

CITY OF ANN ARBOR

June 30, 2025



Rehmann
EMPOWER YOUR PURPOSE

Our Agenda for Today

2



Team Members



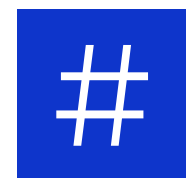
Questions



Board Communications



Financial Results



**Upcoming Accounting
Pronouncements**

Meet the People on Your Team

3



Daniel Clark, CPA

Client Relationship Principal



Dan Merritt, CPA

Signing Principal



Gen Mojares, CPA

Senior Manager



Tracey Kendall, CPA

Senior Manager

Board Communications

- 1** An unmodified opinion will be given on the 6/30/2025 financial statements
- 2** One new accounting pronouncement was adopted in FY25 – GASB 101, *Compensated Absences*
- 3** Accounting estimates by management were assessed and deemed reasonable
- 4** No difficulties were encountered during the audit
- 5** No material misstatements were noted. One immaterial passed adjustment was noted.
- 6** No material weaknesses or significant deficiencies were noted. One other matter was noted as an opportunity for strengthening internal controls.

Single Audit

1

An unmodified opinion will be given on the 6/30/2025 schedule of expenditures of federal awards (SEFA) totaling \$7.3m

2

Single audits were not able to be issued until recently due to the lack of a compliance supplement from OMB caused by the government shutdown. The OMB issued the compliance supplement on November 25, and we expect to issue the final single audit report shortly.

3

Report on compliance will be issued on the major program (COVID State and Local Fiscal Recovery Fund – ALN 21.027 totaling \$5.2m.

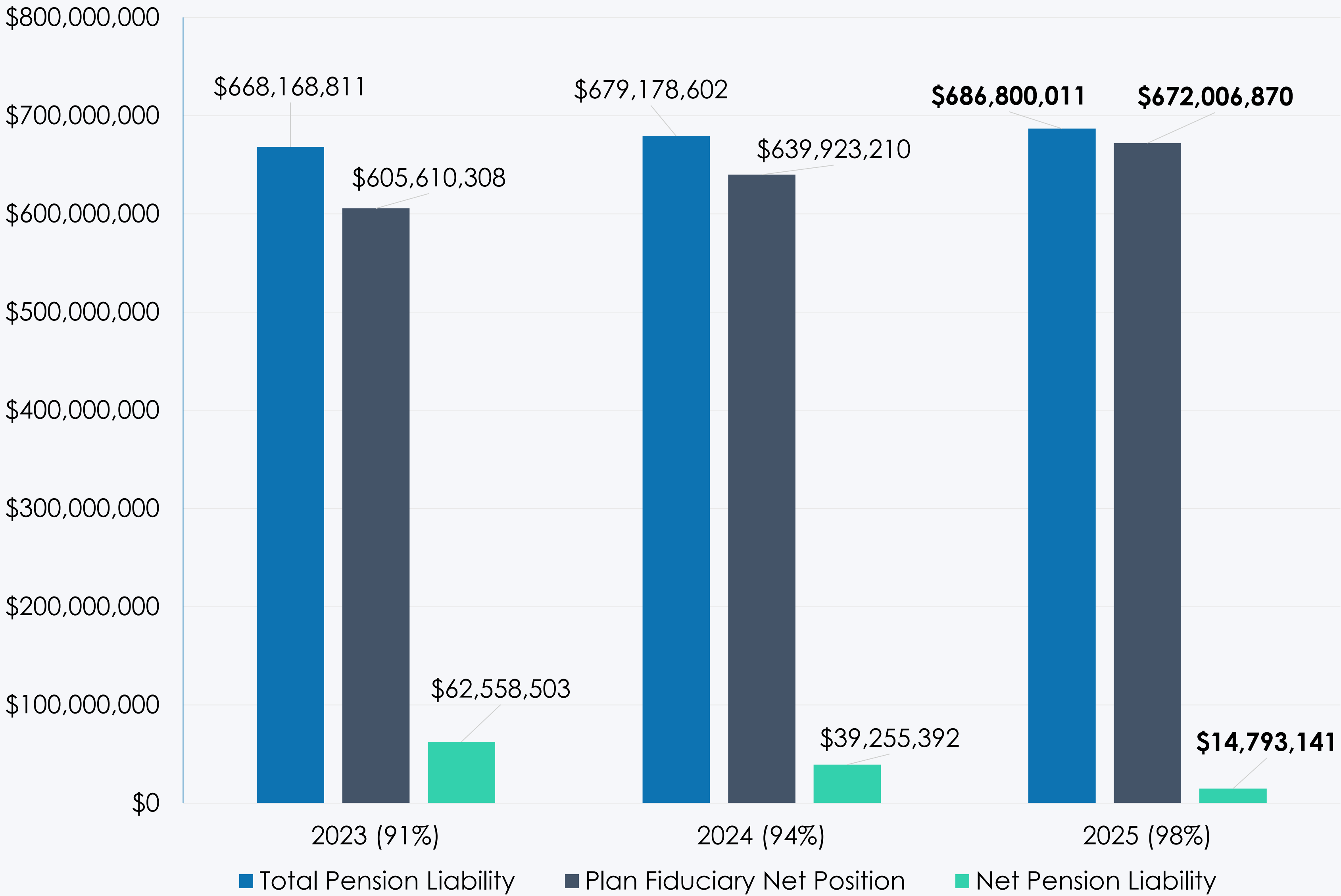
Assets and Deferred Outflows

	6/30/2025	6/30/2024	Variance
Cash and investments	\$422,633,000	\$399,780,000	\$32,489,000
Receivables	\$36,748,000	\$36,016,000	\$697,000
Other assets	\$13,390,000	\$15,723,000	(\$2,333,000)
Net capital asset	\$1,559,950,000	\$1,505,770,000	\$54,180,000
Net OPEB asset	\$10,026,000	-	\$10,026,000
Deferred outflows	\$32,158,000	\$36,224,000	(\$4,066,000)
Total	\$2,074,905,000	\$1,983,912,000	\$90,993,000

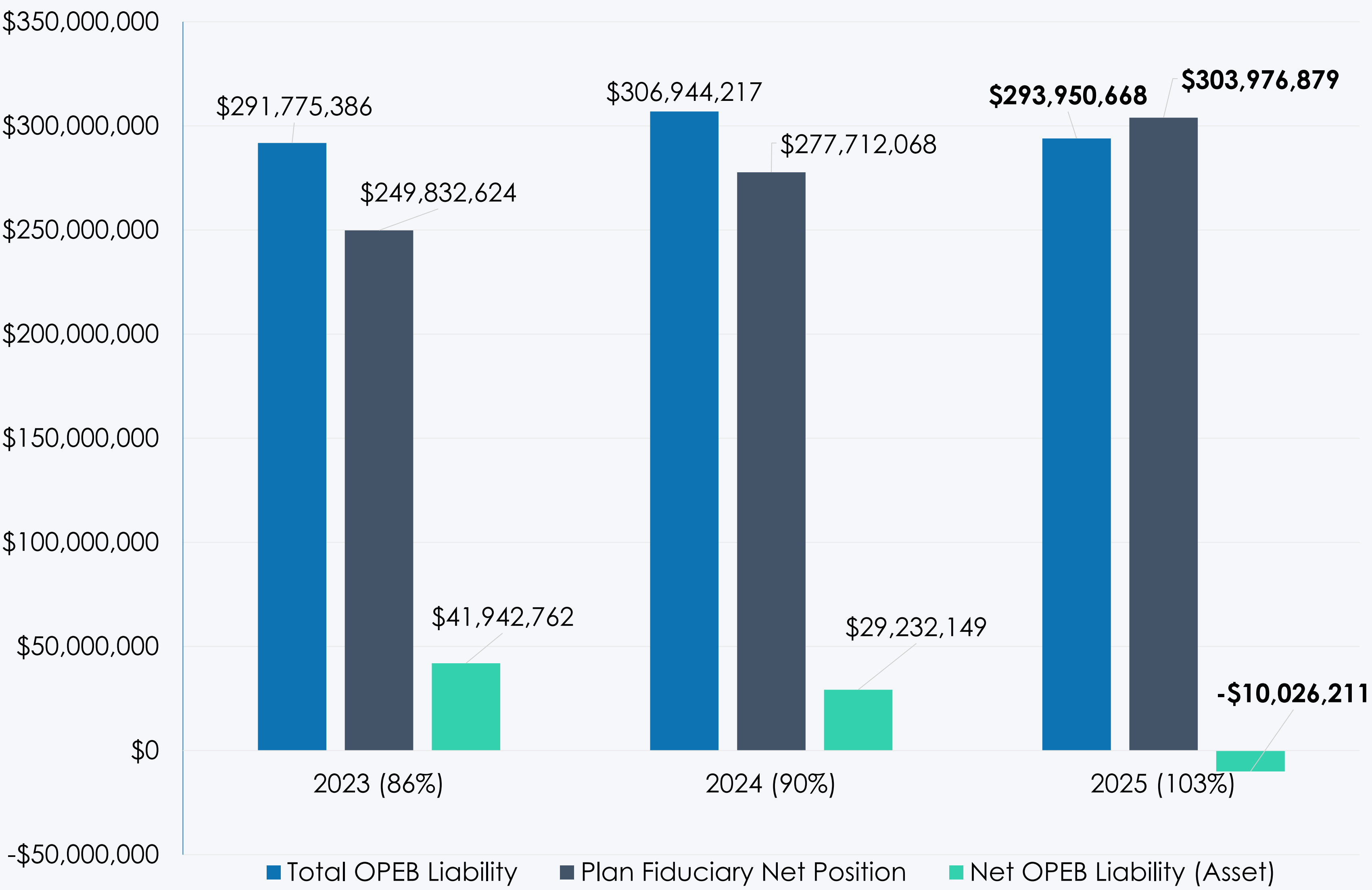
Liabilities and Deferred Inflows

	6/30/2025	6/30/2024	Variance
AP and accrued liabilities	\$54,276,000	\$54,745,000	(\$469,000)
Unearned revenue	\$3,773,000	\$8,968,000	(\$5,195,000)
Long-term debt	\$277,606,000	\$272,733,000	\$4,873,000
Net pension liability	\$14,793,000	\$39,255,000	(\$24,462,000)
Net OPEB liability	-	\$29,232,000	(\$29,232,000)
Deferred inflows	\$64,407,000	\$53,656,000	\$10,751,000
Total	\$414,855,000	\$458,589,000	(\$65,649,000)

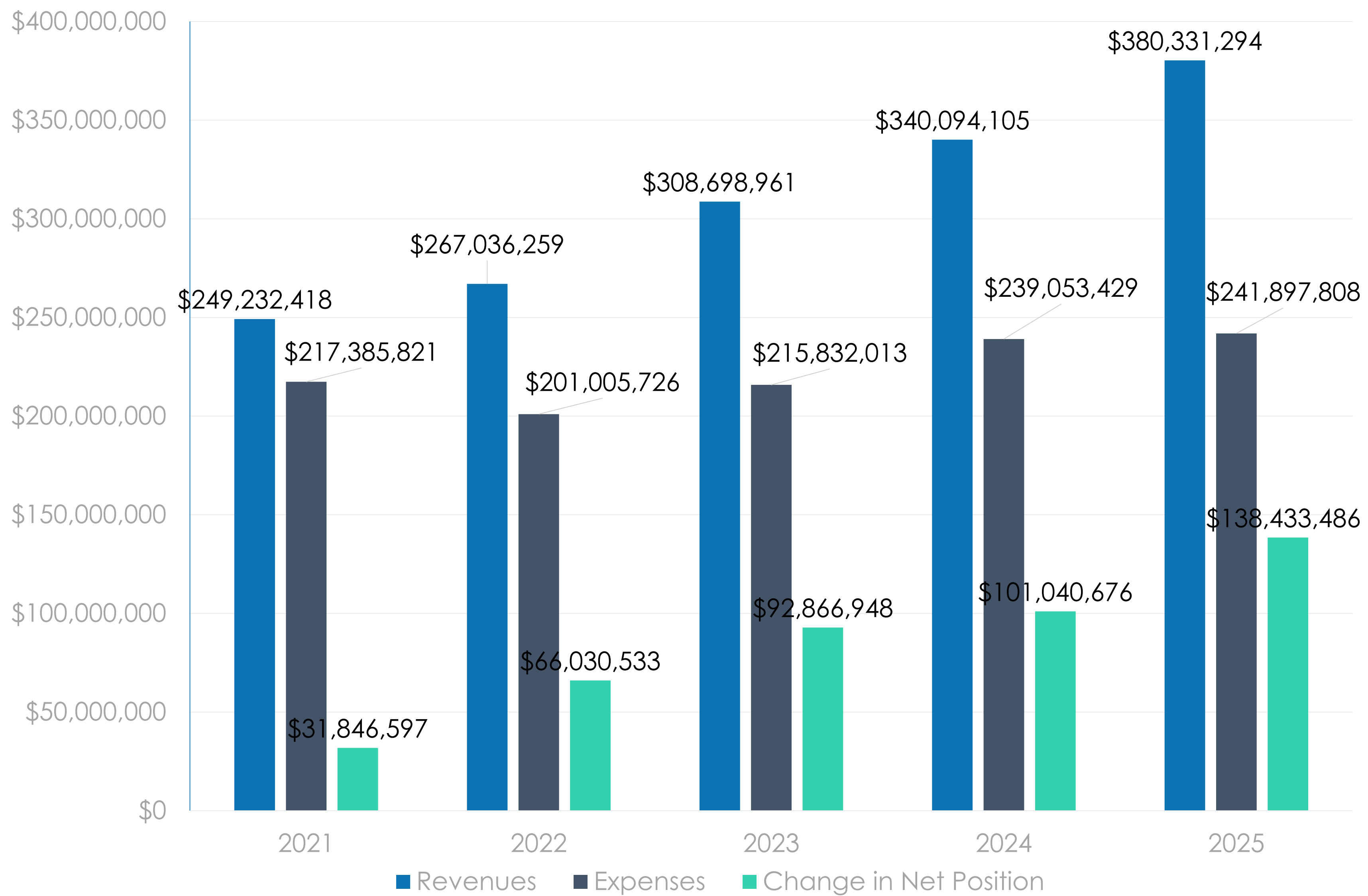
Net Pension Liability



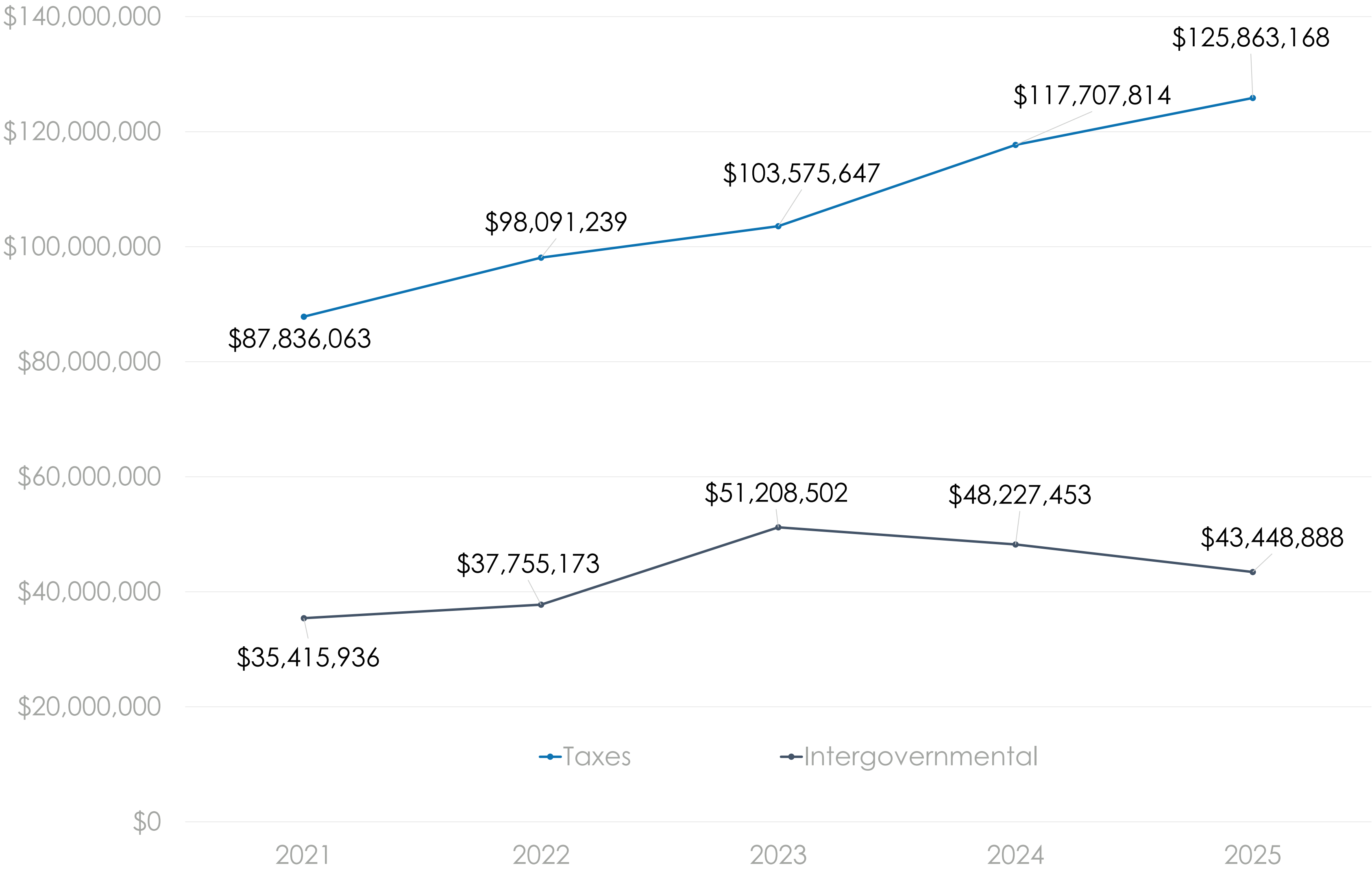
Net OPEB Liability (Asset)



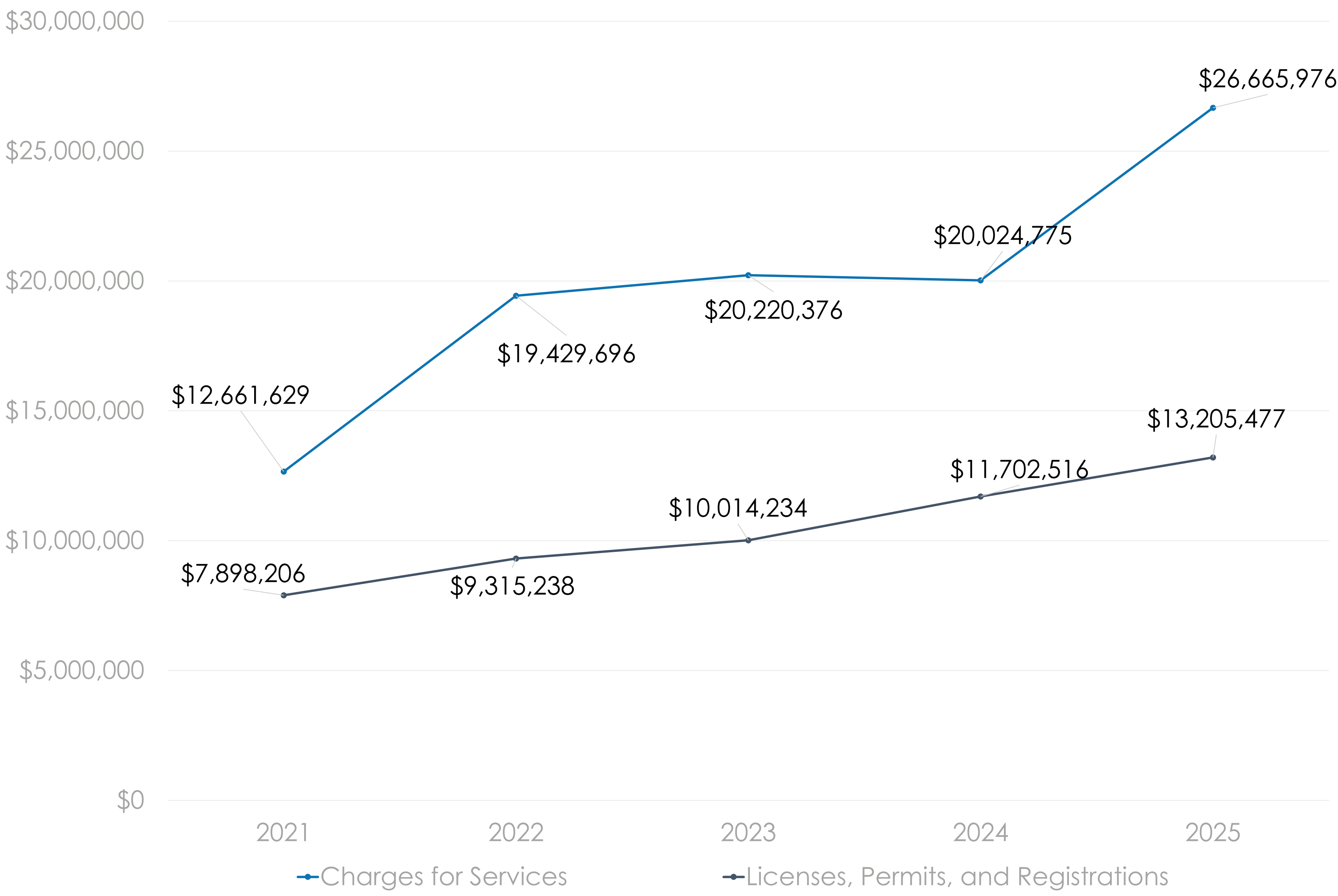
Revenues vs. Expenses (Government-Wide)



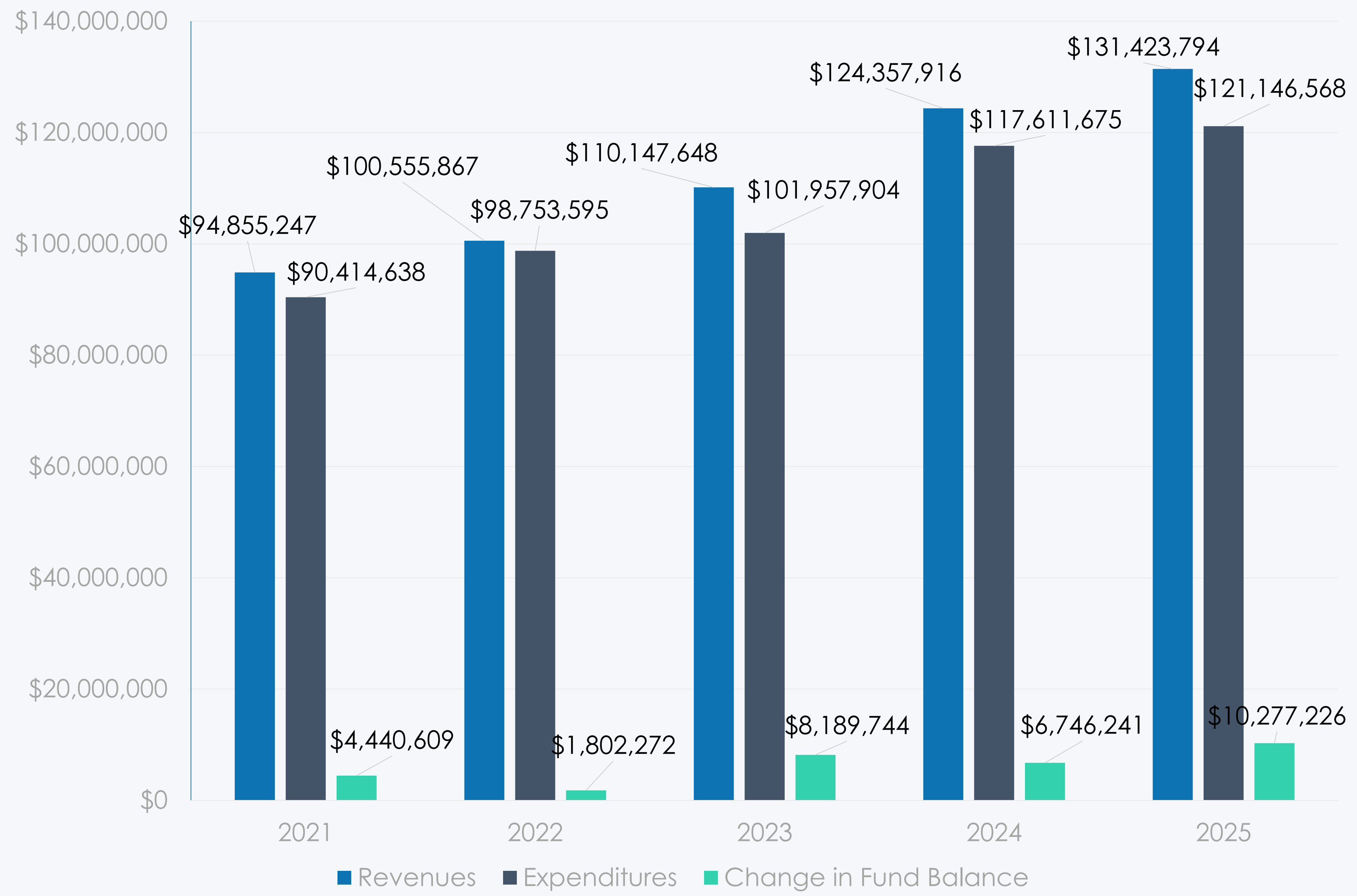
Major Revenue Line Items (Governmental Funds)



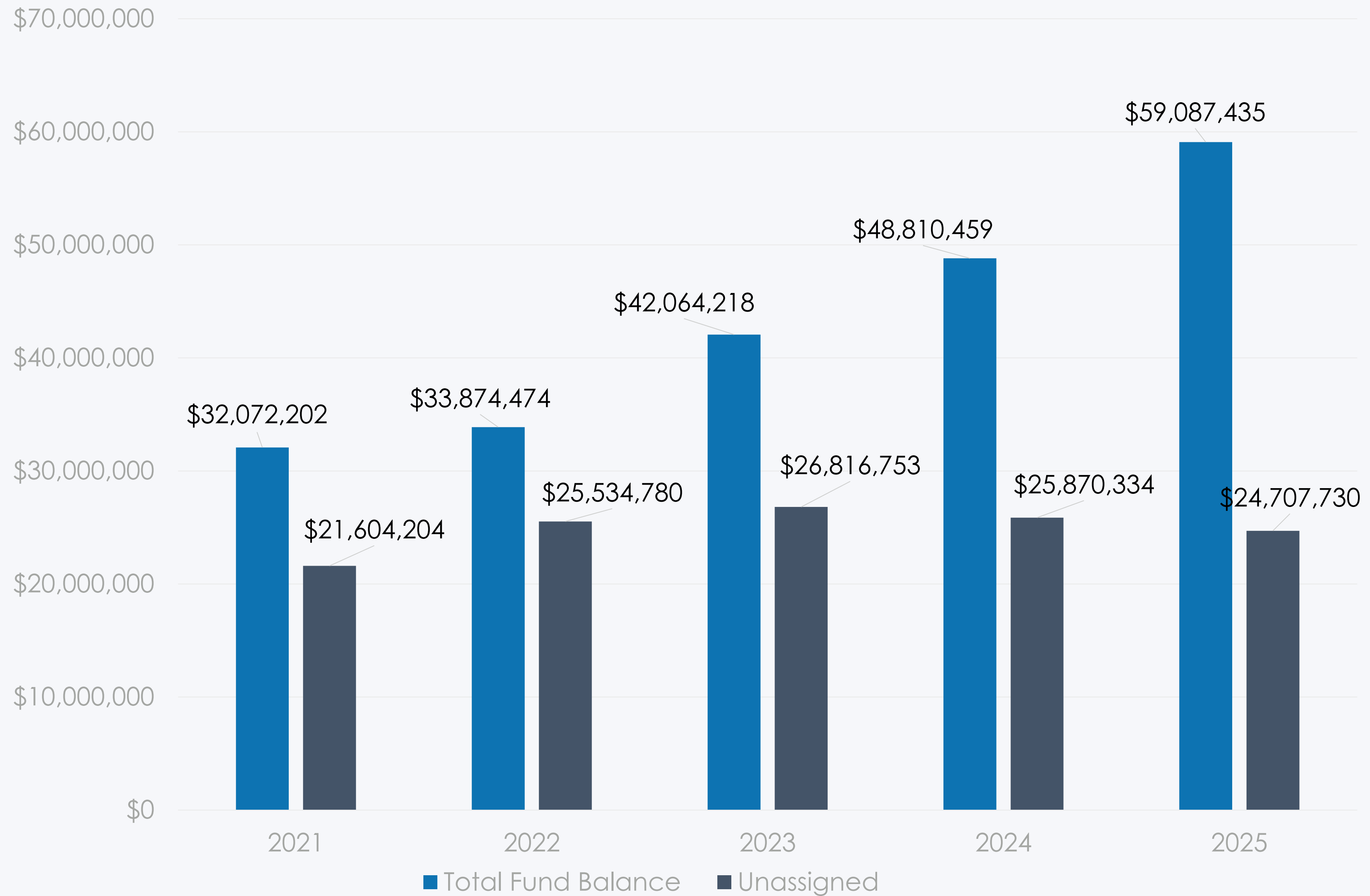
Major Revenue Line Items (Governmental Funds) (continued)



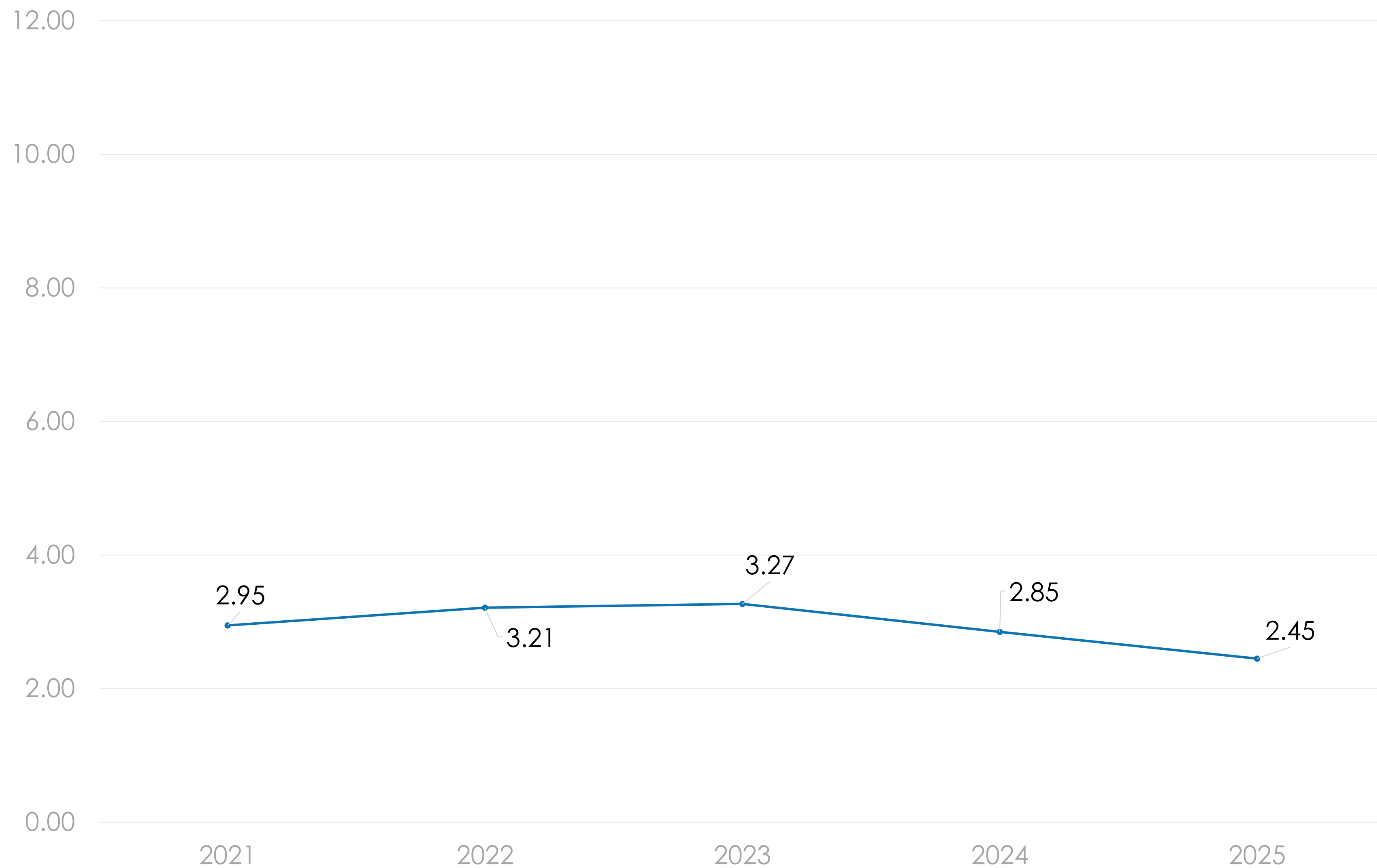
Revenues vs. Expenditures (General Fund)



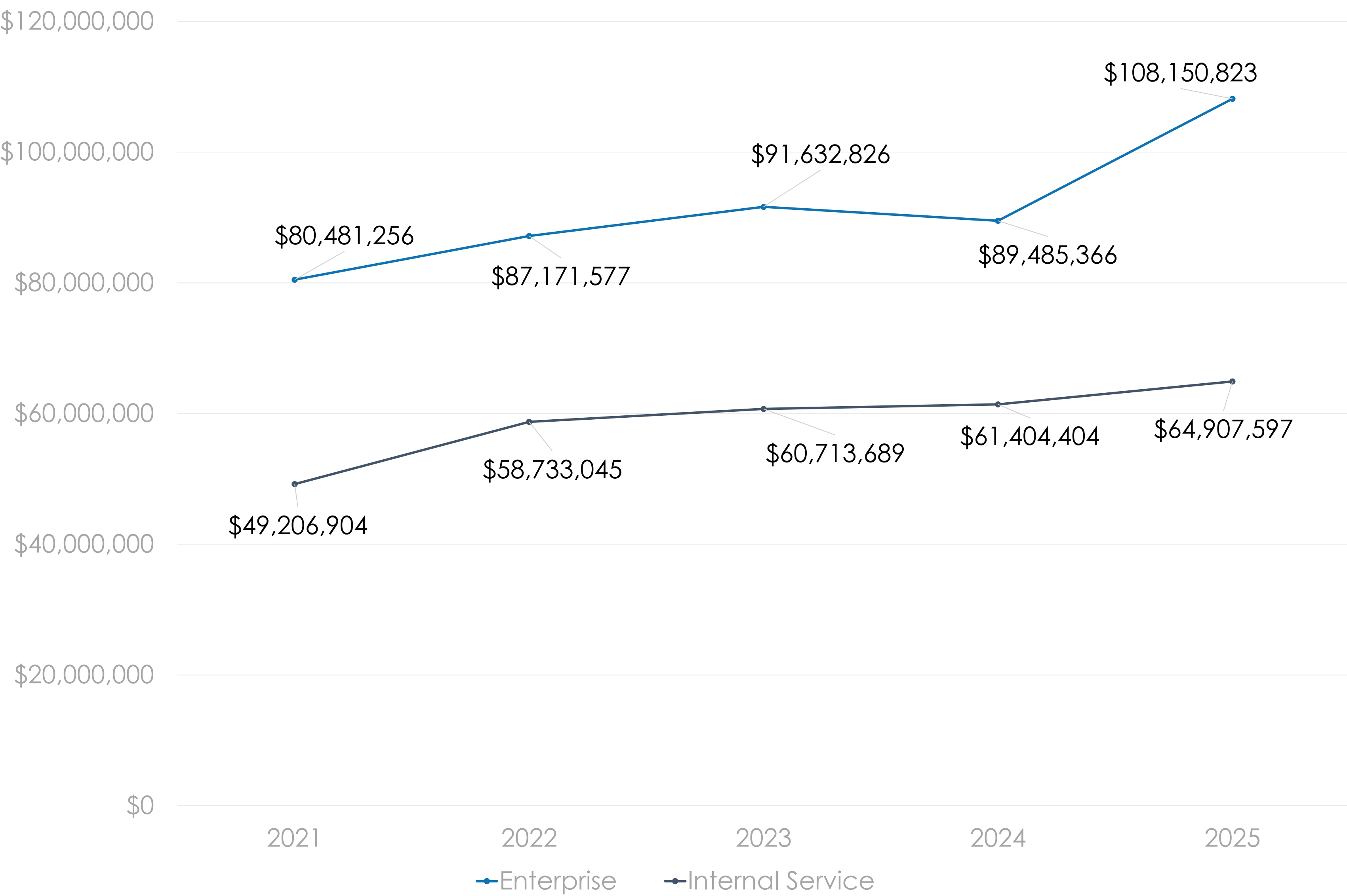
Fund Balance (General Fund)



General Fund Coverage Ratio (in months)



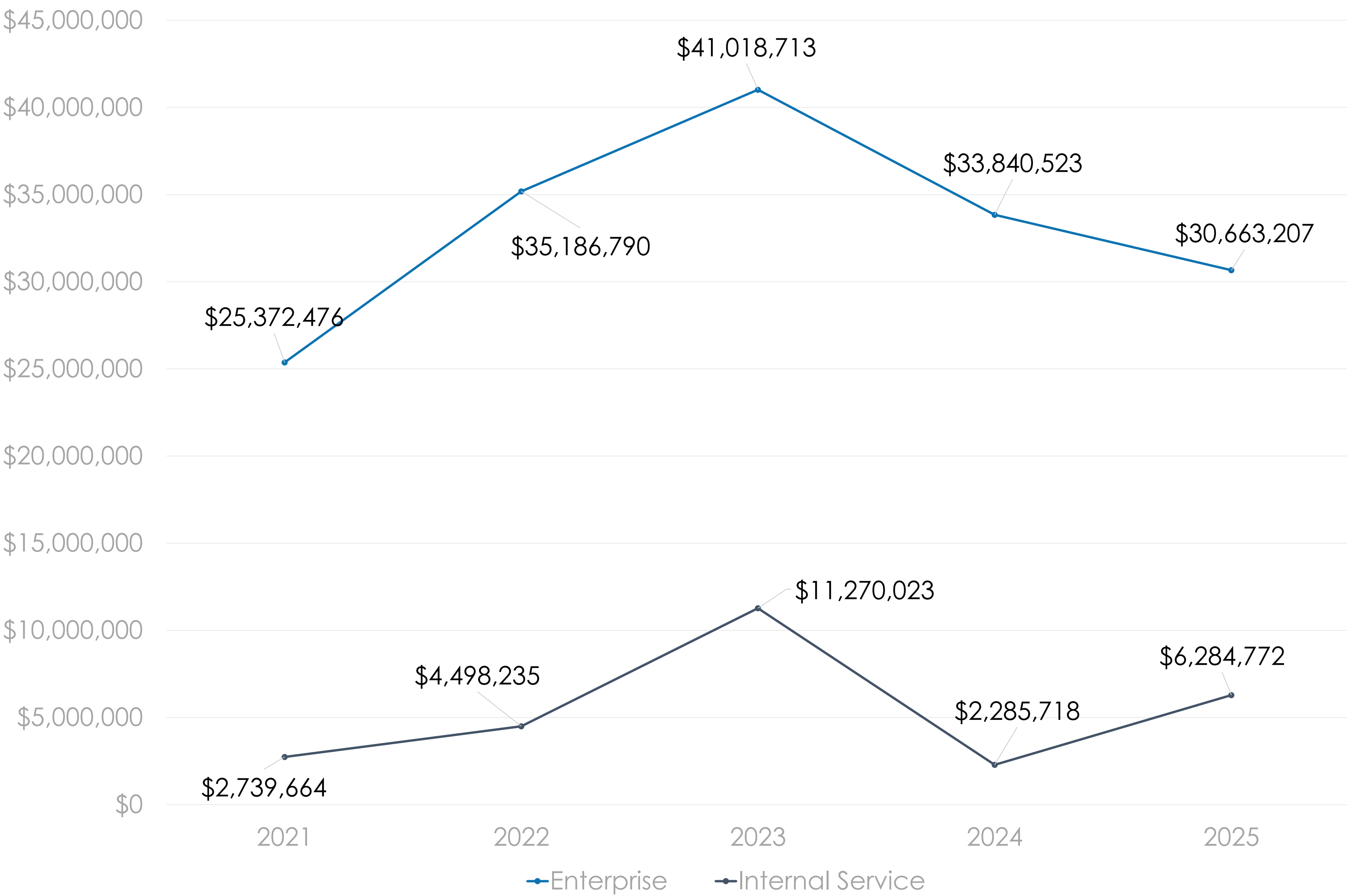
Charges for Services (Business-Type)



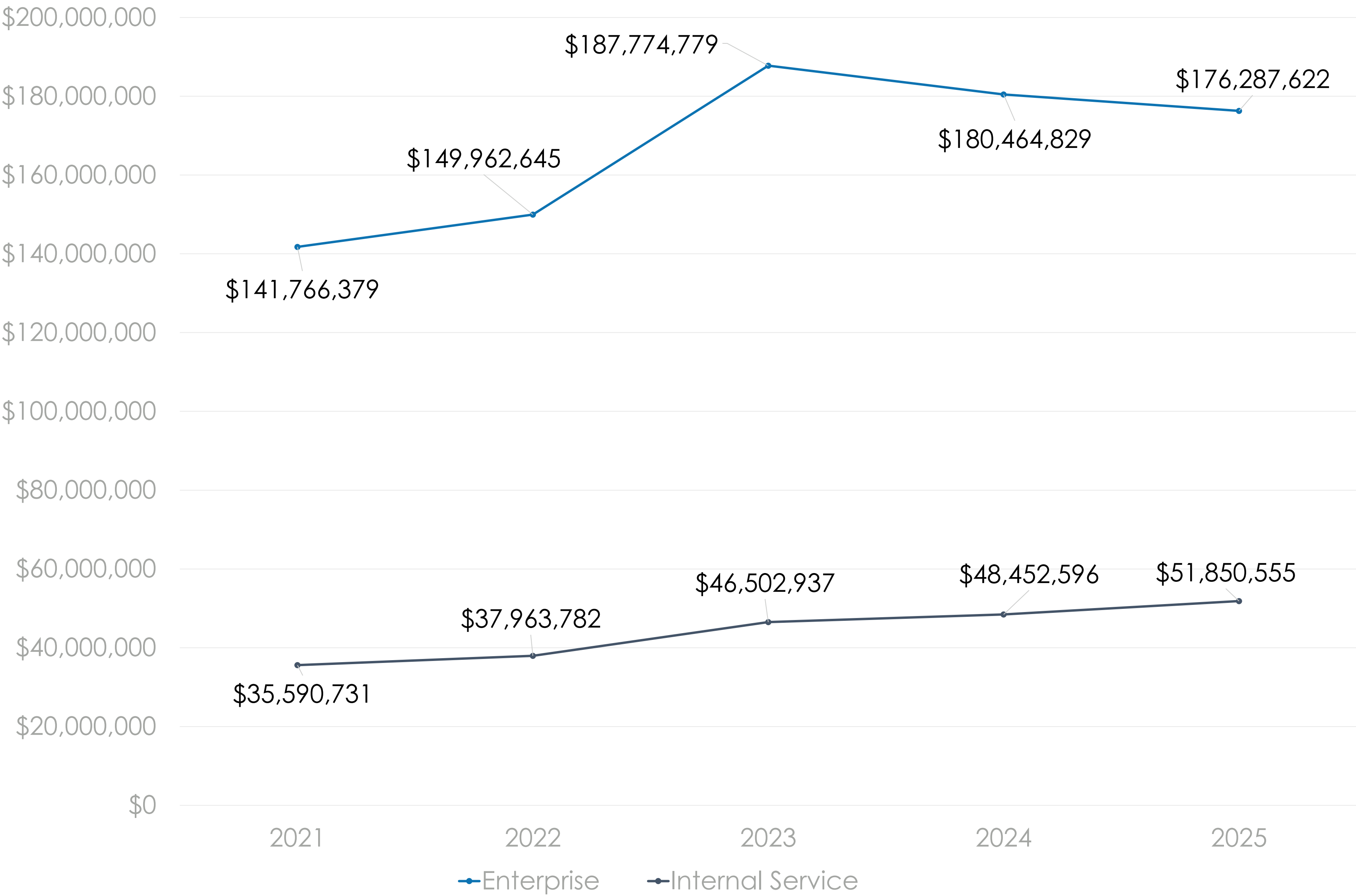
Net Cash Flow (Business-Type)



Operating Cash Flow (Business-Type)



Cash & Investment Balance (Business-Type)



Upcoming Accounting Pronouncements

20

1

GASB 103 – Financial Reporting Model Improvements (FY26)

2

GASB 104 – Disclosure of Certain Capital Assets (FY26)



QUESTIONS