-	103,281	-
Restricted assets (Note 9)	1,268,307	2,660,349	3,928,656	20,925
Capital assets: (Note 7)				
Assets not subject to depreciation	6,399,357	2,338,654	8,738,011	3,819,222
Assets subject to depreciation - Net	58,594,359	74,453,434	133,047,793	17,146,319
Other assets	37,719	4,486	42,205	2,338
Total assets	121,269,368	98,148,272	219,417,640	41,994,714
Deferred Outflows of Resources				
Deferred charges on bond refunding	-	15,975	15,975	45,824
Deferred pension costs (Note 14)	3,445,131	-	3,445,131	-
Deferred OPEB costs (Note 16)	168,926	6,613	175,539	89,493
Total deferred outflows of resources	3,614,057	22,588	3,636,645	135,317
Liabilities				
Accounts payable	1,750,115	1,262,056	3,012,171	303,996
Due to other governmental units	15,848	3,435	19,283	95,681
Due to primary government (Note 8)	-	-	-	1,500
Accrued liabilities and other	3,044,347	944,964	3,989,311	42,543
Unearned revenue	195,059	53,582	248,641	-
Noncurrent liabilities:				
Due within one year:				
Payable from restricted assets - Capital acquisition payable from restricted cash	117,963	-	117,963	-
Compensated absences (Note 10)	1,062,963	118,010	1,180,973	31,322
Current portion of long-term debt (Note 10)	1,520,600	1,726,093	3,246,693	1,255,280
Due in more than one year:				
Compensated absences (Note 10)	338,353	29,502	367,855	7,409
Net pension liability (Note 14)	25,625,724	-	25,625,724	-
Net OPEB liability (Note 16)	20,204,894	1,331,765	21,536,659	751,464
Long-term debt - Net of current portion (Note 10)	20,663,639	16,003,292	36,666,931	2,612,882
Total liabilities	74,539,505	21,472,699	96,012,204	5,102,077
Deferred Inflows of Resources				
Deferred pension cost reductions (Note 14)	74,551	-	74,551	-
Deferred OPEB cost reductions (Note 16)	638,670	47,848	686,518	112,749
Deferred inflows from leases	6,161,160	-	6,161,160	-
Total deferred inflows of resources	6,874,381	47,848	6,922,229	112,749

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
Net Position				
Net investment in capital assets	$ 43,959,821	$ 59,078,678	$ 103,038,499	$ 17,714,048
Restricted:				
Roads	10,477,937	-	10,477,937	-
Public safety	990,422	-	990,422	-
Capital projects	969,591	-	969,591	-
Sanitation	1,716,230	-	1,716,230	-
Grants	122,407	-	122,407	-
PEG fees	1,335,391	-	1,335,391	-
Street lighting	473,747	-	473,747	-
Cemetery operations	7,843	-	7,843	-
Community facilities and programs	84,484	-	84,484	-
Library operations	427,695	-	427,695	-
Debt service	2,437,808	2,660,349	5,098,157	-
Construction code fees	2,809,895	-	2,809,895	-
Opioid settlement	436,931	-	436,931	-
Veterans	10,012	-	10,012	-
Unrestricted	(22,790,675)	14,911,286	(7,879,389)	19,201,157
Total net position	**$ 43,469,539**	**$ 76,650,313**	**$ 120,119,852**	**$ 36,915,205**

		Program Revenue		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Functions/Programs				
Primary government:				
Governmental activities:				
General government	$ 3,884,262	$ 2,237,226	$ 213,224	$ -
Public safety	17,116,406	3,060,493	1,027,624	35,639
Public works	9,390,812	2,536,634	4,147,212	4,026,397
Community and economic development	463,921	-	465,726	-
Community services and outreach	3,712,277	1,589,315	-	-
Interest on long-term debt	783,874	-	-	-
Total governmental activities	35,351,552	9,423,668	5,853,786	4,062,036
Business-type activities - Water and sewer	16,320,976	16,949,230	-	4,782,257
Total primary government	**$ 51,672,528**	**$ 26,372,898**	**$ 5,853,786**	**$ 8,844,293**
Component units:				
Brownfield Redevelopment Authority	$ 2,875	$ -	$ -	$ -
Tax Increment Financing Authority	6,327,079	-	-	-
Downtown Development Authority	708,453	-	-	-
Total component units	**$ 7,038,407**	**$ -**	**$ -**	**$ -**

General revenue:
Taxes
State-shared revenue
Investment income
Other miscellaneous income

Total general revenue

Change in Net Position

Net Position - Beginning of year

Net Position - End of year

See notes to financial statements.

Net (Expense) Revenue and Changes in Net Position			
Primary Government			
Governmental Activities	Business-type Activities	Total	Component Units
$ (1,433,812)	$ -	$ (1,433,812)	$ -
(12,992,650)	-	(12,992,650)	-
1,319,431	-	1,319,431	-
1,805	-	1,805	-
(2,122,962)	-	(2,122,962)	-
(783,874)	-	(783,874)	-
(16,012,062)	-	(16,012,062)	-
-	5,410,511	5,410,511	-
(16,012,062)	5,410,511	(10,601,551)	-
-	-	-	(2,875)
-	-	-	(6,327,079)
-	-	-	(708,453)
-	-	-	(7,038,407)
17,492,398	85,091	17,577,489	10,127,595
5,109,754	-	5,109,754	-
3,072,415	757,776	3,830,191	957,330
2,422,139	-	2,422,139	223,062
28,096,706	842,867	28,939,573	11,307,987
12,084,644	6,253,378	18,338,022	4,269,580
31,384,895	70,396,935	101,781,830	32,645,625
$ 43,469,539	**$ 76,650,313**	**$ 120,119,852**	**$ 36,915,205**

Governmental Funds Balance Sheet

June 30, 2025

	General Fund	Public Safety Fund	Nonmajor Funds	Total Governmental Funds
Assets				
Cash and investments (Notes 3 and 4)	$ 21,616,478	$ 520,044	$ 19,347,245	$ 41,483,767
Receivables - Net (Note 5)	7,295,823	305,122	1,316,843	8,917,788
Due from component units (Note 8)	-	-	1,500	1,500
Due from other funds (Note 8)	-	-	331	331
Inventory	20,495	-	224,255	244,750
Prepaid expenditures and other assets	40,073	830	62,125	103,028
Restricted assets (Note 9)	-	-	1,268,307	1,268,307
Total assets	**$ 28,972,869**	**$ 825,996**	**$ 22,220,606**	**$ 52,019,471**
Liabilities				
Accounts payable	$ 431,027	$ 121,686	$ 1,067,443	$ 1,620,156
Due to other governmental units	4,188	2,182	9,478	15,848
Due to other funds (Note 8)	331	-	-	331
Accrued liabilities and other	2,311,541	432,627	125,854	2,870,022
Unearned revenue	195,059	-	-	195,059
Payable from restricted assets -				
Capital acquisition payable from restricted cash	-	-	117,963	117,963
Total liabilities	2,942,146	556,495	1,320,738	4,819,379
Deferred Inflows of Resources (Note 6)				
Unavailable revenue	92,107	43,092	345,973	481,172
Deferred inflows from leases	6,026,140	-	135,020	6,161,160
Total deferred inflows of resources	6,118,247	43,092	480,993	6,642,332
Fund Balances				
Nonspendable:				
Inventory	20,495	-	224,255	244,750
Prepaids	40,073	830	62,125	103,028
Restricted:				
Roads	-	-	10,253,682	10,253,682
Public safety	-	-	954,228	954,228
Sanitation	-	-	1,705,019	1,705,019
Debt service	-	-	2,437,808	2,437,808
Grants	-	-	64,972	64,972
Capital projects	-	-	2,237,884	2,237,884
PEG fees	-	-	1,276,803	1,276,803
Street lighting	-	-	473,747	473,747
Veterans	-	-	10,012	10,012
Cemetery operations	-	-	7,843	7,843
Community facilities and programs	-	-	84,484	84,484
Building	2,809,895	-	-	2,809,895
Library operations	-	-	421,447	421,447
Opioid settlement	-	-	201,396	201,396
Committed - Recreation	-	-	3,170	3,170
Assigned:				
Subsequent year's budget	6,348,040	-	-	6,348,040
Public safety	990,905	-	-	990,905
Training funds	-	3,697	-	3,697
Park maintenance	175	-	-	175
Capital projects	-	221,882	-	221,882
Unassigned	9,702,893	-	-	9,702,893
Total fund balances	19,912,476	226,409	20,418,875	40,557,760
Total liabilities, deferred inflows of resources, and fund balances	**$ 28,972,869**	**$ 825,996**	**$ 22,220,606**	**$ 52,019,471**

See notes to financial statements.

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

	June 30, 2025
Fund Balances Reported in Governmental Funds	$ 40,557,760
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and are not reported in the funds	62,671,144
Receivables that are not collected soon after year end are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds	481,172
Accrued interest and other accrued liabilities are not due and payable in the current period and are not reported in the funds	(150,921)
Long-term debt obligations are not due and payable in the current period and are not reported in the funds	(22,057,174)
Unamortized prepaid bond insurance is not reported in the funds	37,719
Some employee fringe benefits are payable over a long period of years and do not represent a claim on current financial resources; therefore, they are not reported as fund liabilities:	
Employee compensated absences	(1,342,854)
Pension benefits and related deferrals	(22,255,144)
Retiree health care benefits and related deferrals	(19,675,893)
Internal service funds are included as part of governmental activities	5,203,730
Net Position of Governmental Activities	**$ 43,469,539**

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

Year Ended June 30, 2025

	General Fund	Public Safety Fund	Nonmajor Funds	Total Governmental Funds
Revenue				
Taxes	$ 10,526,921	$ 4,012,794	$ 2,269,349	$ 16,809,064
Special assessments	-	-	719,673	719,673
Intergovernmental:				
Federal grants	435,474	513,247	313,413	1,262,134
State sources	5,064,204	148,088	7,503,364	12,715,656
Local grants and contributions	-	-	1,014,387	1,014,387
Charges for services	3,092,626	1,425,656	1,606,901	6,125,183
Fines and forfeitures	98,990	-	1,526,034	1,625,024
Licenses and permits	2,030,955	47,647	134,867	2,213,469
Interest income and rentals	1,955,100	13,194	917,658	2,885,952
Other revenue	219,254	4,729	1,345,117	1,569,100
Total revenue	23,423,524	6,165,355	17,350,763	46,939,642
Expenditures				
Current services:				
General government	6,754,917	-	444,131	7,199,048
Public safety	3,890,834	16,273,296	492,039	20,656,169
Public works	981,062	-	6,239,405	7,220,467
Community and economic development	872,786	-	27,224	900,010
Community services and outreach	1,016,869	-	3,548,240	4,565,109
Debt service	-	-	2,203,376	2,203,376
Total expenditures	13,516,468	16,273,296	12,954,415	42,744,179
Excess of Revenue Over (Under) Expenditures	9,907,056	(10,107,941)	4,396,348	4,195,463
Other Financing Sources (Uses)				
Transfers in	-	10,066,228	2,170,980	12,237,208
Transfers out	(10,137,208)	-	(2,100,000)	(12,237,208)
Total other financing (uses) sources	(10,137,208)	10,066,228	70,980	-
Net Change in Fund Balances	(230,152)	(41,713)	4,467,328	4,195,463
Fund Balances - Beginning of year	20,142,628	268,122	15,951,547	36,362,297
Fund Balances - End of year	**$ 19,912,476**	**$ 226,409**	**$ 20,418,875**	**$ 40,557,760**

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

Year Ended June 30, 2025

Net Change in Fund Balances Reported in Governmental Funds	$ 4,195,463
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures; however, in the statement of activities, these costs are allocated over their estimated useful lives as depreciation:	
Capital outlay	1,741,987
Depreciation expense	(4,775,200)
Capital contributions	326,077
Revenue in the statement of activities that does not provide current financial resources is not reported as revenue in the funds until it is available	(15,996)
Certain liabilities, such as accrued interest, are not recognized in the governmental funds until due and payable	9,407
Repayment of bond principal is an expenditure in the governmental funds but not in the statement of activities (where it reduces long-term debt)	1,250,000
Governmental funds report bond premiums as proceeds; these are allocated over the related bond term as a reduction of interest expense in the statement of activities	160,095
Some employee costs (pension, OPEB, and compensated absences) do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds until paid	8,272,032
Internal service funds are included as part of governmental activities	920,779
Change in Net Position of Governmental Activities	**$ 12,084,644**

See notes to financial statements.

Proprietary Funds
Statement of Net Position

June 30, 2025

	Enterprise Fund - Water and Sewer Fund	Internal Service Funds
Assets		
Current assets:		
Cash and cash equivalents (Note 3)	$ 15,499,193	$ 4,174,452
Receivables - Net (Note 5)	3,089,035	23
Inventory	103,121	44,065
Prepaid expenses and other assets	-	253
Total current assets	18,691,349	4,218,793
Noncurrent assets:		
Restricted assets (Note 9)	2,660,349	-
Capital assets: (Note 7)		
Assets not subject to depreciation	2,338,654	-
Assets subject to depreciation - Net	74,453,434	2,322,572
Other assets	4,486	-
Total noncurrent assets	79,456,923	2,322,572
Total assets	98,148,272	6,541,365
Deferred Outflows of Resources		
Deferred charges on bond refunding	15,975	-
Deferred OPEB costs (Note 16)	6,613	4,806
Total deferred outflows of resources	22,588	4,806
Liabilities		
Current liabilities:		
Accounts payable	1,262,056	129,959
Due to other governmental units	3,435	-
Accrued liabilities and other	944,964	23,404
Unearned revenue	53,582	-
Compensated absences (Note 10)	118,010	46,770
Current portion of long-term debt (Note 10)	1,726,093	82,063
Total current liabilities	4,108,140	282,196
Noncurrent liabilities:		
Compensated absences (Note 10)	29,502	11,692
Net OPEB liability (Note 16)	1,331,765	968,762
Long-term debt - Net of current portion (Note 10)	16,003,292	45,002
Total noncurrent liabilities	17,364,559	1,025,456
Total liabilities	21,472,699	1,307,652
Deferred Inflows of Resources - Deferred inflows related to OPEB (Note 16)	47,848	34,789
Net Position		
Net investment in capital assets	59,078,678	2,195,507
Restricted - Debt service	2,660,349	-
Unrestricted	14,911,286	3,008,223
Total net position	**$ 76,650,313**	**$ 5,203,730**

See notes to financial statements.

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

Year Ended June 30, 2025

	Enterprise Fund - Water and Sewer Fund	Internal Service Funds
Operating Revenue		
Charges for services	$ 16,524,554	$ 3,769,388
Other revenue	342,367	60,905
Total operating revenue	16,866,921	3,830,293
Operating Expenses		
Cost of water	4,224,798	-
Cost of sewage treatment	3,810,545	-
Cost of insurance coverage	65,236	590,752
Cost of vehicle and equipment maintenance	-	1,108,797
Cost of computer and equipment maintenance	6,072	727,659
Salaries and fringes	2,892,218	-
Administrative and other	2,166,946	-
Depreciation	2,558,143	694,956
Total operating expenses	15,723,958	3,122,164
Operating Income	1,142,963	708,129
Nonoperating Revenue (Expense)		
Property tax revenue	85,091	-
Investment income	757,776	186,463
Interest expense	(640,086)	-
Adjustments to joint venture debt balance	43,068	-
Gain on sale of assets	-	26,187
Debt service charge	82,309	-
Total nonoperating revenue	328,158	212,650
Income - Before capital contributions	1,471,121	920,779
Capital Contributions	4,782,257	-
Change in Net Position	6,253,378	920,779
Net Position - Beginning of year	70,396,935	4,282,951
Net Position - End of year	**$ 76,650,313**	**$ 5,203,730**

Proprietary Funds
Statement of Cash Flows

Year Ended June 30, 2025

	Enterprise Fund - Water and Sewer Fund	Internal Service Funds
Cash Flows from Operating Activities		
Receipts from customers	$ 16,618,626	$ 3,830,293
Payments to suppliers	(10,472,235)	(1,865,614)
Payments to employees and fringes	(2,457,715)	(771,145)
Net cash and cash equivalents provided by operating activities	3,688,676	1,193,534
Cash Flows from Capital and Related Financing Activities		
Proceeds from sale of capital assets	-	26,187
Property taxes restricted for debt service	44,243	-
Purchase of capital assets	(263,835)	(931,554)
Principal and interest paid on capital debt	(2,317,887)	(246,898)
Debt service charge	82,309	-
Net cash and cash equivalents used in capital and related financing activities	(2,455,170)	(1,152,265)
Cash Flows Provided by Investing Activities - Investment income	757,776	186,463
Net Increase in Cash and Cash Equivalents	1,991,282	227,732
Cash and Cash Equivalents - Beginning of year	16,168,260	3,946,720
Cash and Cash Equivalents - End of year	**$ 18,159,542**	**$ 4,174,452**
Classification of Cash and Cash Equivalents		
Cash and cash equivalents	$ 15,499,193	$ 4,174,452
Restricted cash	2,660,349	-
Total cash and cash equivalents	**$ 18,159,542**	**$ 4,174,452**
Reconciliation of Operating Income to Net Cash from Operating Activities		
Operating income	$ 1,142,963	$ 708,129
Adjustments to reconcile operating income to net cash from operating activities:		
Depreciation	2,558,143	694,956
Changes in assets and liabilities:		
Receivables	(248,295)	-
Inventories	3,771	(3,513)
Prepaid and other assets	-	(250)
Refundable deposits	97,852	-
Accounts payable	(191,687)	(10,577)
Net OPEB liability	312,277	(214,858)
Accrued and other liabilities	13,652	19,647
Net cash and cash equivalents provided by operating activities	**$ 3,688,676**	**$ 1,193,534**
Significant Noncash Transactions - Capital contributions	$ 4,782,257	$ -

Fiduciary Funds
Statement of Fiduciary Net Position

June 30, 2025

	Retirees' Insurance Benefits Fund	Custodial Funds
Assets		
Cash and cash equivalents (Note 3)	$ 3,663,439	$ 214,151
Investments: (Note 4)		
Hedge funds	260,333	-
U.S. government securities	228,728	-
Stocks	1,813,683	-
Bonds	173,659	-
Mutual funds	2,830,652	-
Receivables	66	-
Total assets	8,970,560	214,151
Liabilities		
Accounts payable	5,605	94,224
Accrued liabilities and other	61,017	119,927
Total liabilities	66,622	214,151
Net Position - Restricted for postemployment benefits other than pensions	**$ 8,903,938**	$ -

See notes to financial statements.

Fiduciary Funds
Statement of Changes in Fiduciary Net Position

Year Ended June 30, 2025

	Retirees' Insurance Benefits Fund	Custodial Funds
Additions		
Net investment income	$ 684,158	$ -
Contributions:		
Employer contributions	2,520,831	-
Employee contributions	83,263	-
Total contributions	2,604,094	-
Property tax collections	-	63,835,703
Total additions	3,288,252	63,835,703
Deductions		
Benefit payments	2,144,788	-
Administrative expenses	123,940	-
Property tax remittances	-	63,835,703
Total deductions	2,268,728	63,835,703
Net Increase in Fiduciary Net Position	1,019,524	-
Net Position - Beginning of year	7,884,414	-
Net Position - End of year	**$ 8,903,938**	**$ -**

See notes to financial statements.

Component Units
Statement of Net Position

June 30, 2025

	Tax Increment Financing Authority	Downtown Development Authority	Brownfield Redevelopment Authority	Total
Assets				
Cash and investments (Note 3)	$ 19,980,701	$ 743,977	$ 190,593	$ 20,915,271
Receivables (Note 5)	79,999	10,640	-	90,639
Restricted assets (Note 9)	20,925	-	-	20,925
Capital assets: (Note 7)				
Assets not subject to depreciation	3,584,791	234,431	-	3,819,222
Assets subject to depreciation - Net	16,803,897	342,422	-	17,146,319
Other assets	1,456	882	-	2,338
Total assets	40,471,769	1,332,352	190,593	41,994,714
Deferred Outflows of Resources				
Deferred charges on bond refunding	45,824	-	-	45,824
Deferred OPEB costs (Note 16)	2,648	86,845	-	89,493
Total deferred outflows of resources	48,472	86,845	-	135,317
Liabilities				
Accounts payable	278,992	25,004	-	303,996
Due to other governmental units	84,554	11,127	-	95,681
Due to primary government (Note 8)	1,500	-	-	1,500
Accrued liabilities and other	23,653	9,817	9,073	42,543
Noncurrent liabilities:				
Due within one year:				
Compensated absences (Note 10)	21,482	9,840	-	31,322
Current portion of long-term debt (Note 10)	1,203,924	51,356	-	1,255,280
Due in more than one year:				
Compensated absences (Note 10)	4,949	2,460	-	7,409
Long-term debt - Net of current portion (Note 10)	2,114,318	498,564	-	2,612,882
Net OPEB liability (Note 16)	533,077	218,387	-	751,464
Total liabilities	4,266,449	826,555	9,073	5,102,077
Deferred Inflows of Resources - Deferred inflows related to OPEB (Note 16)	19,144	93,605	-	112,749
Net Position				
Net investment in capital assets	17,137,195	576,853	-	17,714,048
Unrestricted	19,097,453	(77,816)	181,520	19,201,157
Total net position	**$ 36,234,648**	**$ 499,037**	**$ 181,520**	**$ 36,915,205**

	Expenses	Program Revenue: Charges for Services	Program Revenue: Operating Grants and Contributions	Program Revenue: Capital Grants and Contributions
Functions/Programs				
Tax Increment Financing Authority:				
Public works	$ 5,217,385	$ -	$ -	$ -
Community services and outreach	636,760	-	-	-
Interest on long-term debt	472,934	-	-	-
Total Tax Increment Financing Authority	6,327,079	-	-	-
Downtown Development Authority:				
Public works	685,655	-	-	-
Interest on long-term debt	22,798	-	-	-
Total Downtown Development Authority	708,453	-	-	-
Brownfield Redevelopment Authority	2,875	-	-	-
Total component units	**$ 7,038,407**	**$ -**	**$ -**	**$ -**

General revenue:
Taxes
Unrestricted investment income
Other miscellaneous revenue

Total general revenue

Change in Net Position

Net Position - Beginning of year

Net Position - End of year

Year Ended June 30, 2025

Net (Expense) Revenue and Changes in Net Position			
Tax Increment Financing Authority	Downtown Development Authority	Brownfield Redevelopment Authority	Total
$ (5,217,385)	$ -	$ -	$ (5,217,385)
(636,760)	-	-	(636,760)
(472,934)	-	-	(472,934)
(6,327,079)	-	-	(6,327,079)
-	(685,655)	-	(685,655)
-	(22,798)	-	(22,798)
-	(708,453)	-	(708,453)
-	-	(2,875)	(2,875)
(6,327,079)	(708,453)	(2,875)	(7,038,407)
9,485,561	530,474	111,560	10,127,595
950,725	-	6,605	957,330
14,093	208,969	-	223,062
10,450,379	739,443	118,165	11,307,987
4,123,300	30,990	115,290	4,269,580
32,111,348	468,047	66,230	32,645,625
$ 36,234,648	**$ 499,037**	**$ 181,520**	**$ 36,915,205**

Note 1 - Significant Accounting Policies

Reporting Entity

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

Blended Component Units

The City of Romulus Building Authority (the "Building Authority") is governed by a five-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.

Discretely Presented Component Units

Economic Development Corporation

The Economic Development Corporation (the "Corporation") 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 Corporation's governing body, which consists of 9 individuals, is appointed by the mayor with the approval of the City Council. The Economic Development Corporation had no financial activity during the year ended June 30, 2025.

Downtown Development Authority

The Downtown Development Authority (the "Development Authority" or DDA) was created to correct and prevent deterioration in the downtown district, encourage historical preservation, and promote economic growth within the downtown district. The Development Authority's governing body, which consists of 7 individuals, is selected by the mayor with the approval of the City Council. In addition, the Development Authority's budget is subject to approval by the City Council.

Tax Increment Financing Authority

The Tax Increment Financing Authority (the "Financing Authority" or TIFA) was created to promote growth. The Financing Authority's governing body, which consists of 13 individuals, is appointed by the mayor with the approval of the City Council. In addition, the Financing Authority's budget is subject to approval by the City Council.

Brownfield Redevelopment Authority

The Brownfield Redevelopment Authority (the "Brownfield Authority") was created to promote growth by encouraging the correction of environmental damage. The Brownfield Authority's governing body, which consists of 5 individuals, is appointed by the mayor with the approval of the City Council. In addition, the Brownfield Authority's budget is subject to approval by the City Council.

Separate financial statements for the above discretely presented component units are not prepared.

The City of Romulus Housing Authority (the "Housing Authority"), the Downtown Development Authority Foundation, the Public Safety Foundation, and the Local Development Financing Authority have not been included in the City's reporting entities because the City lacks the ability to impose its will on the authorities and foundations under the guidelines of Governmental Accounting Standards Board Statement Nos. 14, 61, and 80. These entities are subject to separate audit requirements.

Note 1 - Significant Accounting Policies (Continued)

Jointly Governed Organization

Jointly governed organizations are discussed in Note 17.

Accounting and Reporting Principles

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

Report Presentation

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

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

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

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

Fund Accounting

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

Governmental Funds

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

- The General Fund is the primary operating fund because it accounts for all financial resources used to provide government services other than those specifically assigned to another fund.
- The Public Safety Fund is a special revenue fund that accounts for the transactions of the City's police and fire departments.

Note 1 - Significant Accounting Policies (Continued)

Proprietary Funds

Proprietary funds include enterprise funds (which provide goods or services to users in exchange for charges or fees) and internal service funds (which provide goods or services to other funds of the City). The City reports the following fund as a major enterprise fund:

- The Water and Sewer Fund provides water to customers and disposes of sanitary sewage in exchange for bimonthly user charges.

Internal Service Funds

The City's internal service funds are used to allocate insurance costs and vehicle and computer equipment purchases and maintenance to the various funds on a full accrual basis so that the full costs are recognized and allocated to the various funds in the year that the costs are incurred.

Fiduciary Funds

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

- The Retirees' Insurance Benefits Fund accumulates resources for postretirement health benefit payments to qualified retirees. Although the fund is legally separate from the City, it is reported as a fiduciary component unit because the City oversees the plan and the plan imposes a financial burden on the City.
- Custodial funds are used to account for assets held by the City in a trustee capacity for others.

Interfund Activity

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

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

Basis of Accounting

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

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

Note 1 - Significant Accounting Policies (Continued)

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

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

Specific Balances and Transactions

Cash and Cash Equivalents

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

Investments

Investments are reported at fair value or estimated fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates.

Inventories and Prepaid Items

Inventories are valued at cost on a first-in, first-out basis. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. 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

Restricted asset information is included in Note 9.

Capital Assets

Capital assets, which include property, plant, equipment, intangible assets, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the City as assets with an initial individual cost of more than $3,000 and an estimated useful life in excess of one year. The assets are recorded at historical cost. Donated capital assets are recorded at acquisition value at the date of donation.

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

	Depreciable Life - Years
Land improvements	20
Infrastructure	20
Intangible asset - DUWA	50
Meters	20
Buildings and improvements	20 - 33
Machinery and equipment	3 - 10
Vehicles	3 - 15
Water and sewer lines	50

Note 1 - Significant Accounting Policies (Continued)

Unearned Revenue

Unearned revenue represents amounts received through nonexchange transactions prior to all applicable eligibility criteria being met or amounts received through exchange transactions prior to goods or services being provided.

Long-term Obligations

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

Deferred Outflows/Inflows of Resources

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

The City reports deferred outflows related to the deferred charges on debt refundings, which results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. In addition, the City reports deferred outflows related to deferred pension and OPEB costs, as detailed in Notes 14 and 16, respectively.

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

The City reports deferred inflows related to unavailable revenue, which is reported only on the governmental funds balance sheet. The governmental funds report unavailable revenue from three sources: delinquent personal property taxes, grants, and special assessments. In addition, the City has deferred inflows related to deferred pension and OPEB cost reductions, as detailed in Notes 14 and 16, respectively. The City has deferred inflows for leases recorded as part of GASB 87. See Note 11 for further information.

Net Position

Net position of the City is classified in three components. Net investment in capital assets consists of capital assets net of accumulated depreciation and is reduced by the current balances of any outstanding borrowings used to finance the purchase or construction of those assets. The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Unrestricted net position is the remaining net position that does not meet the definition of invested in capital or restricted.

Note 1 - Significant Accounting Policies (Continued)

Net Position Flow Assumption

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

Fund Balance Flow Assumptions

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

Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The nonspendable fund balance component represents amounts that are not in spendable form or are legally or contractually required to be maintained intact. Restricted fund balance represents amounts that are legally restricted by outside parties, constitutional provisions, or enabling legislation for use for a specific purpose. 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 an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

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

Property Tax Revenue

Property taxes are levied on each July 1 on the taxable valuation of property as of the preceding December 31. These taxes are due on September 30, with the final collection date of February 28 of the following year. Taxes are considered delinquent on March 1 of the following year, at which time property taxes become a lien and penalties and interest are assessed.

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

Note 1 - Significant Accounting Policies (Continued)

The 2024 taxable valuation of the City totaled $1.4 billion, on which taxes levied consisted of 9.4063 mills for operating purposes, 1.5500 mills for sanitation, 0.7000 mills for library, 0.3597 mills for publicity, and 4.0000 mills for public safety. This resulted in $9.5 million for operating, $1.6 million for sanitation, $703,000 for library, $49,000 for publicity, and $4.0 million for public safety. These amounts are recognized in the respective General Fund and special revenue fund financial statements as tax revenue.

Pension

The City offers a defined benefit pension plan to its employees. The City records a net pension liability for the difference between the total pension liability calculated by the actuary and the pension plan's fiduciary net position. For the purpose of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the pension plan and additions to/deductions from the pension plan's fiduciary net position have been determined on the same basis as they are reported by the pension plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Amounts due for pension liabilities are liquidated by the governmental funds, primarily the General Fund and Public Safety Fund, from which the related employees' compensation is paid.

Other Postemployment Benefit Liability

The City offers retiree health care benefits to retirees. The City records a net OPEB liability for the difference between the total OPEB liability calculated by the actuary and the OPEB plan's fiduciary net position. For the purpose of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about 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 in the OPEB plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Amounts due for OPEB liabilities are liquidated by the governmental, proprietary, and component units from which the related employees' compensation is paid.

Compensated Absences (Vacation and Sick Leave)

It is the City's policy to permit employees to accumulate earned but unused sick and vacation pay benefits. The City does have a policy to pay any amounts when employees separate from service with the City, including for employees in the police and fire department, as outlined in the collective bargaining agreements. All vacation pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A leave liability is recognized due to the leave attributable to services already rendered, leave that accumulates, and leave that is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.

A liability for these amounts is reported in governmental funds only for employee terminations as of year end.

Proprietary Funds Operating Classification

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

Note 1 - Significant Accounting Policies (Continued)

Use of Estimates

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

Leases

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

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

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

- The City uses the actual rate charged to lessees as the discount rate for leases.
- The lease term includes the noncancelable period of the lease. Lease receipts included in the measurement of the lease receivable are composed of fixed payments from the lessee.

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

Upcoming Accounting Pronouncements

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

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

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 is as follows:

Cumulative surplus at July 1, 2024		$ 2,522,452
Current year permit revenue		1,831,941
Related expenses:		
Direct costs	$ 1,362,457	
Estimated indirect costs	182,041	1,544,498
Current year surplus		287,443
Cumulative surplus at June 30, 2025		$ 2,809,895

Note 3 - Deposits and Investments

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

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

The City has designated 41 banks for the deposit of its funds. The investment policy adopted by the board in accordance with Public Act 196 of 1997 has authorized investment in all of the options discussed above. The City's deposits and investments are in accordance with statutory authority.

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

Custodial Credit Risk of Bank Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk.

At year end, the City had bank deposits of $171,049 (certificates of deposit and checking and savings accounts) that were uninsured and uncollateralized. The City believes that, due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits.

Note 3 - Deposits and Investments (Continued)

Interest Rate Risk

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

At year end, the City had the following investments and maturities:

Primary Government and Component Units	Less Than 1 Year	1-5 Years	6-10 Years	More Than 10 Years	Total
Money market funds	$ 17,414,120	$ -	$ -	$ -	$ 17,414,120
Commercial paper	3,550,238	739,848	-	-	4,290,086
U.S. government agency securities	1,424,155	21,204,807	-	-	22,628,962
Asset-backed securities	-	131,606	169,907	42,455	343,968
Municipal bonds	519,204	1,396,895	-	-	1,916,099
U.S. Treasury	1,319,287	24,518,073	-	-	25,837,360
International redevelopment notes	-	392,936	-	-	392,936
Total	$ 24,227,004	$ 48,384,165	$ 169,907	$ 42,455	$ 72,823,531

Fiduciary Funds	Less Than 1 Year	1-5 Years	6-10 Years	More Than 10 Years	Total
Corporate bonds and notes	$ -	$ 163,769	$ 9,890	$ -	$ 173,659
U.S. government agency securities	-	165,717	63,011	-	228,728
Money market	71,452	-	-	-	71,452
Total	$ 71,452	$ 329,486	$ 72,901	$ -	$ 473,839

Credit Risk

State law limits investments in commercial paper to the top two ratings issued by nationally recognized statistical rating organizations. The City's has no investment policy that would further limit its investment choices. As of June 30, 2025, the credit quality ratings of debt securities (other than the U.S. government) are as follows:

Primary Government and Component Units	Moody's: AAA	Moody's: AA1	Moody's: P-1	S&P's: AAAm	Not Rated	Total
Money market funds	$ -	$ -	$ -	$ 14,554,998	$ 2,859,122	$ 17,414,120
Commercial paper	-	-	2,479,462	-	1,810,624	4,290,086
U.S. government agency securities	-	22,628,962	-	-	-	22,628,962
Asset-backed securities	-	343,968	-	-	-	343,968
Municipal bonds	-	238,435	-	-	1,677,664	1,916,099
International redevelopment notes	392,936	-	-	-	-	392,936
Total	$ 392,936	$ 23,211,365	$ 2,479,462	$ 14,554,998	$ 6,347,410	$ 46,986,171

Fiduciary Funds	S&P: AA+	S&P: BBB+	S&P: BBB	Not Available	Total
Corporate bonds and notes	$ -	$ 73,475	$ 100,184	$ -	$ 173,659
U.S. government agency securities	228,728	-	-	-	228,728
Money market	-	-	-	71,452	71,452
Total	$ 228,728	$ 73,475	$ 100,184	$ 71,452	$ 473,839

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 assets. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs, and Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy.

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

The primary government and component units had the following recurring fair value measurements as of June 30, 2025:

	Assets Measured at Fair Value on a Recurring Basis at June 30, 2025			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at June 30, 2025
Assets				
Debt securities:				
Money market funds	$ -	$ 2,859,122	$ -	$ 2,859,122
Commercial paper	-	4,290,086	-	4,290,086
U.S. government agency securities	-	22,628,962	-	22,628,962
Asset-backed securities	-	343,968	-	343,968
Municipal bonds	-	1,916,099	-	1,916,099
U.S. Treasury bonds	-	25,837,360	-	25,837,360
International redevelopment notes	-	392,936	-	392,936
Total debt securities	$ -	$ 58,268,533	$ -	$ 58,268,533
Investments measured at NAV:	$	$	$	$ 14,554,998

Note 4 - Fair Value Measurements (Continued)

The fiduciary funds had the following recurring fair value measurements as of June 30, 2025:

	Assets Measured at Fair Value on a Recurring Basis at June 30, 2025			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at June 30, 2025
Assets				
Debt securities:				
Corporate bonds	$ -	$ 173,659	$ -	$ 173,659
U.S. government agency securities	-	228,728	-	228,728
Total debt securities	-	402,387	-	402,387
Equity securities - Common stocks and mutual funds	4,644,335	-	-	4,644,335
Hedge fund investments measured at net asset value				260,333
Total assets	$ 4,644,335	$ 402,387	$ -	$ 5,307,055

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

Debt securities classified in Level 2 are valued using other inputs, such as interest rates and yield curves, that are observable at commonly quoted intervals.

There were no investments at June 30, 2025 valued based on Level 3 inputs.

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

Investments in Entities that Calculate Net Asset Value per Share

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

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

	Fair Value	Unfunded Commitments	Redemption Frequency, if Eligible	Redemption Notice Period
Michigan CLASS investment pool	$ 14,554,998	$ -	N/A	None
Private equity hedge funds	260,333	-	N/A	None

The Michigan CLASS investment pool invests in U.S. Treasury obligations, federal agency obligations of the U.S. government, high-grade commercial paper (rated A1 or better), collateralized bank deposits, repurchase agreements (collateralized at 102 percent by treasurys and agencies), and approved money market funds. The program 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.

The private equity hedge funds offer investors the opportunity to invest in a diversified portfolio of private equity investments diversified by manager, stage, geography, vintage year and industry.

Note 5 - Receivables

Receivables as of June 30, 2025 for the City's individual major funds and the nonmajor funds, enterprise funds, and component units in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	Public Safety Fund	Nonmajor Funds	Internal Service Funds	Total Governmental Activities	Enterprise Funds/Total Business-type Activities	Total	Component Units
Receivables:								
Property taxes receivable	$ 47,706	$ 33,709	$ 16,808	$ -	$ 98,223	$ 20,349	$ 118,572	$ -
Special assessments receivable	-	-	3	-	3	-	3	-
Receivables from sales to customers on account	-	-	-	-	-	3,068,300	3,068,300	-
Leases receivable	6,610,152	-	146,607	-	6,756,759	-	6,756,759	-
Other receivables	94,964	159,973	257,163	-	512,100	386	512,486	103
Due from other governmental units	543,001	111,440	896,262	23	1,550,726	-	1,550,726	90,536
Net receivables	$ 7,295,823	$ 305,122	$ 1,316,843	$ 23	$ 8,917,811	$ 3,089,035	$ 12,006,846	$ 90,639

Note 6 - Deferred Inflows of Resources

At the end of the current fiscal year, the various components of deferred inflows of resources (excluding those related to pension, OPEB, and leases, which are disclosed elsewhere) are as follows:

	Governmental Funds
Delinquent property taxes - Unavailable	$ 150,126
Grant revenue - Unavailable	63,926
State, local, and other revenue - Unavailable	267,120
Total deferred inflows	$ 481,172

Note 7 - Capital Assets

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

Governmental Activities

	Balance July 1, 2024	Reclassifications	Additions	Disposals	Balance June 30, 2025
Capital assets not being depreciated:					
Land	$ 5,545,347	$ -	$ -	$ -	$ 5,545,347
Construction in progress	2,676,718	(2,481,635)	824,748	(165,821)	854,010
Subtotal	8,222,065	(2,481,635)	824,748	(165,821)	6,399,357
Capital assets being depreciated:					
Infrastructure	103,055,262	2,481,635	147,837	-	105,684,734
Buildings and improvements	39,825,993	-	422,688	-	40,248,681
Machinery and equipment	11,666,034	-	525,298	(71,867)	12,119,465
Vehicles	10,426,631	-	1,262,167	(176,080)	11,512,718
Land improvements	1,320,867	-	-	-	1,320,867
Subtotal	166,294,787	2,481,635	2,357,990	(247,947)	170,886,465
Accumulated depreciation:					
Infrastructure	75,190,722	-	3,319,445	-	78,510,167
Buildings and improvements	13,051,085	-	889,393	-	13,940,478
Machinery and equipment	9,581,461	-	526,767	(54,567)	10,053,661
Vehicles	8,126,744	-	685,239	(176,080)	8,635,903
Land improvements	1,102,585	-	49,312	-	1,151,897
Subtotal	107,052,597	-	5,470,156	(230,647)	112,292,106
Net capital assets being depreciated	59,242,190	2,481,635	(3,112,166)	(17,300)	58,594,359
Net governmental activities capital assets	$ 67,464,255	$ -	$ (2,287,418)	$ (183,121)	$ 64,993,716

Note 7 - Capital Assets (Continued)

Business-type Activities

	Balance July 1, 2024	Reclassifications	Additions	Disposals	Balance June 30, 2025
Capital assets not being depreciated:					
Land	$ 88,065	$ -	$ -	$ -	$ 88,065
Construction in progress	4,108	-	2,246,481	-	2,250,589
Subtotal	92,173	-	2,246,481	-	2,338,654
Capital assets being depreciated:					
Water and sewer lines	118,418,693	-	2,730,317	-	121,149,010
Machinery and equipment	841,618	-	-	-	841,618
Meters	2,696,511	-	69,293	-	2,765,804
Intangible asset - DUWA	10,129,718	-	-	-	10,129,718
Subtotal	132,086,540	-	2,799,610	-	134,886,150
Accumulated depreciation:					
Water and sewer lines	53,697,135	-	2,025,169	-	55,722,304
Machinery and equipment	734,188	-	18,669	-	752,857
Meters	1,344,284	-	109,117	-	1,453,401
Intangible asset - DUWA	2,098,966	-	405,188	-	2,504,154
Subtotal	57,874,573	-	2,558,143	-	60,432,716
Net capital assets being depreciated	74,211,967	-	241,467	-	74,453,434
Net business-type activities capital assets	$ 74,304,140	$ -	$ 2,487,948	$ -	$ 76,792,088

Note 7 - Capital Assets (Continued)

Component Units

	Balance July 1, 2024	Reclassifications	Additions	Disposals	Balance June 30, 2025
Capital assets not being depreciated:					
Land	$ 3,221,307	$ -	$ 25,000	$ -	$ 3,246,307
Construction in progress	-	-	572,915	-	572,915
Subtotal	3,221,307	-	597,915	-	3,819,222
Capital assets being depreciated:					
Machinery and equipment	857,292	-	75,306	-	932,598
Building improvements	26,005,093	-	-	-	26,005,093
Vehicles	59,725	-	-	-	59,725
Land improvements	469,877	-	473,773	-	943,650
Subtotal	27,391,987	-	549,079	-	27,941,066
Accumulated depreciation:					
Machinery and equipment	659,429	-	44,750	-	704,179
Building improvements	9,029,022	-	604,893	-	9,633,915
Vehicles	11,945	-	5,973	-	17,918
Land improvements	376,456	-	62,279	-	438,735
Subtotal	10,076,852	-	717,895	-	10,794,747
Net capital assets being depreciated	17,315,135	-	(168,816)	-	17,146,319
Net capital assets	$ 20,536,442	$ -	$ 429,099	$ -	$ 20,965,541

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

Governmental activities:	
General government	$ 694,690
Public safety	384,128
Public works	3,491,021
Recreation and culture	205,361
Internal service fund depreciation is charged to the various functions based on their usage of the asset	694,956
Total governmental activities	$ 5,470,156
Business-type activities - Water and sewer	$ 2,558,143
Component unit activities:	
TIFA	$ 681,040
DDA	36,855
Total component unit activities	$ 717,895

Construction Commitments

The City has active construction projects at year end. The projects include roads, water, and sewer infrastructure improvements. At year end, the City spent $3,493,428 on these projects, with a remaining commitment of $13,094,959.

Note 8 - Interfund Receivables, Payables, and Transfers

The composition of balances between the component units and primary government is as follows:

Receivable Fund	Payable Fund	Amount
Nonmajor governmental funds	Tax Increment Financing Authority	$ 1,500

The composition of balances between the governmental funds is as follows:

Fund Borrowed From	Fund Loaned To	Amount
Nonmajor governmental funds	General Fund	$ 331

The payable from the Tax Increment Financing Authority to the Romulus Athletic Center Fund is related to costs paid by the Romulus Athletic Center on behalf of the Tax Increment Financing Authority, which will be repaid. The payable from the General Fund to the Romulus Athletic Center Fund also represents costs paid by the Romulus Athletic Center Fund on behalf of the General Fund, which will be repaid.

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

Paying Fund (Transfer Out)	Receiving Fund (Transfer In)	Amount
General Fund	Nonmajor governmental funds	$ 70,980
	Public Safety Fund	10,066,228
	Total General Fund	10,137,208
Nonmajor governmental funds	Nonmajor governmental funds	2,100,000
	Total	$ 12,237,208

The transfers from the General Fund to nonmajor governmental funds were related to the supplementary funding of two special assessment districts and the funding of the local match requirement for the Michigan Indigent Defense Commission Fund. The transfers from the General Fund to the Public Safety Fund were for police and fire department costs not covered by the millage. The transfers between the nonmajor governmental funds were between the City's two street funds to redistribute Act 51 moneys from the Major Streets Fund to the Local Streets Fund, to the Major Streets Fund from the Construction Fund upon completion of the Beverly Road special assessment, and to the Debt Service Fund in accordance with a City Council-approved resolution.

Note 9 - Restricted Assets

At June 30, 2025, restricted assets are composed of the following:

Description	Governmental Activities	Business-type Activities	Component Units
Cash deposits at Wayne County, Michigan	$ -	$ 776,686	$ -
Cash deposits at Downriver Utility Wastewater Authority	-	1,883,663	-
Bond proceeds	1,268,307	-	20,925
Total	$ 1,268,307	$ 2,660,349	$ 20,925

Note 9 - Restricted Assets (Continued)

The cash on deposit at Wayne County, Michigan is being held at Wayne County, Michigan for county sewage disposal system bonds. These restricted assets resulted from property tax collections and are restricted for debt service payments. Net position has been restricted for these amounts. Total tax and other collections received in the current year were approximately $85,000 compared to principal and interest payments of approximately $1,643,000 on the related debt. In addition, restricted assets resulted from the issuance of the Downriver Utility Wastewater Authority bonds. The cash reserves held at the Downriver Utility Wastewater Authority represent restricted net position, as the cash reserves relate to debt service reserves. See Note 17 for more information on the bond issuance.

Note 10 - Long-term Debt

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

Note 10 - Long-term Debt (Continued)

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

Governmental Activities

	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Bonds and contracts payable:							
Other debt:							
Capital improvement bonds - Major streets: Amount of issue - $2,095,000 Maturing through 2029	2.00 - 4.00%	$90,000 - $105,000	$ 500,000	$ -	$ (90,000)	$ 410,000	$ 100,000
Capital improvement bonds - Court building construction: Amount of issue - $14,940,000 Maturing through 2043	2.50 - 4.00%	$415,000 - $1,015,000	12,785,000	-	(415,000)	12,370,000	435,000
Capital improvement bonds - Vining/Ecorse construction: Amount of issue - $11,140,000 Maturing through 2034	2.50 - 4.00%	$745,000 - $870,000	7,950,000	-	(745,000)	7,205,000	745,000
Total other debt principal outstanding			21,235,000	-	(1,250,000)	19,985,000	1,280,000
Unamortized bond discounts			2,230,712	-	(158,538)	2,072,174	158,537
Total bonds and contracts payable			23,465,712	-	(1,408,538)	22,057,174	1,438,537
Vehicle leases	1.93 - 3.29%		371,560	-	(244,495)	127,065	82,063
Compensated absences			1,339,414	61,902	-	1,401,316	1,062,963
Total governmental activities long-term debt			$ 25,176,686	$ 61,902	$ (1,653,033)	$ 23,585,555	$ 2,583,563

Note 10 - Long-term Debt (Continued)

Business-type Activities

	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Bonds and contracts payable:							
Direct borrowings and direct placements:							
Wayne County contractual obligations: Amount of issue - $42,381,873 Maturing through 2033	1.63 - 6.30%	$124,595 - $144,268	$ 537,727	$ -	$ (124,595)	$ 413,132	$ 131,153
Downriver Utility Wastewater Authority contractual obligations: Amount of issue - $15,570,894 Maturing through 2057	1.63 - 6.30%	$76,237 - $1,315,275	15,537,977	-	(992,091)	14,545,886	974,203
Total direct borrowings and direct placements principal outstanding			16,075,704	-	(1,116,686)	14,959,018	1,105,356
Other debt:							
Capital improvement bonds - Water and sewer: Amount of issue - $3,835,000 Maturing through 2026	3.00 - 5.00%	$420,000 - $465,000	1,330,000	-	(420,000)	910,000	445,000
Capital improvement bonds - Water: Amount of issue - $2,900,000 Maturing through 2034	2.00 - 4.00%	$120,000 - $260,000	1,850,000	-	(125,000)	1,725,000	120,000
Total other debt principal outstanding			3,180,000	-	(545,000)	2,635,000	565,000
Unamortized bond discounts			191,103	-	(55,736)	135,367	55,737
Total bonds and contracts payable			19,446,807	-	(1,717,422)	17,729,385	1,726,093
Compensated absences			127,605	19,907	-	147,512	118,010
Total business-type activities long-term debt			$ 19,574,412	$ 19,907	$ (1,717,422)	$ 17,876,897	$ 1,844,103

Note 10 - Long-term Debt (Continued)

Component Units

The below table summarizes activity for the City's component units, the Tax Increment Financing Authority and the Downtown Development Authority:

	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Bonds and contracts payable:							
Other debt:							
TIFA Limited Tax General Obligation: Amount of issue - $10,370,000 Maturing through 2027	2.00 - 5.00%	$1,135,000 - $1,235,000	$ 3,540,000	$ -	$ (1,135,000)	$ 2,405,000	$ 1,170,000
DDA capital improvement bonds: Amount of issue - $1,005,000 Maturing through 2034	2.00 - 4.00%	$50,000 - $70,000	585,000	-	(50,000)	535,000	50,000
Total other debt principal outstanding			4,125,000	-	(1,185,000)	2,940,000	1,220,000
Unamortized bond premiums			963,443	-	(35,281)	928,162	35,280
Total bonds and contracts payable			5,088,443	-	(1,220,281)	3,868,162	1,255,280
Compensated absences			29,983	8,748	-	38,731	31,322
Total component units long-term debt			$ 5,118,426	$ 8,748	$ (1,220,281)	$ 3,906,893	$ 1,286,602

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

Note 10 - Long-term Debt (Continued)

Debt Service Requirements to Maturity

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

	Governmental Activities		
	Other Debt and Lease Liabilities		
Years Ending June 30	Principal	Interest	Total
2026	$ 1,362,063	$ 899,644	$ 2,261,707
2027	1,355,002	841,827	2,196,829
2028	1,340,000	783,500	2,123,500
2029	1,385,000	724,075	2,109,075
2030	1,320,000	662,700	1,982,700
2031-2035	6,475,000	2,395,350	8,870,350
2036-2040	3,970,000	1,242,500	5,212,500
2041-2045	2,905,000	222,625	3,127,625
Thereafter	-	-	-
Total	$ 20,112,065	$ 7,772,221	$ 27,884,286

	Business-type Activities				
	Direct Borrowings and Direct Placements		Other Debt		
Years Ending June 30	Principal	Interest	Principal	Interest	Total
2026	$ 1,105,356	$ 532,516	$ 565,000	$ 103,375	$ 2,306,247
2027	1,169,456	480,070	590,000	75,825	2,315,351
2028	1,164,469	445,412	130,000	59,200	1,799,081
2029	1,168,362	413,529	145,000	54,000	1,780,891
2030	916,480	384,193	220,000	48,200	1,568,873
2031-2035	3,603,896	1,520,615	985,000	100,600	6,210,111
2036-2040	2,846,039	893,144	-	-	3,739,183
2041-2045	1,984,576	270,014	-	-	2,254,590
Thereafter	1,000,384	115,336	-	-	1,115,720
Total	$ 14,959,018	$ 5,054,829	$ 2,635,000	$ 441,200	$ 23,090,047

	Component Unit Activities		
	Other Debt		
Years Ending June 30	Principal	Interest	Total
2026	$ 1,220,000	$ 112,400	$ 1,332,400
2027	1,290,000	50,275	1,340,275
2028	55,000	17,200	72,200
2029	55,000	15,000	70,000
2030	60,000	12,800	72,800
2031-2035	260,000	26,600	286,600
2036-2040	-	-	-
2041-2045	-	-	-
Thereafter	-	-	-
Total	$ 2,940,000	$ 234,275	$ 3,174,275

Note 11 - Leases

The City leases certain assets to various third parties. The assets leased primarily relate to cell towers. Payments are generally fixed monthly with certain variable payments not included in the measurement of the lease receivable required based on the Consumer Price Index.

During the year ended June 30, 2025, the City recognized lease revenue of approximately $527,000 related to its lessor agreements. Additionally, the City receives revenue share from some of the cell tower tenants that sublease part of the tower. During 2025, the amount of revenue share received was approximately $2,300. This activity is not included in the lease receivable or related deferred inflow on the related statements.

Note 12 - 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 benefit claims and participates in the Michigan Municipal League risk pool for claims relating to employees' injuries (workers' compensation) and for claims relating to general liability and property loss. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years.

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

Note 13 - Contingent Liabilities

Tax Appeals

The City is a defendant in several tax appeal cases. Based on recent settlements and estimates of potential refunds by management, the City has recorded a liability for potential refunds related to these appeals. The City's component units (the Tax Increment Financing Authority and the Downtown Development Authority) are also impacted by certain tax appeal cases. A liability has been recorded in the component units for potential refunds in these cases.

Note 14 - Agent Defined Benefit Pension Plan Description

Plan Description

The City of Romulus, Michigan participates in the Michigan Municipal Employees' Retirement System (the "System"), an agent multiple-employer defined benefit pension plan that covers members of the Police Officers Labor Council, International Association of Fire Fighters, and the Police Officers Association of Michigan and the previous mayor. The System provides retirement, disability, and death benefits to plan members and their beneficiaries.

The Michigan Municipal Employees' Retirement System 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 the System at 1134 Municipal Way, Lansing, MI 48917.

Funding Policy

The obligation to contribute to and maintain the System for these employees was established by negotiation with the City's collective bargaining units and requires a contribution from the employees of 10.0 percent of gross wages from the Police Officers Labor Council, 10.0 percent of gross wages from the Police Officers Association of Michigan, and 10.0 percent of gross wages from the International Association of Fire Fighters.

Note 14 - Agent Defined Benefit Pension Plan Description (Continued)

Benefits Provided

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

Retirement benefits for employees are calculated as 2.50 or 3.00 percent (depending on the group) of the employee's final 5-year average salary times the employee's years of service. Normal retirement age is 60, with early retirement at 55 with 15 or 25 years of service (depending on the group) or, in some cases, reduced early retirement at 50 with 25 years of service or 55 with 15 years of service (depending on the group). The vesting period is 10 years. Employees are eligible for nonduty disability benefits after 6 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 equal between 25 to 85 percent of the employee's final full-year salary depending on the plan selected and reasons for death. An employee who leaves service may withdraw his or her contributions, plus any accumulated interest.

Benefit terms provide for annual cost of living adjustments to each employee's retirement allowance subsequent to the employee's retirement date. The annual adjustments are 3 percent, noncompounding.

Benefit terms, within the parameters established by the System, 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 binding arbitration in certain circumstances.

Employees Covered by Benefit Terms

The following members were covered by the benefit terms:

Date of member count	December 31, 2024
Inactive plan members or beneficiaries currently receiving benefits	75
Inactive plan members entitled to but not yet receiving benefits	15
Active plan members	83
Total employees covered by the System	173

Contributions

Article 9, Section 24 of the State of Michigan constitution requires that financial benefits arising on account of employee service rendered in each year be funded during that year. Accordingly, the System retains an independent actuary to determine the annual contribution. The employer is required to contribute amounts at least equal to the actuarially determined rate, as established by the System's retirement board. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by plan members during the year, with an additional amount to finance any unfunded accrued liability. The employer may establish contribution rates to be paid by its covered employees. For the year ended June 30, 2025, the average active employee contribution rate was 8.4 percent of annual pay, and the City's average contribution rate was 38.0 percent of annual payroll.

Net Pension Liability

The City has chosen to use the December 31 measurement date as its measurement date for the net pension liability. The June 30, 2025 fiscal year end reported net pension liability was determined using a measure of the total pension liability and the pension net position as of the December 31, 2024 measurement date. The December 31, 2024 measurement date total pension liability was determined by an actuarial valuation performed as of that date.

Note 14 - Agent Defined Benefit Pension Plan Description (Continued)

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

Changes in Net Pension Liability	Increase (Decrease) Total Pension Liability	Plan Net Position	Net Pension Liability
Balance at December 31, 2023	$ 63,017,117	$ 36,669,144	$ 26,347,973
Changes for the year:			
Service cost	991,372	-	991,372
Interest	4,409,480	-	4,409,480
Differences between expected and actual experience	216,276	-	216,276
Changes in assumptions	(54,803)	-	(54,803)
Contributions - Employer	-	2,997,259	(2,997,259)
Contributions - Employee	-	637,320	(637,320)
Net investment income	-	2,731,014	(2,731,014)
Benefit payments, including refunds	(4,166,221)	(4,166,221)	-
Administrative expenses	-	(81,019)	81,019
Miscellaneous other charges	(32,643)	(32,643)	-
Net changes	1,363,461	2,085,710	(722,249)
Balance at December 31, 2024	$ 64,380,578	$ 38,754,854	$ 25,625,724

The plan's fiduciary net position represents 60.2 percent of the total pension liability.

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

For the year ended June 30, 2025, the City recognized pension expense of $3,026,210.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 292,921	$ (30,709)
Changes in assumptions	722,569	(43,842)
Net difference between projected and actual earnings on pension plan investments	935,928	-
Employer contributions to the plan subsequent to the measurement date	1,493,713	-
Total	$ 3,445,131	$ (74,551)

Note 14 - Agent Defined Benefit Pension Plan Description (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows (note that employer contributions subsequent to the measurement date will reduce the net pension liability and, therefore, will not be included in future pension expense):

Years Ending June 30	Amount
2026	$ 1,091,976
2027	913,803
2028	(136,938)
2029	8,026
Total	$ 1,876,867

Actuarial Assumptions

The total pension liability in the December 31, 2024 actuarial valuation was determined using an inflation assumption of 2.5 percent, assumed salary increases (including inflation) of 3.00 percent, an investment rate of return (net of investment expenses) of 7.18 percent, and the Pub-2010 tables using the MP-2021 scale.

Discount Rate

The discount rate used to measure the total pension liability was 7.18 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that city contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate.

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

Investment Rate of Return

The long-term expected rate of return on pension plan investments was determined using a model in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return as of December 31, 2024, the measurement date, for each major asset class are summarized in the following table:

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

Note 14 - Agent Defined Benefit Pension Plan Description (Continued)

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

The following presents the net pension liability of the City, calculated using the discount rate of 7.18 percent, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1 Percentage Point Decrease (6.18%)	Current Discount Rate (7.18%)	1 Percentage Point Increase (8.18%)
Net pension liability of the System	$ 33,217,488	$ 25,625,724	$ 19,317,531

Pension Plan Fiduciary Net Position

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

Assumption Changes

The MERS December 31, 2023 valuation used scale MP-2019 applied fully generationally from the Pub-2010 base year of 2010 for future mortality improvement assumptions while the MERS December 31, 2024 valuation used scale MP-2021 applied fully generationally from the Pub-2010 base year of 2010 for future mortality improvement assumptions.

Note 15 - Defined Contribution Pension Plan

The City provides pension benefits to all groups not covered in the System's plan through a defined contribution plan administered by Lincoln Financial. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. As established by labor contracts with the approval of the City Council, the City contributed 11.5 percent of employees' gross earnings for nonunion employees and 11.5 percent of employees' gross earnings for Teamsters and AFSCME employees during the year ended June 30, 2025. Employees who participate are required to contribute 0.5 to 1.0 percent of earnings and may contribute 0 to 10 percent of after-tax earnings. In accordance with these requirements, the City contributed $846,025 during the current year and employees contributed $185,973.

Note 16 - Other Postemployment Benefit Plan

Plan Description

The City of Romulus, Michigan administers the City of Romulus Retiree Health Care Plan, which is a cost-sharing multiple-employer defined benefit OPEB plan that is used to provide postemployment benefits other than pensions (OPEB) for permanent full-time general and public safety employees of the City. The benefits are provided in accordance with labor contracts and city personnel policies, as approved by the City Council. In the June 30, 2024 actuary report, the plan has 233 members (including employees in active service, terminated employees not yet receiving benefits, and retired employees and beneficiaries currently receiving benefits).

The plan does not issue a separate stand-alone financial statement. The financial statements of the OPEB plan are included in these financial statements as an other employee benefit trust fund (a fiduciary fund).

Note 16 - Other Postemployment Benefit Plan (Continued)

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

Benefits Provided

The City of Romulus Retiree Health Care Plan provides medical, prescription, dental, optical, and life coverage for retirees and spouses with 25 years of service, who are 65 years of age with 10 years of service, or who are 50 years of age with 25 years of service, depending on bargaining agreement. Benefits are provided through a third-party insurer, and the full cost of benefits is covered by the plan.

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 $2,256,680 to the plan in relation to the actuarially determined contribution amount of $3,136,264. Other employers in the plan contributed $61. Fully qualified members of the plan under 65 contribute 6 to 10 percent of the insurance premium to the plan, and partial qualified members contribute 25 to 50 percent.

Net OPEB Liability

At June 30, 2025, the City and its discretely presented component units reported a liability of $22,288,123 for its proportionate share of the 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 June 30, 2023, with updated plan changes reflected at June 30, 2025. The City's proportion of the net OPEB liability was based on the City's actuarially accrued liability for the year ended June 30, 2023, with plan changes reflected at June 30, 2025, relative to all other contributing employers. At June 30, 2025, the City's proportion was 86.74 percent.

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

For the year ended June 30, 2025, the City recognized OPEB recovery of $6,445,173.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 174,317	$ (799,267)
Changes in assumptions	69,541	-
Net difference between projected and actual earnings on OPEB plan investments	21,174	-
Total	$ 265,032	$ (799,267)

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

Years Ending June 30	Amount
2026	$ (412,964)
2027	(33,363)
2028	(53,185)
2029	(34,723)
Total	$ (534,235)

Note 16 - Other Postemployment Benefit Plan (Continued)

Actuarial Assumptions

The total OPEB liability in the June 30, 2023 actuarial valuation was determined using an inflation assumption of 2.5 percent; assumed salary increases (including inflation) of 3 percent to 9.7 percent; an investment rate of return (net of investment expenses) of 6.0 percent; a health care cost trend rate of 7.25 percent for 2024, decreasing by 0.25 percent per year to an ultimate rate of 3.50 percent for 2039 and later years; and the Pub-2010 General Retiree Healthy Retiree mortality tables. These assumptions were applied to all periods included in the measurement.

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study from January 1, 2014 through December 31, 2018.

Discount Rate

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

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

Investment Rate of Return

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and adding expected inflation. The annual money-weighted rate of return as of June 30, 2025 was 11.66 percent. Best estimates of arithmetic real rates of return as of the June 30, 2025 measurement date for each major asset class included in the OPEB plan's target asset allocation, as disclosed in the investment note, are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic equity	45.00 %	6.10 %
International equity	16.00	5.00
U.S. government or agency fixed income	20.00	1.40
Private equity	5.00	9.50
Private credit	5.00	5.60
Real estate	5.00	4.30
Real assets	4.00	3.60

Note 16 - Other Postemployment Benefit Plan (Continued)

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

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

	1 Percentage Point Decrease (5.00%)	Current Discount Rate (6.00%)	1 Percentage Point Increase (7.00%)
The City's proportionate share of the net OPEB liability of the City of Romulus Retiree Health Care Plan	$ 25,896,955	$ 22,288,123	$ 19,300,065

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

The following presents the net OPEB liability of the City, calculated using the health care cost trend rate of 7.00 percent decreasing to 3.50 percent, as well as what the City's net OPEB liability would be if it were calculated using a health care cost trend rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1 Percentage Point Decrease (6.00% Decreasing to 2.5%)	Current Health Care Cost Trend Rate (7.00% Decreasing to 3.5%)	1 Percentage Point Increase (8.00% Decreasing to 4.5%)
The City's proportionate share of the net OPEB liability of the City of Romulus Retiree Health Care Plan	$ 18,947,344	$ 22,288,123	$ 26,336,746

OPEB Plan Fiduciary Net Position

Detailed information about the plan's fiduciary net position is not available in a separately issued financial report. For the purpose of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the plan's fiduciary net position and additions to/deductions from fiduciary net position have been determined on the same basis as they are reported by the plan. The plan uses the economic resources measurement focus and the full accrual basis of accounting. Investments are stated at fair value. Contribution revenue is recorded as contributions are due, pursuant to legal requirements. Benefit payments and refunds of employee contributions are recognized as expense when due and payable in accordance with the benefit terms.

Note 17 - Joint Venture

The City is a member of the 34th District Court (the "Court"), which provides services to the City of Romulus, Michigan; the City of Belleville, Michigan; and the townships of Huron, Sumpter, and Van Buren. The City has a two-thirds interest in the revenue of the Court and provides the annual funding for its operations. During the year, the City had received net revenue from the Court of $1,583,653 and provided $541,647 of financial support to the Court, resulting in total net revenue $1,042,006. The City is unaware of any circumstances that would cause an additional benefit or burden to the participating governments in the near future.

Note 17 - Joint Venture (Continued)

The City, along with 12 other communities, jointly participates in the Downriver Sewage Disposal System (DSDS). On September 27, 2018, DSDS transferred from the County of Wayne, Michigan (the "County") to the Downriver Utility Wastewater Authority (DUWA). DUWA is a consortium formed in 2010 under Public Act 233 of 1955 to acquire and operate the sewer system. The same 12 communities that originally jointly participated in DSDS are now the members of DUWA and are effective owners of DSDS. The judgment levy debt from DSDS still remains as an obligation of the County and will continue to be paid from the communities to the County.

During the year ended June 30, 2025, the Downriver Utility Wastewater Authority continued to work on major capital projects, including equipment replacement projects related to several deferred maintenance and critical long-term needs. The projects have estimated costs of $36.4 million in total, which will be funded through DUWA reserves and through federal loan programs under the Water Infrastructure Finance and Innovation Act (WIFIA). The amounts due under WIFIA loans will be allocated to the members of DUWA. During the year ended June 30, 2025, DUWA did not have additional draws under the WIFIA loans. The total outstanding balance is $16,635,000, of which $2,393,777 has been allocated to the City of Romulus, Michigan at June 30, 2025.

Refer to Note 10 for details on the City's obligations related to existing county debt and its share of the DUWA liabilities.

The City's share of capital assets, restricted assets (for debt service), excess operating assets, and related debt is recorded in the Water and Sewer Fund. During the year, the City paid $3,750,889 for operations of the SD System and $1,642,885 for debt service. The City is unaware of any circumstances that would cause an additional benefit or burden to the participating governments in the near future, except as discussed in Note 13. Complete financial statements can be obtained from the administrative offices at 25605 Northline Road, Taylor, MI 48180.

Note 18 - Tax Abatements

The City uses the industrial facilities tax exemption (PA 198 of 1974) to enter into agreements with local businesses to construct new industrial facilities or rehabilitate historical facilities. Under the program, the City grants reductions of 50 percent of the property tax bill for new property.

For the fiscal year ended June 30, 2025, the City abated $1,969,564 of taxes under this program. There are no provisions to recapture taxes; however, the abatement may be eliminated if taxes are not paid timely.

Required Supplementary Information

Required Supplementary Information
Budgetary Comparison Schedule
General Fund

Year Ended June 30, 2025

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Property taxes	$ 10,024,940	$ 10,024,940	$ 10,526,921	$ 501,981
Intergovernmental:				
Federal grants	-	565,185	435,474	(129,711)
State sources	4,937,690	4,957,690	5,064,204	106,514
Charges for services	3,012,780	3,162,780	3,092,626	(70,154)
Fines and forfeitures	100,000	100,000	98,990	(1,010)
Licenses and permits	1,672,000	1,672,000	2,030,955	358,955
Interest income and rentals	200,000	200,000	1,955,100	1,755,100
Other	117,610	163,610	219,254	55,644
Total revenue	20,065,020	20,846,205	23,423,524	2,577,319
Expenditures				
Current services:				
General government:				
Legislative	118,870	119,080	113,550	5,530
Mayor	919,122	964,672	904,827	59,845
Financial services	3,764,467	3,562,116	2,853,224	708,892
Treasurer	528,970	559,070	547,220	11,850
Clerk	990,434	1,096,465	1,091,033	5,432
Buildings and grounds	1,516,346	1,542,893	1,245,063	297,830
Public safety	3,730,177	4,199,792	3,890,834	308,958
Public works	541,472	1,327,604	981,062	346,542
Community and economic development	581,961	1,217,103	872,786	344,317
Community services and outreach	915,398	1,074,677	1,016,869	57,808
Total expenditures	13,607,217	15,663,472	13,516,468	2,147,004
Excess of Revenue Over Expenditures	6,457,803	5,182,733	9,907,056	4,724,323
Other Financing Uses - Transfers out	(11,296,850)	(11,296,850)	(10,137,208)	1,159,642
Net Change in Fund Balance	(4,839,047)	(6,114,117)	(230,152)	5,883,965
Fund Balance - Beginning of year	20,142,628	20,142,628	20,142,628	-
Fund Balance - End of year	**$ 15,303,581**	**$ 14,028,511**	**$ 19,912,476**	**$ 5,883,965**

See notes to required supplementary information.

Required Supplementary Information
Budgetary Comparison Schedule - Major Special Revenue Fund
Public Safety Fund

Year Ended June 30, 2025

	Original Budget	Amended Budget	Actual	Variance with Amended Budget
Revenue				
Taxes	$ 4,006,870	$ 4,006,870	$ 4,012,794	$ 5,924
Intergovernmental	623,780	623,780	661,335	37,555
Charges for services	1,331,470	1,392,970	1,425,656	32,686
Licenses and permits	55,000	55,000	47,647	(7,353)
Interest income and rentals	15,000	15,000	13,194	(1,806)
Other revenue	530	530	4,729	4,199
Total revenue	6,032,650	6,094,150	6,165,355	71,205
Expenditures				
Current services - Public safety:				
Police/Sheriff	12,419,478	12,537,455	11,167,841	1,369,614
Fire	5,011,630	5,040,976	5,105,455	(64,479)
Total expenditures	17,431,108	17,578,431	16,273,296	1,305,135
Excess of Expenditures Over Revenue	(11,398,458)	(11,484,281)	(10,107,941)	1,376,340
Other Financing Sources - Transfers in	11,226,850	11,226,850	10,066,228	(1,160,622)
Net Change in Fund Balance	(171,608)	(257,431)	(41,713)	215,718
Fund Balance - Beginning of year	268,122	268,122	268,122	-
Fund Balance - End of year	**$ 96,514**	**$ 10,691**	**$ 226,409**	**$ 215,718**

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

Last Ten Plan Years Ended December 31

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability										
Service cost	$ 991,372	$ 803,026	$ 688,067	$ 657,866	$ 625,078	$ 588,393	$ 580,444	$ 571,096	$ 528,499	$ 528,402
Interest	4,409,480	4,335,746	4,276,477	4,217,656	4,033,285	4,146,642	4,054,043	3,954,235	3,882,853	3,817,235
Changes in benefit terms	-	-	-	-	-	(2,508,383)	-	(22,732)	-	-
Differences between expected and actual experience	216,276	83,282	(122,828)	349,654	80,329	459,443	(78,958)	124,833	(202,239)	(552,460)
Changes in assumptions	(54,803)	466,268	-	2,214,043	1,425,664	2,050,742	-	-	-	1,746,051
Benefit payments, including refunds	(4,166,221)	(4,055,123)	(3,962,942)	(3,708,126)	(3,573,566)	(3,419,949)	(3,347,802)	(3,329,070)	(3,272,919)	(3,273,351)
Miscellaneous other charges	(32,643)	(91,056)	(54,242)	(202,502)	(25,449)	(18,373)	(17,885)	(74,276)	-	-
Net Change in Total Pension Liability	1,363,461	1,542,143	824,532	3,528,591	2,565,341	1,298,515	1,189,842	1,224,086	936,194	2,265,877
Total Pension Liability - Beginning of year	63,017,117	61,474,974	60,650,442	57,121,851	54,556,510	53,257,995	52,068,153	50,844,067	49,907,873	47,641,996
Total Pension Liability - End of year	**$ 64,380,578**	**$ 63,017,117**	**$ 61,474,974**	**$ 60,650,442**	**$ 57,121,851**	**$ 54,556,510**	**$ 53,257,995**	**$ 52,068,153**	**$ 50,844,067**	**$ 49,907,873**
Plan Fiduciary Net Position										
Contributions - Employer	$ 2,997,259	$ 3,055,831	$ 3,248,934	$ 3,113,843	$ 2,861,316	$ 2,750,691	$ 2,517,122	$ 2,466,354	$ 2,202,543	$ 1,869,896
Contributions - State pension grant	-	8,487,170	-	-	-	-	-	-	-	-
Contributions - Employee	637,320	524,574	490,677	498,148	489,505	382,659	313,268	303,223	278,651	281,502
Net investment income (loss)	2,731,014	3,401,528	(3,169,531)	3,466,116	3,228,715	2,759,661	(843,836)	2,603,367	2,076,536	(288,789)
Administrative expenses	(81,019)	(66,250)	(52,798)	(41,046)	(45,778)	(47,491)	(41,980)	(41,250)	(41,059)	(42,954)
Benefit payments, including refunds	(4,166,221)	(4,055,123)	(3,962,942)	(3,708,126)	(3,573,566)	(3,419,949)	(3,347,802)	(3,329,070)	(3,272,919)	(3,273,351)
Other	(32,643)	(91,056)	(54,245)	(202,501)	(25,449)	(18,373)	(17,885)	(74,276)	-	-
Net Change in Plan Fiduciary Net Position	2,085,710	11,256,674	(3,499,905)	3,126,434	2,934,743	2,407,198	(1,421,113)	1,928,348	1,243,752	(1,453,696)
Plan Fiduciary Net Position - Beginning of year	36,669,144	25,412,470	28,912,375	25,785,941	22,851,198	20,444,000	21,865,113	19,936,765	18,693,013	20,146,709
Plan Fiduciary Net Position - End of year	**$ 38,754,854**	**$ 36,669,144**	**$ 25,412,470**	**$ 28,912,375**	**$ 25,785,941**	**$ 22,851,198**	**$ 20,444,000**	**$ 21,865,113**	**$ 19,936,765**	**$ 18,693,013**
City's Net Pension Liability - Ending	**$ 25,625,724**	**$ 26,347,973**	**$ 36,062,504**	**$ 31,738,067**	**$ 31,335,910**	**$ 31,705,312**	**$ 32,813,995**	**$ 30,203,040**	**$ 30,907,302**	**$ 31,214,860**
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	60.20 %	58.19 %	41.34 %	47.67 %	45.14 %	41.89 %	38.39 %	41.99 %	39.21 %	37.46 %
Covered Payroll	$ 6,611,512	$ 5,408,059	$ 4,749,104	$ 4,827,700	$ 4,948,153	$ 4,327,708	$ 4,233,306	$ 4,180,129	$ 3,853,356	$ 3,817,724
City's Net Pension Liability as a Percentage of Covered Payroll	387.59 %	487.20 %	759.35 %	657.42 %	633.28 %	732.61 %	775.14 %	722.54 %	802.09 %	817.63 %

See notes to required supplementary information.

Required Supplementary Information
Schedule of Pension Contributions

Last Ten Fiscal Years

Years Ended June 30

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially determined contribution	$ 2,999,442	$ 3,055,831	$ 3,185,760	$ 3,292,454	$ 2,892,500	$ 2,820,400	$ 2,568,549	$ 2,528,253	$ 2,430,952	$ 1,930,055
Contributions in relation to the actuarially determined contribution	2,999,442	3,055,831	3,185,760	3,292,454	2,892,500	2,820,400	2,568,549	2,528,253	2,430,952	1,930,055
Contribution Deficiency	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered Payroll	$ 7,903,430	$ 6,872,485	$ 5,764,932	$ 5,868,685	$ 5,469,587	$ 5,303,050	$ 4,280,507	$ 4,206,718	$ 4,016,743	$ 3,835,540
Contributions as a Percentage of Covered Payroll	37.95 %	44.46 %	55.26 %	56.10 %	52.88 %	53.18 %	60.01 %	60.10 %	60.52 %	50.32 %

Notes to Schedule of Pension Contributions

Actuarial valuation information relative to the determination of contributions:

Valuation date	Actuarially determined contribution rates are calculated as of December 31, two years prior to the end of the fiscal year in which the contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level of percentage of payroll, open
Remaining amortization period	16 years
Asset valuation method	5-year smoothed
Inflation	2.50 percent
Salary increase	3.00 percent
Investment rate of return	7.18 percent
Retirement age	60 with 10 years of service, 55 with 15 or 25 years of service (depending on the group), or 50 with 25 years of service
Mortality	Pub-2010 Mortality Tables
Other information	None

See notes to required supplementary information.

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

Last Nine Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability									
Service cost	$ 278,187	$ 294,043	$ 400,248	$ 397,533	$ 555,493	$ 555,433	$ 634,590	$ 652,804	$ 675,757
Interest	2,029,124	3,112,347	3,026,115	3,800,398	3,755,942	3,798,070	3,720,206	3,872,290	3,790,304
Changes in benefit terms	(400,895)	-	231,235	(34,059)	(935,133)	-	-	-	-
Differences between expected and actual experience	43,829	(21,106,591)	202,321	(16,230,815)	(183,862)	(6,187,889)	21,072	(6,729,960)	(627,854)
Changes in assumptions	-	1,836,317	-	1,460,451	-	3,899,589	-	2,518,057	-
Benefit payments, including refunds	(2,061,525)	(2,302,261)	(2,436,969)	(2,239,200)	(2,471,792)	(3,020,007)	(3,057,103)	(2,620,542)	(2,300,054)
Net Change in Total OPEB Liability	(111,280)	(18,166,145)	1,422,950	(12,845,692)	720,648	(954,804)	1,318,765	(2,307,351)	1,538,153
Total OPEB Liability - Beginning of year	34,710,408	52,876,553	51,453,603	64,299,295	63,578,647	64,533,451	63,214,686	65,522,037	63,983,884
Total OPEB Liability - End of year	**$ 34,599,128**	**$ 34,710,408**	**$ 52,876,553**	**$ 51,453,603**	**$ 64,299,295**	**$ 63,578,647**	**$ 64,533,451**	**$ 63,214,686**	**$ 65,522,037**
Plan Fiduciary Net Position									
Contributions	$ 2,604,094	$ 3,051,929	$ 2,186,833	$ 2,773,023	$ 3,240,492	$ 3,293,807	$ 3,321,074	$ 2,751,868	$ 2,461,024
Net investment income (loss)	684,158	527,815	351,724	(725,754)	912,733	164,793	231,642	233,943	273,530
Administrative expenses	(91,630)	(94,769)	(100,707)	(77,526)	(104,889)	(78,313)	(83,308)	(95,925)	(53,100)
Benefit payments, including refunds	(2,144,788)	(2,319,802)	(2,436,969)	(2,239,200)	(2,471,792)	(3,020,007)	(3,057,103)	(2,620,542)	(2,300,054)
Other	(32,310)	-	(19,925)	-	-	-	-	-	40,708
Net Change in Plan Fiduciary Net Position	1,019,524	1,165,173	(19,044)	(269,457)	1,576,544	360,280	412,305	269,344	422,108
Plan Fiduciary Net Position - Beginning of year	7,884,414	6,719,241	6,738,285	7,007,742	5,431,198	5,070,918	4,658,613	4,389,269	3,967,161
Plan Fiduciary Net Position - End of year	**$ 8,903,938**	**$ 7,884,414**	**$ 6,719,241**	**$ 6,738,285**	**$ 7,007,742**	**$ 5,431,198**	**$ 5,070,918**	**$ 4,658,613**	**$ 4,389,269**
Net OPEB Liability - Ending	**$ 25,695,190**	**$ 26,825,994**	**$ 46,157,312**	**$ 44,715,318**	**$ 57,291,553**	**$ 58,147,449**	**$ 59,462,533**	**$ 58,556,073**	**$ 61,132,768**
Plan Fiduciary Net Position as a Percentage of Total OPEB Liability	25.73 %	22.71 %	12.71 %	13.10 %	10.90 %	8.54 %	7.86 %	7.37 %	6.70 %
Covered-employee Payroll	$ 5,014,605	$ 4,827,652	$ 5,064,300	$ 5,820,852	$ 5,986,196	$ 6,775,606	$ 7,475,040	$ 5,954,862	$ 6,023,526
Net OPEB Liability as a Percentage of Covered-employee Payroll	512.41 %	555.67 %	911.43 %	768.19 %	957.06 %	858.19 %	795.48 %	983.33 %	1,014.90 %

See notes to required supplementary information.

Required Supplementary Information
Schedule of the City's Proportionate Share of the Net OPEB Liability
City of Romulus Retiree Health Care Plan

Last Eight Fiscal Years

Plan Years Ended June 30

	2025	2024	2023	2022	2021	2020	2019	2018
City's proportion of the net OPEB liability	86.74000 %	86.86000 %	86.55000 %	86.49000 %	86.85000 %	87.03000 %	89.23000 %	89.23000 %
City's proportionate share of the net OPEB liability	$ 22,288,123	$ 23,301,093	$ 39,949,154	$ 38,674,277	$ 49,757,714	$ 50,605,726	$ 53,058,411	$ 52,249,580
City's covered-employee payroll	$ 4,247,174	$ 4,043,593	$ 4,274,697	$ 5,021,341	$ 5,138,188	$ 5,152,466	$ -	$ -
City's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	524.78 %	576.25 %	934.55 %	770.20 %	968.39 %	982.17 %	925.54 %	- %
Plan fiduciary net position as a percentage of total OPEB liability	25.73 %	22.71 %	12.71 %	13.08 %	12.50 %	9.82 %	8.80 %	8.26 %

See notes to required supplementary information.

Required Supplementary Information
Schedule of OPEB Contributions

Last Ten Fiscal Years

Years Ended June 30

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially determined contribution	$ 3,136,264	$ 4,527,400	$ 4,564,433	$ 5,707,664	$ 5,739,893	$ 5,563,947	$ 5,614,450	$ 5,524,127	$ 5,573,640	$ 5,385,254
Contributions in relation to the actuarially determined contribution	2,520,831	3,034,388	2,186,833	2,773,023	3,240,492	3,293,807	3,321,074	2,751,868	2,461,024	2,546,820
Contribution Deficiency	**$ (615,433)**	**$ (1,493,012)**	**$ (2,377,600)**	**$ (2,934,641)**	**$ (2,499,401)**	**$ (2,270,140)**	**$ (2,293,376)**	**$ (2,772,259)**	**$ (3,112,616)**	**$ (2,838,434)**
Covered-employee Payroll	$ 5,014,605	$ 4,827,652	$ 5,064,300	$ 5,820,852	$ 5,986,196	$ 6,775,606	$ 7,475,040	$ 5,954,862	$ 6,023,526	$ 5,124,343
Contributions as a Percentage of Covered-employee Payroll	50.27 %	62.85 %	43.18 %	47.64 %	54.13 %	48.61 %	44.43 %	46.21 %	40.86 %	49.70 %

*Note: the City's share of the contributions in relation to the actuarially determined contributions are $2,720,395, $3,034,363, $2,166,939, $2,394,862, $2,788,436, $2,640,300, $2,667,872, and $2,786,122 for 2025, 2024, 2023, 2022, 2021, 2020, 2019, and 2018, respectively, which are the years GASB 75 has been in effect.

Notes to Schedule of Contributions

Actuarial valuation information relative to the determination of contributions:

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level dollar
Remaining amortization period	16 years - Closed
Asset valuation method	Market value of assets
Inflation	2.5 percent
Health care cost trend rates	Non-Medicare: Initial rate of 7.25 percent gradually decreasing to 3.50 percent long-term rate in year 15 Medicare: Initial rate of 6.5 percent gradually decreasing to a 3.50 percent long-term rate in year 15
Salary increase	3.00 to 9.70 percent, including inflation
Investment rate of return	6.00 percent return - Net of OPEB plan investment expense
Retirement age	Experience-based tables of rates that are specific to the type of eligibility condition
Mortality	The Pub-2010 Mortality Table using scale MP-2019
Other information	None

Budgetary Information

The City is legally subject to the budgetary control requirements of State of Michigan P.A. 621 of 1978 (the Uniform Budgeting Act), as amended. The following statements represent a brief synopsis of the major provisions of the 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. Public hearings must be held before budget adoptions.

The City adopts its budget on an activity basis (department), which is in accordance with the State's legal requirements and is the level of classification detail at which expenditures may not legally exceed appropriations.

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

1. In February, the mayor holds a meeting with all departments. At this time, the finance department provides the necessary budget materials with instructions and discusses intended strategies.

2. In March, the mayor and the finance director hold meetings with each department to review proposed spending and activities. Working with the finance director, alternative approaches are sought to provide better services and reduce costs. Departmental recommendations are refined by the mayor according to overall city needs and estimated available revenue.

3. The city charter provides that the mayor must submit his or her recommendations on the upcoming year's budget on or before the first day of April. With these line-item recommendations, the mayor summarizes major policy and concerns, along with his or her proposed tax levy and the estimated revenue generated.

4. The City Council conducts budget hearings with the mayor and the finance director during the month of April. Citizens are given an opportunity to comment on proposed spending at a City Council public hearing, which is generally held on the first or second Monday in May. Prior to this public hearing, the proposed budget is available to the public in the city clerk's office for inspection for a period of no less than three weeks. The City Council then makes final adjustments to the proposed budget, according to the concerns developed during its public hearings. Under the charter, the City Council must adopt the final budget for the ensuing fiscal year on or before May 15 of each year.

5. The city budget is adopted by resolution, which incorporates the line items in the mayor's recommendations, amendments, and refinements, as developed by changing events and concerns established in the City Council hearing process, and policy guidelines for expenditure of funds. A vote of four of the seven City Council members serving is necessary for budget adoption. The mayor has item veto authority, which he or she may exercise subsequent to budget adoption.

During the current year, the budget was amended in a legally permissible manner with the exception of budget amendments made to the Public Safety Fund, resulting in the Public Safety Fund budgeting an overall deficit in fund balance, which is not in compliance with budgetary regulations. A comparison of the budget with statements of actual revenue and expenditures, including budget variances, for the General Fund and Public Safety Fund are presented as required supplementary information. Budgetary comparisons for the special revenue funds can be obtained at City Hall.

During the year, the City of Romulus, Michigan incurred expenditures that were in excess of the amounts budgeted for the Public Safety Fund as follows:

	Budget	Actual	Variance
Fire	$ 5,040,976	$ 5,105,455	$ (64,479)

Budget variance was due to costs coming in higher than expected.

Pension Information

Changes in Assumptions

During the year ended June 30, 2016, the actuary modified significant assumptions that affect the measurement of the total pension liability. The actuary adjusted the assumed annual rate of return down from 8.25 percent to 8.00 percent. The mortality tables were updated from the 1994 Group Mortality Table to a blend of the RP-2014 tables.

During the year ended June 30, 2020, the actuary adjusted the assumed annual rate of return down from 8.00 to 7.60 percent, as well as the rate of wage inflation from 3.75 percent to 3.00 percent.

During the year ended June 30, 2021, the actuary adjusted the mortality tables from the RP-2014 tables to the Pub-2010 tables.

During the year ended June 30, 2022, the investment rate of return was lowered from 7.60 percent to 7.25 percent.

During the year ended June 30, 2023, the investment rate of return was lowered from 7.25 percent to 7.18 percent.

During the year ended June 30, 2025, the scale used for future mortality improvement assumptions was changed from scale MP-2019 applied fully generationally from the Pub-2010 base year of 2010 to scale MP-2021 applied fully generationally from the Pub-2010 base year of 2010.

OPEB Information

Changes in Assumptions

In 2018, the following assumptions were changed relative to the City of Romulus Retiree Health Care Plan:

- Removal of the excise tax load to the liabilities to account for future excise taxes for Cadillac plans under the Patient Protection and Affordable Care Act
- Resetting the health care cost trend rate assumption

In 2020, the following assumptions were changed relative to the City of Romulus Retiree Health Care Plan:

- Update to the Pub-2010 General Healthy Retiree mortality tables
- Change of health care trend rate to an initial trend of 8.25 percent gradually decreasing to 3.50 percent in year 10

In 2021, the City updated plan benefits to incorporate the City's Simply Blue HRA PPO plan effective January 1, 2021.

In 2022, the health care cost trend rate was reduced from 8.25 percent to 7.50 percent

Supplementary Information

	Special Revenue Funds								
	Major Streets	Local Streets	Cable TV	911	Sanitation	Community Development Block Grant	Michigan Indigent Defense Commission	Street Lighting	Merriman Road Special Assessment District
Assets									
Cash and investments	$ 4,430,170	$ 5,587,579	$ 1,281,200	$ 210,171	$ 1,954,530	$ 32,034	$ 51,937	$ 528,902	$ 146,116
Receivables:									
Property taxes receivable	-	-	-	-	11,210	-	-	-	-
Special assessments receivable	-	-	-	-	-	-	-	-	3
Leases receivable	-	-	-	-	-	-	-	-	-
Other receivables	-	-	136	-	-	-	-	-	-
Due from other governments	510,601	150,414	-	47,620	-	57,435	-	-	-
Due from component units	-	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-	-
Inventory	89,702	134,553	-	-	-	-	-	-	-
Prepaid expenditures and other assets	-	-	58,588	-	-	-	-	-	-
Restricted assets	-	-	-	-	-	-	-	-	-
Total assets	**$ 5,030,473**	**$ 5,872,546**	**$ 1,339,924**	**$ 257,791**	**$ 1,965,740**	**$ 89,469**	**$ 51,937**	**$ 528,902**	**$ 146,119**
Liabilities									
Accounts payable	$ 57,020	$ 571,998	$ 1,985	$ 43,565	$ 221,182	$ -	$ 11,460	$ 55,155	$ 12,059
Due to other governmental units	-	-	1,078	-	279	7,539	-	-	-
Accrued liabilities and other	9,000	14,124	1,470	-	28,049	-	-	-	-
Payable from restricted assets	-	-	-	-	-	-	-	-	-
Total liabilities	66,020	586,122	4,533	43,565	249,510	7,539	11,460	55,155	12,059
Deferred Inflows of Resources									
Unavailable revenue	-	-	-	36,194	11,211	57,435	-	-	-
Deferred inflows from leases	-	-	-	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	36,194	11,211	57,435	-	-	-
Fund Balances									
Nonspendable:									
Inventory	89,702	134,553	-	-	-	-	-	-	-
Prepaids	-	-	58,588	-	-	-	-	-	-
Restricted:									
Roads	4,874,751	5,151,871	-	-	-	-	-	-	134,060
Public safety	-	-	-	178,032	-	-	-	-	-
Sanitation	-	-	-	-	1,705,019	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-
Grants	-	-	-	-	-	24,495	40,477	-	-
Capital projects	-	-	-	-	-	-	-	-	-
PEG fees	-	-	1,276,803	-	-	-	-	-	-
Street lighting	-	-	-	-	-	-	-	473,747	-
Veterans	-	-	-	-	-	-	-	-	-
Cemetery operations	-	-	-	-	-	-	-	-	-
Community facilities and programs	-	-	-	-	-	-	-	-	-
Library operations	-	-	-	-	-	-	-	-	-
Opioid settlement	-	-	-	-	-	-	-	-	-
Committed - Recreation	-	-	-	-	-	-	-	-	-
Total fund balances	4,964,453	5,286,424	1,335,391	178,032	1,705,019	24,495	40,477	473,747	134,060
Total liabilities, deferred inflows of resources, and fund balances	**$ 5,030,473**	**$ 5,872,546**	**$ 1,339,924**	**$ 257,791**	**$ 1,965,740**	**$ 89,469**	**$ 51,937**	**$ 528,902**	**$ 146,119**

Supplementary Information
Combining Balance Sheet
Nonmajor Governmental Funds

June 30, 2025

Special Revenue Funds									Capital Project Funds		
Opioid Settlement	Oakwood Special Assessment District	Narcotics Enforcement	Romulus Athletic Center	Cemetery Perpetuation	Library	Community - Employee Activity	Veterans' Trust	Debt Service	Vining/ Ecorse Construction	Court Building Construction	Total
$ 201,396	$ 93,115	$ 794,058	$ 69,965	$ 7,843	$ 464,459	$ 79,369	$ 10,012	$ 2,316,849	$ -	$ 1,087,540	$ 19,347,245
-	-	-	-	-	5,598	-	-	-	-	-	16,808
-	-	-	-	-	-	-	-	-	-	-	3
-	-	-	146,607	-	-	-	-	-	-	-	146,607
235,535	-	-	21,492	-	-	-	-	-	-	-	257,163
-	-	-	-	-	3,912	5,321	-	120,959	-	-	896,262
-	-	-	1,500	-	-	-	-	-	-	-	1,500
-	-	-	331	-	-	-	-	-	-	-	331
-	-	-	-	-	-	-	-	-	-	-	224,255
-	-	-	2,887	-	650	-	-	-	-	-	62,125
-	-	-	-	-	-	-	-	-	1,268,293	14	1,268,307
$ 436,931	**$ 93,115**	**$ 794,058**	**$ 242,782**	**$ 7,843**	**$ 474,619**	**$ 84,690**	**$ 10,012**	**$ 2,437,808**	**$ 1,268,293**	**$ 1,087,554**	**$ 22,220,606**
$ -	$ 115	$ 17,862	$ 49,964	$ -	$ 24,872	$ 206	$ -	$ -	$ -	$ -	$ 1,067,443
-	-	-	-	-	582	-	-	-	-	-	9,478
-	-	-	51,741	-	21,470	-	-	-	-	-	125,854
-	-	-	-	-	-	-	-	-	117,963	-	117,963
-	115	17,862	101,705	-	46,924	206	-	-	117,963	-	1,320,738
235,535	-	-	-	-	5,598	-	-	-	-	-	345,973
-	-	-	135,020	-	-	-	-	-	-	-	135,020
235,535	-	-	135,020	-	5,598	-	-	-	-	-	480,993
-	-	-	-	-	-	-	-	-	-	-	224,255
-	-	-	2,887	-	650	-	-	-	-	-	62,125
-	93,000	-	-	-	-	-	-	-	-	-	10,253,682
-	-	776,196	-	-	-	-	-	-	-	-	954,228
-	-	-	-	-	-	-	-	-	-	-	1,705,019
-	-	-	-	-	-	-	-	2,437,808	-	-	2,437,808
-	-	-	-	-	-	-	-	-	-	-	64,972
-	-	-	-	-	-	-	-	-	1,150,330	1,087,554	2,237,884
-	-	-	-	-	-	-	-	-	-	-	1,276,803
-	-	-	-	-	-	-	-	-	-	-	473,747
-	-	-	-	-	-	-	10,012	-	-	-	10,012
-	-	-	-	7,843	-	-	-	-	-	-	7,843
-	-	-	-	-	-	84,484	-	-	-	-	84,484
-	-	-	-	-	421,447	-	-	-	-	-	421,447
201,396	-	-	-	-	-	-	-	-	-	-	201,396
-	-	-	3,170	-	-	-	-	-	-	-	3,170
201,396	93,000	776,196	6,057	7,843	422,097	84,484	10,012	2,437,808	1,150,330	1,087,554	20,418,875
$ 436,931	**$ 93,115**	**$ 794,058**	**$ 242,782**	**$ 7,843**	**$ 474,619**	**$ 84,690**	**$ 10,012**	**$ 2,437,808**	**$ 1,268,293**	**$ 1,087,554**	**$ 22,220,606**

	Special Revenue Funds								
	Major Streets	Local Streets	Cable TV	911	Sanitation	Community Development Block Grant	Michigan Indigent Defense Commission	Street Lighting	Merriman Road Special Assessment District
Revenue									
Taxes	$ -	$ -	$ -	$ -	$ 1,558,298	$ -	$ -	$ 4,812	$ -
Special assessments	-	-	-	-	-	-	-	719,673	-
Intergovernmental:									
Federal grants	12,010	-	-	-	-	30,252	-	-	-
State sources	3,203,319	3,943,643	-	-	80,468	-	195,224	-	-
Local grants and contributions	-	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-	-	-	-
Licenses and permits	134,867	-	-	-	-	-	-	-	-
Interest income and rentals	248,154	117,508	62,818	9,815	105,097	716	16,085	30,476	4,326
Other revenue	4,112	12,830	265,595	151,414	19,062	-	-	-	164,003
Total revenue	3,602,462	4,073,981	328,413	161,229	1,762,925	30,968	211,309	754,961	168,329
Expenditures									
Current services:									
General government	-	-	217,549	-	-	-	226,582	-	-
Public safety	-	-	-	151,542	-	-	-	-	-
Public works	1,260,099	2,482,377	-	-	1,660,669	3,360	-	700,884	101,328
Community and economic development - Redevelopment and housing	-	-	-	-	-	27,224	-	-	-
Community services and outreach:									
Library	-	-	-	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	-	-	-	-
Debt service:									
Principal	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-	-	-	-
Total expenditures	1,260,099	2,482,377	217,549	151,542	1,660,669	30,584	226,582	700,884	101,328
Excess of Revenue Over (Under) Expenditures	2,342,363	1,591,604	110,864	9,687	102,256	384	(15,273)	54,077	67,001
Other Financing Sources (Uses)									
Transfers in	-	2,100,000	-	-	-	-	55,750	-	13,170
Transfers out	(2,100,000)	-	-	-	-	-	-	-	-
Total other financing (uses) sources	(2,100,000)	2,100,000	-	-	-	-	55,750	-	13,170
Net Change in Fund Balances	242,363	3,691,604	110,864	9,687	102,256	384	40,477	54,077	80,171
Fund Balances - Beginning of year, as adjusted or restated	4,722,090	1,594,820	1,224,527	168,345	1,602,763	24,111	-	419,670	53,889
Fund Balances - End of year	**$ 4,964,453**	**$ 5,286,424**	**$ 1,335,391**	**$ 178,032**	**$ 1,705,019**	**$ 24,495**	**$ 40,477**	**$ 473,747**	**$ 134,060**

Year Ended June 30, 2025

Special Revenue Funds									Capital Project Funds		
Opioid Settlement	Oakwood Special Assessment District	Narcotics Enforcement	Romulus Athletic Center	Cemetery Perpetuation	Library	Community - Employee Activity	Veterans' Trust	Debt Service	Vining/ Ecorse Construction	Court Building Construction	Total
$ -	$ -	$ -	$ -	$ -	$ 706,239	$ -	$ -	$ -	$ -	$ -	$ 2,269,349
-	-	-	-	-	-	-	-	-	-	-	719,673
-	-	271,151	-	-	-	-	-	-	-	-	313,413
-	-	-	-	-	80,710	-	-	-	-	-	7,503,364
-	-	-	-	-	-	-	-	1,014,387	-	-	1,014,387
-	-	-	1,588,619	-	18,282	-	-	-	-	-	1,606,901
-	-	-	-	-	41,371	-	-	1,484,663	-	-	1,526,034
-	-	-	-	-	-	-	-	-	-	-	134,867
9,783	4,737	43,948	2,770	404	33,619	4,108	-	108,944	58,447	55,903	917,658
38,011	-	3,200	636,760	-	40,118	-	10,012	-	-	-	1,345,117
47,794	4,737	318,299	2,228,149	404	920,339	4,108	10,012	2,607,994	58,447	55,903	17,350,763
-	-	-	-	-	-	-	-	-	-	-	444,131
-	-	340,497	-	-	-	-	-	-	-	-	492,039
-	1,384	-	-	-	-	1,865	-	-	5,464	21,975	6,239,405
-	-	-	-	-	-	-	-	-	-	-	27,224
-	-	-	-	-	1,185,568	-	-	-	-	-	1,185,568
-	-	-	2,362,672	-	-	-	-	-	-	-	2,362,672
-	-	-	-	-	-	-	-	1,250,000	-	-	1,250,000
-	-	-	-	-	-	-	-	953,376	-	-	953,376
-	1,384	340,497	2,362,672	-	1,185,568	1,865	-	2,203,376	5,464	21,975	12,954,415
47,794	3,353	(22,198)	(134,523)	404	(265,229)	2,243	10,012	404,618	52,983	33,928	4,396,348
-	2,060	-	-	-	-	-	-	-	-	-	2,170,980
-	-	-	-	-	-	-	-	-	-	-	(2,100,000)
-	2,060	-	-	-	-	-	-	-	-	-	70,980
47,794	5,413	(22,198)	(134,523)	404	(265,229)	2,243	10,012	404,618	52,983	33,928	4,467,328
153,602	87,587	798,394	140,580	7,439	687,326	82,241	-	2,033,190	1,097,347	1,053,626	15,951,547
$ 201,396	**$ 93,000**	**$ 776,196**	**$ 6,057**	**$ 7,843**	**$ 422,097**	**$ 84,484**	**$ 10,012**	**$ 2,437,808**	**$ 1,150,330**	**$ 1,087,554**	**$ 20,418,875**

Supplementary Information
Combining Statement of Net Position
Internal Service Funds

June 30, 2025

	Vehicle and Equipment Fund	Computer and Equipment Fund	Property and Liability Self-insurance Fund	Total Internal Service Funds
Assets				
Current assets:				
Cash and cash equivalents	$ 2,168,579	$ 1,369,647	$ 636,226	$ 4,174,452
Receivables	23	-	-	23
Inventory	44,065	-	-	44,065
Prepaid expenses and other assets	-	253	-	253
Total current assets	2,212,667	1,369,900	636,226	4,218,793
Noncurrent assets - Capital assets	2,282,557	40,015	-	2,322,572
Total assets	4,495,224	1,409,915	636,226	6,541,365
Deferred Outflows of Resources - Deferred outflows related to OPEB	2,399	2,407	-	4,806
Liabilities				
Current liabilities:				
Accounts payable	74,472	55,487	-	129,959
Accrued liabilities and other	16,305	7,099	-	23,404
Compensated absences	26,289	20,481	-	46,770
Current portion of long-term debt	82,063	-	-	82,063
Total current liabilities	199,129	83,067	-	282,196
Noncurrent liabilities:				
Compensated absences	6,572	5,120	-	11,692
Net OPEB liability	484,155	484,607	-	968,762
Long-term debt - Net of current portion	45,002	-	-	45,002
Total noncurrent liabilities	535,729	489,727	-	1,025,456
Total liabilities	734,858	572,794	-	1,307,652
Deferred Inflows of Resources - Deferred inflows related to OPEB	17,388	17,401	-	34,789
Net Position				
Net investment in capital assets	2,155,492	40,015	-	2,195,507
Unrestricted	1,589,885	782,112	636,226	3,008,223
Total net position	**$ 3,745,377**	**$ 822,127**	**$ 636,226**	**$ 5,203,730**

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

Year Ended June 30, 2025

	Vehicle and Equipment Fund	Computer and Equipment Fund	Property and Liability Self-insurance Fund	Total Internal Service Funds
Operating Revenue				
Charges for services	$ 2,240,128	$ 966,430	$ 562,830	$ 3,769,388
Other revenue	10,650	-	50,255	60,905
Total operating revenue	2,250,778	966,430	613,085	3,830,293
Operating Expenses				
Cost of insurance coverage	-	-	590,752	590,752
Cost of vehicle and equipment maintenance	1,108,797	-	-	1,108,797
Cost of computer and equipment maintenance	-	727,659	-	727,659
Depreciation	598,105	96,851	-	694,956
Total operating expenses	1,706,902	824,510	590,752	3,122,164
Operating Income	543,876	141,920	22,333	708,129
Nonoperating Revenue				
Investment income	90,202	67,383	28,878	186,463
Gain on sale of assets	26,140	47	-	26,187
Total nonoperating revenue	116,342	67,430	28,878	212,650
Change in Net Position	660,218	209,350	51,211	920,779
Net Position - Beginning of year	3,085,159	612,777	585,015	4,282,951
Net Position - End of year	**$ 3,745,377**	**$ 822,127**	**$ 636,226**	**$ 5,203,730**

Supplementary Information
Combining Statement of Cash Flows
Internal Service Funds

Year Ended June 30, 2025

	Vehicle and Equipment Fund	Computer and Equipment Fund	Property and Liability Self-insurance Fund	Total Internal Service Funds
Cash Flows from Operating Activities				
Receipts from other funds	$ 2,250,778	$ 966,430	$ 613,085	$ 3,830,293
Payments to suppliers	(825,613)	(440,952)	(599,049)	(1,865,614)
Payments to employees	(423,899)	(347,246)	-	(771,145)
Net cash and cash equivalents provided by operating activities	1,001,266	178,232	14,036	1,193,534
Cash Flows from Capital and Related Financing Activities				
Proceeds from sale of capital assets	26,140	47	-	26,187
Purchase of capital assets	(904,139)	(27,415)	-	(931,554)
Principal and interest paid on capital debt	(246,898)	-	-	(246,898)
Net cash and cash equivalents used in capital and related financing activities	(1,124,897)	(27,368)	-	(1,152,265)
Cash Flows Provided by Investing Activities - Investment income	90,202	67,383	28,878	186,463
Net (Decrease) Increase in Cash and Cash Equivalents	(33,429)	218,247	42,914	227,732
Cash and Cash Equivalents - Beginning of year	2,202,008	1,151,400	593,312	3,946,720
Cash and Cash Equivalents - End of year	**$ 2,168,579**	**$ 1,369,647**	**$ 636,226**	**$ 4,174,452**
Classification of Cash and Cash Equivalents - Cash and investments	**$ 2,168,579**	**$ 1,369,647**	**$ 636,226**	**$ 4,174,452**
Reconciliation of Operating Income to Net Cash from Operating Activities				
Operating income	$ 543,876	$ 141,920	$ 22,333	$ 708,129
Adjustments to reconcile operating income to net cash from operating activities:				
Depreciation	598,105	96,851	-	694,956
Changes in assets and liabilities:				
Inventories	(3,513)	-	-	(3,513)
Prepaid and other assets	-	(250)	-	(250)
Accounts payable	(50,539)	48,259	(8,297)	(10,577)
Net OPEB liability	(107,429)	(107,429)	-	(214,858)
Accrued and other liabilities	20,766	(1,119)	-	19,647
Net cash and cash equivalents provided by operating activities	**$ 1,001,266**	**$ 178,232**	**$ 14,036**	**$ 1,193,534**

Supplementary Information
Combining Statement of Fiduciary Net Position
Custodial Funds

June 30, 2025

	General Tax Fund	Current Tax Fund	Delinquent Personal Property Tax Fund	Total Custodial Funds
Assets	$ 69,943	$ 158	$ 144,050	$ 214,151
Liabilities				
Accounts payable	67,495	-	26,729	94,224
Accrued liabilities and other	2,448	158	117,321	119,927
Total liabilities	69,943	158	144,050	214,151
Net Position	**$ -**	**$ -**	**$ -**	**$ -**

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

Year Ended June 30, 2025

	General Tax Fund	Current Tax Fund	Delinquent Personal Property Tax Fund	Total Custodial Funds
Additions - Property tax collections	$ 1,258,513	$ 62,318,693	$ 258,497	$ 63,835,703
Deductions - Property tax remittances	1,258,513	62,318,693	258,497	63,835,703
Net Increase (Decrease) in Fiduciary Net Position	-	-	-	-
Net Position - Beginning of year	-	-	-	-
Net Position - End of year	$ -	$ -	$ -	$ -

Supplementary Information
Downtown Development Authority
Statement of Net Position/Governmental Fund Balance Sheet

June 30, 2025

	Modified Accrual	Full Accrual Adjustments	Statement of Net Position
Assets			
Cash and cash equivalents	$ 743,977	$ -	$ 743,977
Receivables:			
Other receivables	63	-	63
Due from other governments	10,577	-	10,577
Capital assets - Net	-	576,853	576,853
Bond prepaid insurance	-	882	882
Total assets	754,617	577,735	1,332,352
Deferred Outflows of Resources - Deferred outflows related to OPEB	-	86,845	86,845
Total assets and deferred outflows of resources	**$ 754,617**	664,580	1,419,197
Liabilities			
Accounts payable	$ 25,004	-	25,004
Due to other governmental units	11,127	-	11,127
Accrued liabilities and other	4,666	5,151	9,817
Noncurrent liabilities:			
Due within one year:			
Compensated absences	-	9,840	9,840
Current portion of long-term debt	-	51,356	51,356
Due in more than one year:			
Compensated absences	-	2,460	2,460
Net OPEB liability	-	218,387	218,387
Long-term debt - Net of current portion	-	498,564	498,564
Total liabilities	40,797	785,758	826,555
Deferred Inflows of Resources - Deferred OPEB cost reductions	-	93,605	93,605
Equity			
Fund balance - Unassigned	713,820	(713,820)	-
Total liabilities, deferred inflows of resources, and fund balance	**$ 754,617**		
Net position:			
Net investment in capital assets		576,853	576,853
Unrestricted		(77,816)	(77,816)
Total net position		**$ 499,037**	**$ 499,037**

Supplementary Information
Downtown Development Authority
Statement of Revenue, Expenditures, and Changes in Fund Balance/Statement of Activities

Year Ended June 30, 2025

	Modified Accrual	Full Accrual Adjustments	Statement of Activities
Revenue			
Taxes	$ 530,474	$ -	$ 530,474
Other revenue	208,969	-	208,969
Total revenue	739,443	-	739,443
Expenditures			
Current services -			
General expenditures:			
Salaries and wages	146,217	3,024	149,241
Fringe benefits	78,588	(93,533)	(14,945)
Other current services	514,504	-	514,504
Depreciation	-	36,855	36,855
Debt service:			
Principal	50,000	(50,000)	-
Interest and fiscal charges	23,400	(602)	22,798
Total expenditures	812,709	(104,256)	708,453
Net Change in Fund Balance/Net Position	(73,266)	104,256	30,990
Fund Balance/Net Position - Beginning of year	787,086	(319,039)	468,047
Fund Balance/Net Position - End of year	**$ 713,820**	**$ (214,783)**	**$ 499,037**

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

Independent Auditor's Report

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Romulus, Michigan (the "City") as of and for the year ended June 30, 2025 and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 22, 2025.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph 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 Finding 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'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*.

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Empowering Business Globally

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

The City's Response to the Finding

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

Purpose of this Report

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

Plante & Moran, PLLC

December 22, 2025

Schedule of Findings and Questioned Costs

Year Ended June 30, 2025

Financial Statement Audit Findings

Reference Number	Finding
2025-001	**Finding Type -** Material weakness

Criteria - The City should have processes and controls in place to ensure proper financial reporting, which includes proper recording of all year-end journal entries, in accordance with generally accepted accounting principles (GAAP).

Condition - During our audit, we identified several journal entries that were required to be posted for the City's financial reporting to be compliant with generally accepted accounting principles.

Context - The journal entries affected the property and equipment and debt balances. These included material adjustments to capital asset balances in the Water and Sewer Fund, as well as adjustments to the TIFA full accrual fund. While not material, there were entries required to adjust debt balances within the Water and Sewer Fund and within governmental activities.

Cause - Although the City has processes and controls in place surrounding year-end close and the financial reporting function, those processes and controls did not ensure that the aforementioned activity was correctly reported.

Effect - If the auditor-identified entries mentioned above had not been recorded, the financial statements would have been materially misstated.

Recommendation - The City should have processes and controls in place to ensure all year-end entries are recorded in accordance with generally accepted accounting principles prior to the commencement of the audit.

Views of Responsible Officials and Planned Corrective Actions - The City will continue to focus on attempting to record all closing entries prior to the start of future audit periods.

Plante & Moran, PLLC
1098 Woodward Avenue
Detroit, MI 48226-1906
Tel: 313.496.7200
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plantemoran.com

December 22, 2025

To the Members of the City Council
and Management
City of Romulus, Michigan

We have audited the financial statements of the City of Romulus, Michigan (the "City") as of and for the year ended June 30, 2025 and have issued our report thereon dated December 22, 2025. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility Under U.S. Generally Accepted Auditing Standards

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

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

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

Our audit of the City's financial statements has also been conducted in accordance with *Government Auditing Standards*, issued by the Comptroller General of the United States. Under *Government Auditing Standards*, we are obligated to communicate certain matters that come to our attention related to our audit to those responsible for the governance of the City, including compliance with certain provisions of laws, regulations, contracts, and grant agreements; certain instances of error or fraud; illegal acts applicable to government agencies; and significant deficiencies in internal control that we identify during our audit. Toward this end, we issued a separate letter dated December 22, 2025 regarding 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.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our letter on planning matters dated October 16, 2025.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

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

The City adopted accounting policies related to GASB 101, *Compensated Absences*. This new standard changed the requirements for the estimation and disclosure of the compensated absence liability recorded by the City each year. The City's estimate of compensated absences did not change as a result of the adoption of this standard because its estimate is in line with the requirements and considerations described in GASB 101. Therefore, the accounting change has not been retrospectively applied to prior periods presented because the City was already compliant with the new standard's requirements.

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

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

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

The most sensitive estimates affecting the financial statements were the calculations of the net pension liability and the net OPEB liability.

Management's estimates of the net pension liability and the net OPEB liability are based on information provided by actuarial valuations, including projections of mortality, long-term investment rates of return, health care cost trend rates, and inflation, among others.

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

Difficulties Encountered in Performing the Audit

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

Disagreements with Management

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

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Audit adjustments that were material in the aggregate were corrected by management related to adjustments to debt and capital assets.

There was one uncorrected misstatement of the financial statements that was requested to be recorded, which ultimately reduced revenue and recorded unearned revenue for prepaid membership fees in the Romulus Athletic Center Fund by approximately $152 thousand, which would also affect governmental activities. Management has determined that the effect is immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

To the Members of the City Council
and Management
City of Romulus, Michigan

December 22, 2025

Significant Findings or Issues

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 22, 2025.

Management Consultations with Other Independent Accountants

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

This information is intended solely for the 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.

Very truly yours,

Plante & Moran, PLLC

William Brickey, CPA
Partner

APPENDIX F

FORM OF APPROVING OPINION

Founded in 1852
by Sidney Davy Miller

MILLER CANFIELD

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CANADA
MEXICO
POLAND
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QATAR

FORM OF APPROVING OPINION

Tax Increment Finance Authority of the City of Romulus
County of Wayne
State of Michigan

We have acted as bond counsel to the Tax Increment Finance Authority of the City of Romulus, County of Wayne, State of Michigan (the "Issuer") in connection with the issuance by the Issuer of bonds in the aggregate principal sum of $___________, designated Tax Increment Bonds, Series 2026 (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, subject to 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 Bonds are payable in the first instance from proceeds of certain tax increment revenues of the Issuer (the "Tax Increment Revenues"). The City of Romulus (the "City") has pledged its limited tax full faith and credit for the payment of the Bonds, should the Tax Increment Revenues prove insufficient for any reason, and, in order to make such payment, the City is obligated to advance, as a first budget obligation, moneys from its general fund for payment thereof and, if necessary, to levy ad valorem taxes upon all taxable property within its boundaries, subject to applicable constitutional, statutory and charter tax rate limitations.

3. The Bonds are of equal standing and priority of lien as to the Tax Increment Revenues with the Issuer's 2016 Tax Increment Refunding Bonds (Limited Tax General

Obligation). The Issuer reserves the right to issue additional bonds payable from Tax Increment Revenues to the extent permitted by law.

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

Except as stated in paragraph 4 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,

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APPENDIX G

FORM OF CONTINUING DISCLOSURE UNDERTAKING

CONTINUING DISCLOSURE UNDERTAKING

This Continuing Disclosure Undertaking (the "Undertaking"), is executed and delivered by the Tax Increment Finance Authority of the City of Romulus, County of Wayne, State of Michigan (the "Issuer") and the City of Romulus, County of Wayne, State of Michigan (the "City"), in connection with the issuance by the Issuer of its Tax Increment Bonds, Series 2026 (Limited Tax General Obligation) (the "Bonds"). The Issuer and the City covenant and agree 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 and the City 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 and the City hereby agree, 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 6th month after the end of the fiscal year of the City, 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 and the City relating to the Bonds (the "Official Statement") appearing in the tables in the Appendices to the Official Statement as described below:

Appendix A

a. Breakdown of Ad Valorem Taxable Valuation of the Development Area By Use and By Class;
b. Major Taxpayers Located Within the Development Area;
c. Tax Rates for Taxing Jurisdictions in Development Area;
d. Historical Assessed Value Growth, Tax Increment Revenues and Debt Service Coverage;

Appendix B

e. CITY TAXATION AND LIMITATIONS - Tax Rates - Five-Year History;
f. CITY TAXATION AND LIMITATIONS - City Wide Millages;
g. CITY TAXATION AND LIMITATIONS - SEV and Taxable Valuation - Five-Year History;
h. CITY TAXATION AND LIMITATIONS - Breakdown of Ad Valorem Taxable Valuation by Use and By Class;
i. CITY TAXATION AND LIMITATIONS - Property Tax Collection Record - Five-Year History;
j. CITY DEBT - Legal Debt Margin;
k. CITY DEBT - Debt Statement – City Direct Debt;
l. CITY DEBT - Employees' Retirement System;
m. CITY DEBT - General Fund Balance;
n. CITY DEBT - Other Post-Employment Benefits;
o. REVENUES FROM THE STATE OF MICHIGAN; and
p. ECONOMIC PROFILE- Top Ten Taxpayers.

(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 the City and their 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 and the City or by specific reference to documents available to the public through EMMA or filed with the SEC.

If the fiscal year of the Issuer or the City is changed, the Issuer or the City 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 and/or the City agree 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 or the City to provide the annual financial information with respect to the Issuer or the City described in subsection (b) above on or prior to the dates set forth in subsection (b) above.

(d) *Occurrence of Events*. The Issuer and the City agree 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 or the City, 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 the City, 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 or the City;
(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 or the City, 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 or City, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer or the City, 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 or the City, any of which reflect financial difficulties.

(e) *Materiality Determined Under Federal Securities Laws*. The Issuer and the City agree 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 Issuer and the City reserve the right to terminate their respective obligation to provide annual financial information and notices of material events, as set forth above, if and when the Issuer or the City is no longer 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 and the City agree that their 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 and the City's obligations hereunder and any failure by the City 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 and the City, provided that the Issuer and the City agree 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 City 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 or the City (such as independent legal counsel), but such interpretations may be changed in the future. If the accounting principles to be followed by the Issuer or the City 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 or the City 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 and the City have each caused this Undertaking to be executed by its authorized officer.

TAX INCREMENT FINANCE AUTHORITY OF THE CITY OF ROMULUS
County of Wayne, State of Michigan

By ____
Kevin Krause
Its: Director

CITY OF ROMULUS
County of Wayne, State of Michigan

By ____
Gary Harris
Its: Interim Finance Director

Dated: ________, 2026

APPENDIX H

SPECIMEM MUNICIPAL BOND INSURANCE POLICY

MUNICIPAL BOND INSURANCE POLICY

ISSUER: Policy No.: -N

BONDS: $ in aggregate principal amount of Effective Date:

Premium: $

SPECIMEN

ASSURED GUARANTY INC. ("AG"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") (as set forth in the documentation providing for the issuance of and securing the Bonds) for the Bonds, for the benefit of the Owners or, at the election of AG, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the Business Day next following the Business Day on which AG shall have received Notice of Nonpayment, AG will disburse to or for the benefit of each Owner of a Bond the face amount of principal of and interest on the Bond that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by AG, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of the principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in AG. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by AG is incomplete, it shall be deemed not to have been received by AG for purposes of the preceding sentence and AG shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, who may submit an amended Notice of Nonpayment. Upon disbursement in respect of a Bond, AG shall become the owner of the Bond, any appurtenant coupon to the Bond or right to receipt of payment of principal of or interest on the Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under the Bond, to the extent of any payment by AG hereunder. Payment by AG to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of AG under this Policy.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity unless AG shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment of principal or interest that is Due for Payment made to an Owner by or on behalf of the Issuer which has been recovered from such Owner pursuant to the United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means telephonic or telecopied notice, subsequently confirmed in a signed writing, or written notice by registered or certified mail, from an Owner, the Trustee or the Paying Agent to AG which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount and (d) the date such claimed amount became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer or any person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

AG may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee and the Paying Agent specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee and the Paying Agent, (a) copies of all notices required to be delivered to AG pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to AG and shall not be deemed received until received by both and (b) all payments required to be made by AG under this Policy may be made directly by AG or by the Insurer's Fiscal Agent on behalf of AG. The Insurer's Fiscal Agent is the agent of AG only and the Insurer's Fiscal Agent shall in no event be liable to any Owner for any act of the Insurer's Fiscal Agent or any failure of AG to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, AG agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to AG to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy.

This Policy sets forth in full the undertaking of AG, and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, (a) any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity and (b) this Policy may not be canceled or revoked. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW.

In witness whereof, ASSURED GUARANTY INC. has caused this Policy to be executed on its behalf by its Authorized Officer.

ASSURED GUARANTY INC.

By ______________________________
Authorized Officer

SPECIMEN

$45,000,000(1)
TAX INCREMENT FINANCE AUTHORITY
OF THE CITY OF ROMULUS
County of Wayne, State of Michigan
TAX INCREMENT BONDS, SERIES 2026
(Limited Tax General Obligation)

(1) **Preliminary, subject to change.**

DigitalMuni
www.digitalmuni.com